

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

Basic Financial Statements  
and  
Accompanying Information  
for the year ended  
June 30, 2019

# SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

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## Report of Independent Auditor

To the Board of Trustees  
Spartanburg County School District Four  
Woodruff, South Carolina

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Spartanburg County School District Four (the "District") as of and for the year ended June 30, 2019, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position thereof and the respective budgetary comparisons for the general fund and the annually budgeted major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 12 and the required supplementary information schedules on pages 51 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Greenville, South Carolina  
November 19, 2019

## Management's Discussion and Analysis

This section of Spartanburg County School District Four's (the District) financial report presents our discussion and analysis of the financial performance of the District for the year ended June 30, 2019. This information should be read in conjunction with the audited financial statements included in this report.

### Financial Highlights

- The District's enrollment increased. During fiscal year 2019, average daily membership increased by 2.97 or 0.11% from the previous year.
- In March 2019, the District issued Bond Anticipation Notes (BAN) in the amount of \$1,200,000. \$600,000 of the proceeds were used repay BANs issued March 2018. The remaining proceeds will be used to renovate, repair and upgrade the District's facilities and upgrade technology and security cameras at all locations.
- The District's operating millage decreased to 4.6 mills to 184.0 for fiscal year 2019. The District's debt service millage decreased by 0.2 mills to 11.1 mills for fiscal year 2019.

### Overview of the Financial Statements

The audited financial statements of the District consist of five components. They are as follows:

- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplemental Information
- The supplemental section that presents combining and individual fund statements and schedules
- Single Audit

The Basic Financial Statements include two types of statements that present different views of the District's finances. The first is the government-wide statements. The government-wide statements are presented on the full accrual basis of accounting and include the statement of net position and the statement of activities. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflow of resources. Assets and liabilities are classified in the order of relative liquidity for assets and due date for liabilities. This statement provides a summary of the District's investment in assets and obligations to creditors. Liquidity and financial flexibility can be evaluated using the information contained in this statement. The statement of activities summarizes the District's revenues and expenses for the current year. A net (expense) revenue format is used to indicate to what extent each function is self-sufficient.

The second type of statement included in the basic financial statements is the fund financial statements, which are presented for the District's governmental funds. These statements present the governmental funds on the modified accrual basis of accounting, measuring the near term inflows and outflows of financial resources and what is available at year-end to spend in the next fiscal year. The fund financial statements focus on the District's most significant funds. Because a different basis of accounting is used in the government-wide statements, reconciliation from the governmental fund financial statements to the government-wide statements is required. The government-wide statements provide information about the District as an economic unit, while the fund financial statements provide information on the financial resources of the District's major funds.

## Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflow of resources, liabilities and deferred inflow of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position, the difference between the District's assets and liabilities, is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating.
- To assess the District's overall health, additional non-financial factors such as changes in the District's property tax base and the condition of its school buildings and other physical assets should be considered.

The District's activities in the government-wide statements consists of:

- **Governmental activities:** The District's basic services are included here, such as regular and special education, transportation, and administration. Local property taxes, state funding and federal financial assistance finance most of these activities.

## Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- The general fund is always shown as a major fund.
- Some funds are required by State law to be presented as major, such as the Education Improvement Act Fund.
- The District established other funds to control and manage money for a particular purpose or to show that it is properly using certain revenues, such as in the Federal Grant funds.

Spartanburg County School District Four has two types of funds:

**Governmental funds:** The District's basic services are included in the governmental funds, which generally focus on two things – how cash and other assets can readily be converted to cash flow in and out and the balances left at year-end that are available for spending. As a result of this focus, the governmental funds statements provide a detailed short-term view that helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided in the form of a reconciliation to explain the relationship (or differences) between them. The District has several governmental funds: the General Fund, the Special Revenue Funds, the Education Improvement Act Fund, the School Building Fund, the Debt Service Fund, and the Food Service Fund.



Agency funds: The District is the fiduciary for its agency fund, the Pupil Activity Fund. The agency fund is custodial in nature and does not involve measurement of results of operations. The agency fund accounts for classroom fees, student fundraisers, admissions to athletic events and student club memberships.

### Financial Analysis of the District as a Whole

Net position is an indicator of the fiscal health of the District. Total net position increased between fiscal years 2019 and 2018 by \$562 or 0.003%.

Below is a summary of the statement of net position:

**TABLE 1**  
**Condensed Statement of Net Position**  
**As of June 30, 2019 and 2018**  
**Governmental Activities**

	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>% Change</u>
Current assets	\$ 15,597,878	\$ 14,138,466	10.3%
Capital assets	23,666,663	24,241,804	(2.3%)
Total assets	<u>39,264,541</u>	<u>38,380,270</u>	<u>2.3%</u>
Deferred outflow of resources	<u>5,457,115</u>	<u>5,625,793</u>	<u>(3.0%)</u>
Current liabilities	2,966,377	2,459,399	20.6%
Long-term liabilities	56,852,828	56,185,070	1.2%
Total liabilities	<u>59,819,205</u>	<u>58,644,469</u>	<u>2.0%</u>
Deferred inflow of resources	2,481,101	2,940,806	(15.6%)
Net investment in capital assets	23,049,251	23,021,804	(0.1%)
Restricted net position	270,503	303,953	(11.0%)
Unrestricted net position	<u>(40,898,404)</u>	<u>(40,904,969)</u>	<u>0.0%</u>
 Total net position	 <u>\$ (17,578,650)</u>	 <u>\$ (17,579,212)</u>	 <u>0.0%</u>

The District's current assets increased by \$1,459,412 or 10.3%. Of this increase, \$1,164,853 relates to an increase in cash, cash equivalents and investments. Cash, cash equivalents and investments increased because the District's state revenues increased due to an increase in the base student cost and an increase in average daily membership. Also, tax revenues exceeded expectations by \$466,892. In addition, receivables, which is composed of taxes receivable, accounts receivable and due from other governments, increased by \$305,763. This increase resulted because accounts were not settled prior to year end. Net capital assets decreased by \$575,141 or 2.3%. This decrease results because depreciation expense and disposals exceeded new additions to capital assets for the year. Current liabilities increased by \$506,978 or 20.6%. This increase results because bond anticipation notes increased from \$600,000 to \$1,200,000. Long-term liabilities increased by \$667,758 or 1.2%. The increase in long-term liabilities is due to an increase in the District's proportionate share of the net pension liability of the State Retirement System in the amount of \$55,153 and the District's proportionate share of the State's other post-employment benefits (OPEB) liability in the amount of \$1,230,017. This increase was offset by a decrease of \$617,412 in long-term liabilities due in more than one year. The District's net position increased by \$652. This increase is

due to the fact that the increase in current assets was able to offset the increases in current and long-term liabilities.

**TABLE 2**  
**Condensed Statement of Revenues, Expenses, and**  
**Changes in Net Position**  
**As of June 30, 2019 and 2018**

	Governmental Activities		
	6/30/2019	6/30/2018	% Change
Revenues:			
Program revenues:			
Charges for services	\$ 296,122	\$ 298,716	(0.9%)
Operating grants and contributions	17,909,460	17,589,615	1.8%
General revenues:			
Property taxes levied for:			
General purposes	11,041,501	10,194,468	8.3%
Debt service	678,941	611,089	11.1%
Investment income	257,614	142,718	80.5%
Miscellaneous	23,128	34,178	(32.3%)
Sale of capital assets	(14,264)	-	(100.0%)
Total revenues	<u>30,192,502</u>	<u>28,870,784</u>	<u>4.5%</u>
Governmental activities:			
Instruction	17,286,066	17,271,993	0.1%
Support services	11,535,095	10,968,305	5.2%
Community service	90,035	86,473	4.1%
Intergovernmental	261,856	72,986	258.8%
Interest and fees	59,990	51,685	16.1%
Total expenses	<u>29,233,042</u>	<u>28,451,442</u>	<u>2.7%</u>
Increase in net position before transfers	959,460	419,342	128.8%
Transfers	(958,898)	(910,557)	5.3%
Change in net position	<u>562</u>	<u>(491,215)</u>	<u>1001.1%</u>
Beginning net position	(17,579,212)	7,828,132	
Cumulative effect of change in accounting Principle	-	(24,916,129)	
Beginning net position, restated	<u>(17,579,212)</u>	<u>(17,087,997)</u>	
Ending net position	<u>\$(17,578,650)</u>	<u>\$(17,579,212)</u>	

Total governmental activities generated revenues of \$30,192,502, which represents a 4.5% increase from the prior year. The increase results because state funding increased in 2019. In addition, the District's assessed value increased resulting in additional property tax revenue for general purpose and debt service of \$480,375 or a 3.4% increase.

Total governmental activities expenses increased from \$28,451,442 to \$29,233,042, which represents a 2.7% increase. This increase in expenses is due to mandatory salary increases that were required

by the state and the mandatory increases in retirement matching expense and health insurance expense. Therefore, the net increase in expenses was \$781,600.

Transfers between the governmental funds and the agency funds increased by \$48,341 or 5.3%. These transfers are used to help supplement the activities of the agency funds, mostly to help cover salaries, benefits and contracted services paid by the agency fund.

### **Financial Analysis of the District's Funds**

The District's governmental funds reported a combined fund balance of \$12,653,779, an increase of \$589,224 from the prior year. The District's General Fund had revenues and other financing sources that exceeded expenditures and other financing uses by \$1,259,434. The District received additional state revenue due to an increase in the base student cost of the General Fund. In addition, the District's assessed value increased. This resulted in additional property tax revenue. Also, the District continued cost savings measures.

The District's School Building Fund had expenditures and other financing uses that exceeded revenue and other financing sources by \$652,251. This occurred because the district used funds already on hand along with money transferred from the general fund during the current year to pay for various projects at all schools. These projects included locker room renovations at Woodruff High School, technology upgrades at all locations, repaving project at Woodruff Middle School and new phone system for all locations.

The District's other governmental funds had expenditures and other financing uses that exceeded revenues and other financing sources by \$17,959. The District's other governmental funds are composed of the Food Service Fund and the Debt Service Fund. The fund balance for the Food Service Fund decreased by \$44,654, while the fund balance for the Debt Service Fund increased by \$26,695. The decrease in the Food Service Fund resulted because the District upgraded equipment at all locations in the amount of \$39,768. The fund balance of the Debt Service Fund increased due to the fact that the District's tax collections were greater than anticipated.

### **General Fund Budgetary Highlights**

The District did not amend its fiscal year 2019 budget. The base student cost increased, as did the average daily membership of the District. As a result, actual State revenues exceeded budgeted revenues by \$680,696. Budgeted local revenues exceeded expectations by \$522,025. The District's tax millage decreased to 184.0 mills, from 188.6mills. However, the District's assessed value increased. In addition, interest income on excess cash on hand increased due to improved interest rates and more excess cash on hand. Actual expenditures were less than budgeted expenditures by \$1,496,122. This resulted because cost savings measures implemented in fiscal year 2010 were continued and the District continued to fund many positions and expenditures with grant funding. The District budgeted to have other financing uses to exceed other financing sources by \$185,404. The financing uses actually exceeded financing sources by \$1,201,527. This resulted because the District's Board approved a transfer out to the building fund of \$1,200,000 that had not been budgeted.

## Capital Assets

Capital assets, net of depreciation, decreased by \$575,141 or 2.3% from the previous year. This was due to the fact that the depreciation expense and disposals for the year exceeded capital additions. Major additions this year included locker room renovation at Woodruff High School, repaving project at Woodruff Middle School, new phone system for all locations and 7 acres of land purchased on Cross Anchor Highway. The following is a summary of the capital assets, net of depreciation at year-end.

**Table 3**  
**Summary of Capital Assets**  
**As of June 30, 2019 and 2018**

	<u>06/30/2019</u>	<u>6/30/2018</u>
Land	\$ 2,071,425	\$ 1,953,870
Construction in progress	-	119,709
Land Improvements	2,698,227	2,791,626
Buildings and Improvements	16,121,142	16,567,786
Equipment and Vehicles	<u>2,775,869</u>	<u>2,808,813</u>
Total	<u>\$ 23,666,663</u>	<u>\$ 24,241,804</u>

## Debt Outstanding

As of June 30, 2019, the District had general obligation bonded indebtedness outstanding of \$617,412. Also, the District issued bond anticipation notes in the amount of \$1,200,000, which are still outstanding as of June 30, 2019. More detailed information about the District's debt is presented in the Notes to the Financial Statements.

## Economic Factors

The District anticipates enrollment over the next couple years to remain stable. As a result, no additional classroom space is currently needed. However, the District does expect to see growth in four to five years. As a result, the District is in the process of a facilities feasibility study. The purpose of the study is to determine whether the District's existing facilities could be renovated and/or expanded or does the District need a new school.

County and state funding is a major source of income for the District; therefore, both the County's economic outlook and the State's economic outlook directly affect that of the District. The following factors affect the economic outlook of Spartanburg County and the State.

- The County's tax base continues to grow positively.
- The County's unemployment rate as of September 2019 was 1.6%. This is a decrease from September 2018's unemployment rate of 3.0%. The State's unemployment rate for September 2019 is 1.8%. This is a decrease from the September 2018 rate of 3.3%.
- The County's employment was 149,980 for September 2019. The employment for the prior year was 140,369.

**Requests for Information**

This report is intended to provide a summary of the financial condition of Spartanburg County School District Four. Questions or requests for additional information should be addressed to:

Chris Benfield, Business Manager  
Spartanburg County School District Four  
118 McEdco Road  
Woodruff, SC 29388

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
STATEMENT OF NET POSITION  
JUNE 30, 2019

Exhibit A

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$ 1,723,108
Investments	11,919,632
Taxes receivable, net	1,081,768
Accounts receivable	41,572
Due from other governments	793,689
Inventory	38,109
Capital assets:	
Nondepreciable	2,071,425
Depreciable	21,595,238
Total Assets	39,264,541
<b>Deferred Outflow of Resources</b>	
Deferred outflow related to state OPEB	1,525,378
Deferred outflow related to state pension	3,931,737
Total Deferred Outflow of Resources	5,457,115
<b>Liabilities</b>	
Accounts payable	335,538
Bond anticipation note payable	1,200,000
Accrued interest payable	11,760
Due to other governments	101
Payroll withholdings and accruals	720,493
Unearned revenue	81,073
Long-term liabilities:	
Due within one year	617,412
Net Other post-employment benefits	25,314,618
Net pension liability	31,538,210
Total Liabilities	59,819,205
<b>Deferred Inflow of Resources</b>	
Deferred inflow related to state OPEB	2,070,998
Deferred inflow related to state pension	410,103
Total Deferred Inflow of Resources	2,481,101
<b>Net Position</b>	
Net investment in capital assets	23,049,251
Restricted for food service	270,503
Unrestricted	(40,898,404)
Total Net Position	\$ (17,578,650)

The notes to the financial statements are an integral part of this statement.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2019

Exhibit B

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental activities:				
Instruction	\$ 17,286,066	\$ 19,165	\$ 13,613,392	\$ (3,653,509)
Support services	11,535,095	276,957	3,947,865	(7,310,273)
Community services	90,035	-	86,347	(3,688)
Intergovernmental	261,856	-	261,856	-
Debt service:				
Interest and fees	59,990	-	-	(59,990)
Total governmental activities	<u>29,233,042</u>	<u>296,122</u>	<u>17,909,460</u>	<u>(11,027,460)</u>
Total Primary Government	<u>\$ 29,233,042</u>	<u>\$ 296,122</u>	<u>\$ 17,909,460</u>	<u>\$ (11,027,460)</u>
General revenues:				
Property taxes levied for:				
General purposes				11,041,501
Debt service				678,941
Investment income				257,614
Miscellaneous				23,128
Transfers				(958,898)
Sale of capital assets				(14,264)
Total general revenues				<u>11,028,022</u>
Change in net position				<u>562</u>
Net position - beginning				<u>(17,579,212)</u>
Net position - ending				<u>\$ (17,578,650)</u>

The notes to the financial statements are an integral part of this statement.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2019

Exhibit C

	General	Special Revenue Fund	Education Improvement Act	School Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	\$ 1,675,740	\$ -	\$ -	\$ -	\$ 47,368	\$ 1,723,108
Investments	7,945,192	-	-	3,627,261	347,179	11,919,632
Taxes receivable, net	462,088	-	-	-	12,786	474,874
Accounts receivable	4,239	35,013	-	-	2,320	41,572
Due from other funds	1,303,381	-	12,770	-	-	1,316,151
Due from other governments	297,387	464,162	8,189	-	23,951	793,689
Inventory	-	-	-	-	38,109	38,109
<b>Total Assets</b>	<b>\$ 11,688,027</b>	<b>\$ 499,175</b>	<b>\$ 20,959</b>	<b>\$ 3,627,261</b>	<b>\$ 471,713</b>	<b>\$ 16,307,135</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 335,538	\$ -	\$ -	\$ -	\$ -	\$ 335,538
Bond anticipation note payable	-	-	-	1,200,000	-	1,200,000
Due to other funds	12,770	438,960	-	729,146	135,275	1,316,151
Due to other governments	-	-	101	-	-	101
Payroll withholdings and accruals	720,493	-	-	-	-	720,493
Unearned revenues	-	60,215	20,858	-	-	81,073
<b>Total Liabilities</b>	<b>1,068,801</b>	<b>499,175</b>	<b>20,959</b>	<b>1,929,146</b>	<b>135,275</b>	<b>3,653,356</b>
<b>Fund Balances</b>						
Nonspendable - inventory	-	-	-	-	38,109	38,109
Restricted - food service fund	-	-	-	-	270,503	270,503
Assigned - construction of capital assets	-	-	-	1,698,115	-	1,698,115
Assigned - debt service	-	-	-	-	27,826	27,826
Unassigned	10,619,226	-	-	-	-	10,619,226
<b>Total Fund Balances</b>	<b>10,619,226</b>	<b>-</b>	<b>-</b>	<b>1,698,115</b>	<b>336,438</b>	<b>12,653,779</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 11,688,027</b>	<b>\$ 499,175</b>	<b>\$ 20,959</b>	<b>\$ 3,627,261</b>	<b>\$ 471,713</b>	<b>\$ 16,307,135</b>

The notes to the financial statements are an integral part of this statement.



SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF NET POSITION  
 JUNE 30, 2019

Amounts reported for governmental activities in the statement of net position are different because:

Ending fund balance - governmental funds	\$ 12,653,779
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	23,666,663
Interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues.	(11,760)
Property taxes receivable will be collected this year, but are not available soon enough to pay for current period.	606,894
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(617,412)
Net pension liability is not due nor payable in the current period and, therefore, is not reported in the funds.	(31,538,210)
Net other post-employment benefits liability is not due nor payable in the current period and, therefore, is not reported in the funds.	(25,314,618)
Deferred outflows of resources related to other post-employment benefits	1,525,378
Deferred outflows of resources related to pension.	3,931,737
Deferred inflows of resources related to pension.	(410,103)
Deferred inflows of resources related to other postemployment benefits.	<u>(2,070,998)</u>
Net position of governmental activities	<u>\$ (17,578,650)</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2019

	General	Special Revenue Fund	Education Improvement Act	School Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Local	\$ 7,180,753	\$ 282,978	\$ -	\$ 63,972	\$ 901,124	\$ 8,428,827
Intergovernmental	-	85,516	-	-	-	85,516
State	15,756,621	593,593	2,021,074	-	55,096	18,426,384
Federal	-	1,619,706	-	-	1,267,656	2,887,362
<b>Total Revenues</b>	<b>22,937,374</b>	<b>2,581,793</b>	<b>2,021,074</b>	<b>63,972</b>	<b>2,223,876</b>	<b>29,828,089</b>
<b>Expenditures</b>						
<b>Current:</b>						
Instruction	12,263,282	1,385,341	1,244,633	442,227	-	15,335,483
Support services	8,023,516	858,249	77,481	516,864	1,527,498	11,003,608
Community service	4,211	86,347	-	-	-	90,558
Intergovernmental	-	251,856	10,000	-	-	261,856
Capital outlay	-	-	-	927,797	-	927,797
Debt service	-	-	-	29,335	632,600	661,935
<b>Total Expenditures</b>	<b>20,291,009</b>	<b>2,581,793</b>	<b>1,332,114</b>	<b>1,916,223</b>	<b>2,160,098</b>	<b>28,281,237</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>2,646,365</b>	<b>-</b>	<b>688,960</b>	<b>(1,852,251)</b>	<b>63,778</b>	<b>1,546,852</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	770,697	-	5,823	1,200,000	-	1,976,520
Transfers out	(2,158,898)	-	(694,783)	-	(81,737)	(2,935,418)
Sale of capital assets	1,270	-	-	-	-	1,270
<b>Total Other Financing Sources (Uses)</b>	<b>(1,386,931)</b>	<b>-</b>	<b>(688,960)</b>	<b>1,200,000</b>	<b>(81,737)</b>	<b>(957,628)</b>
<b>Net Change in Fund Balances</b>	<b>1,259,434</b>	<b>-</b>	<b>-</b>	<b>(652,251)</b>	<b>(17,959)</b>	<b>589,224</b>
<b>Fund Balance - July 1, 2018</b>	<b>9,359,792</b>	<b>-</b>	<b>-</b>	<b>2,350,366</b>	<b>354,397</b>	<b>12,064,555</b>
<b>Fund Balance - June 30, 2019</b>	<b>\$ 10,619,226</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,698,115</b>	<b>\$ 336,438</b>	<b>\$ 12,653,779</b>

The notes to the financial statements are an integral part of this statement.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - total governmental funds	\$ 589,224
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense of \$1,413,259 exceeded capital asset additions of \$853,651 in the current period.	(559,608)
The net effect of transactions involving capital assets (i.e. sales) is to decrease net assets.	(15,533)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Delinquent tax receivable	378,677
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	602,588
The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an expense. The fund financial statements report pension contributions net of employee contributions as an expenditure.	(605,830)
The cost of other post employment benefits earned net of employee contributions is reported in the Statement of Activities as an expense. The fund financial statements report other postemployment benefits net of employee contributions as an expenditure.	(388,313)
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources. Some expenses 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:	
Accrued interest	(643)
Change in net position of governmental activities	<u>\$ 562</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL - GENERAL FUND AND ANNUALLY BUDGETED SPECIAL REVENUE FUNDS  
YEAR ENDED JUNE 30, 2019

	General Fund				Special Revenue Fund				Education Improvement Act			
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
<b>Revenues</b>												
Local	\$ 6,658,728	\$ 6,658,728	\$ 7,180,753	\$ 522,025	\$ -	\$ -	\$ 282,978	\$ 282,978	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	85,516	85,516	-	-	-	-
State	15,075,925	15,075,925	15,756,621	680,696	-	-	593,593	593,593	551,501	551,501	2,021,074	1,469,573
Federal	-	-	-	-	2,070,778	2,070,778	1,619,706	(451,072)	-	-	-	-
<b>Total Revenues</b>	<b>21,734,653</b>	<b>21,734,653</b>	<b>22,937,374</b>	<b>1,202,721</b>	<b>2,070,778</b>	<b>2,070,778</b>	<b>2,581,793</b>	<b>511,015</b>	<b>551,501</b>	<b>551,501</b>	<b>2,021,074</b>	<b>1,469,573</b>
<b>Expenditures</b>												
Current:												
Instruction	13,220,633	13,220,633	12,263,282	957,351	1,757,394	1,757,394	1,385,341	372,053	-	-	1,244,633	(1,244,633)
Support services	8,545,498	8,545,498	8,023,516	521,982	313,384	313,384	858,249	(544,865)	-	-	77,481	(77,481)
Community service	1,000	1,000	4,211	(3,211)	-	-	86,347	(86,347)	-	-	-	-
Intergovernmental	20,000	20,000	-	20,000	-	-	251,856	(251,856)	-	-	10,000	(10,000)
<b>Total Expenditures</b>	<b>21,787,131</b>	<b>21,787,131</b>	<b>20,291,009</b>	<b>1,496,122</b>	<b>2,070,778</b>	<b>2,070,778</b>	<b>2,581,793</b>	<b>(511,015)</b>	<b>-</b>	<b>-</b>	<b>1,332,114</b>	<b>(1,332,114)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(52,478)</b>	<b>(52,478)</b>	<b>2,646,365</b>	<b>2,698,843</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>551,501</b>	<b>551,501</b>	<b>688,960</b>	<b>137,459</b>
<b>Other Financing Sources (Uses)</b>												
Transfers in	919,000	919,000	770,697	(148,303)	-	-	-	-	-	-	5,823	5,823
Transfers out	(1,104,404)	(1,104,404)	(2,158,898)	(1,054,494)	-	-	-	-	(551,501)	(551,501)	(694,783)	(143,282)
Sale of capital assets	-	-	1,270	1,270	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(185,404)</b>	<b>(185,404)</b>	<b>(1,386,931)</b>	<b>(1,201,527)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(551,501)</b>	<b>(551,501)</b>	<b>(688,960)</b>	<b>(137,459)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (237,882)</b>	<b>\$ (237,882)</b>	<b>1,259,434</b>	<b>\$ 1,497,316</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund Balance - July 1, 2018			9,359,792									
Fund Balance - June 30, 2019			\$ 10,619,226				\$ -				\$ -	

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2019

Exhibit H

	<u>Agency Funds</u>
Assets	
Cash and equivalents	\$ 235,618
Total Assets	<u>\$ 235,618</u>
Liabilities	
Accounts payable	\$ 12,157
Due to pupil activities	173,136
Due to other governments	<u>50,325</u>
Total Liabilities	<u>\$ 235,618</u>

The notes to the financial statements are an integral part of this statement.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies****A. Reporting Entity**

Spartanburg County School District Four (the "District") is located in the southwestern part of Spartanburg County, South Carolina and is the largest school district in land area in Spartanburg County. The District operates a public school system under guidelines approved by the U.S. Department of Education and consists of four major schools. The School District is fully accredited by the Advance Accreditation Commission, formerly Southern Association of Colleges and Schools.

For financial reporting purposes, the District includes all funds that are controlled by or financially dependent upon the District. Controlled by or financial dependence was determined on the basis of obligation of the District to finance deficits, guarantee of debt, selection of governing authority, approval of budget, authority to make a public levy, ownership of assets, and scope of public service and special financing relationships where there was only partial or no oversight responsibility. These financial statements exclude the related organization in Note 18 because the District does not significantly influence operations of the organization nor is the related organization accountable to the District for its fiscal operations.

**B. Basis of Presentation**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government. Eliminations have been made to minimize the effect of internal activities upon revenues and expenses. Governmental activities generally are financed through intergovernmental revenues and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

*Fund Financial Statements:* The fund financial statements provide information about the District's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds. Fiduciary funds are reported by fund type.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies (continued)****B. Basis of Presentation (continued)**

The District reports the following major governmental funds:

**General Fund**

The General Fund is used to account for all financial transactions, in support of the educational process, which are not recorded in other funds.

**Special Revenue Fund**

The Federal, State and Local Special Revenue Fund is used to account for entitlements, grants and similar funds provided by the state, federal government and local sources for various educational programs.

**Education Improvement Act**

The Education Improvement Act Fund is used to account for the proceeds of the additional one percent sales and use tax, which are restricted to expenditures for the Education Improvement Act standards.

**School Building Fund**

The School Building Fund is a capital projects fund used to account for the financial transactions relating to construction, renovation, and installment of equipment and acquisition of land. The most common sources of revenue in this fund are the sale of bonds and State Building Fund Aid.

The District reports the following non-major governmental funds:

**School Food Service Fund**

The School Food Service Fund is used to account for operations of providing breakfast and lunch to the District's students and employees at minimal cost. Costs are financed or recovered through reimbursements from the federal government and limited user fees.

**Debt Service Fund**

The Debt Service Fund is used to finance and account for payments of principal and interest on bonded indebtedness of the District.

The District reports the following fiduciary fund:

**Agency Fund - Pupil Activity Funds**

The Pupil Activity Funds are established as an agency fund of the schools to account for the net position, revenues, expenditures and transfers of various school activities administered for the general welfare of the students and completion of certain planned objectives and special programs of school groups.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies (continued)****C. Measurement Focus and Basis of Accounting**

*Government-wide Financial Statements.* The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include grants and donations. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental Fund Financial Statements.* Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. These could include federal, state, and county grants, and some charges for services. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments and compensated absences, which are recognized as expenditures in governmental funds. Proceeds from the issuance of long-term debt are reported as other financing sources.

*Fiduciary Fund Financial Statements.* Fiduciary funds are reported using the accrual basis of accounting. Revenues are recorded when earned and expenditures are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

**D. Budgetary Data**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The District superintendent submits to the local school Board of Trustees an operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Any revisions to transfer budgeted amounts between departments or that alter the total expenditures of any fund must be approved by the Board.
3. Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Fund. The Food Service Fund did not use an operating budget for the current fiscal year.
4. Budgeted amounts are as amended by the District. The District reports the annual budget of all funds on the modified accrual basis of accounting.



## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies (continued)****E. Assets, Liabilities and Fund Equity****Cash Management**

At June 30, 2019, the District utilizes a cash management system whereby the District's excess of deposits over operating disbursements is invested in short-term interest-bearing investments. As operating disbursements are presented to the financial institution for payment, District funds are automatically transferred from the investment accounts to the checking account in order to maintain a zero balance in the checking accounts.

**Cash and Cash Equivalents**

The District considers cash equivalents to be short-term highly liquid investments that are (a) readily convertible to known amounts of cash and (b) are so near to maturity that they present negligible risk of changes in value because of changes in interest rates. Examples of cash equivalents are certificates of deposits, money market funds and other short-term investments that mature within three months of acquisition.

**Pooled Cash and Investments**

The monies for the Debt Service Fund, School Building Fund, Food Service Fund and Pupil Activity Funds are deposited and maintained in individual, segregated bank accounts. The District uses a pooled general bank account for the General Fund, Federal, State and Local Special Revenue Fund and Education Improvement Act Fund. The pooled bank account is recorded in the General Fund. The equity interests in the pool belonging to Federal, State and Local Special Revenue Fund and Education Improvement Act Fund are maintained in the account(s) due from (to) the General Fund. These amounts will be settled from collections of reimbursements under grant programs from the Federal and State Governments and local sources.

**Cash with Fiscal Agent**

The Spartanburg County Treasurer, fiscal agent for the District, receives local, state and federal monies from taxpayers 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 institutions agent in the name of Spartanburg County. Fair value approximates cost on the investments at June 30, 2019.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies (continued)**E. Assets, Liabilities and Fund Equity (continued)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. Vehicle property taxes are levied on various dates in conjunction with the renewal dates of vehicle license tags. The tax books are open for collection September 1, with the first penalty of 3% applied to payments made after January 15, the due date. An additional penalty of 5% 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 executed to the Delinquent Tax Collector at which time an additional 5% penalty is assessed. Spartanburg County bills and collects the District's property taxes. The District's property tax revenues are recognized when they become revenues in the hands of the Spartanburg County Treasurer's office.

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the District for the 2018 tax levy was assessed at \$55,790,519.

The District's operating tax rate is currently 184.0 mills with an additional 11.1 mills for debt retirement.

Taxes Receivable

Taxes receivable (current and delinquent) of \$474,874 represent property taxes which have been collected and remitted to Spartanburg County Treasurer's office for its distribution to the District. Taxes receivable are accrued as revenue when they are considered to be both "measurable and available" as reported in the governmental fund financial statements.

At June 30, 2019, total unpaid delinquent taxes receivable for the General Fund and the Debt Service Fund were \$1,279,784 and \$86,443, respectively. Uncollectible amounts are estimated based upon past collection experience. Unpaid delinquent taxes receivable, net of allowance for uncollectibles of \$759,333, are reported at \$606,894, which is included in total taxes receivable of \$1,081,768 as reported in the government-wide financial statements.

Inventory

The District follows the practice of expensing supply items as they are purchased, with the exception of expenditures for inventory increases in the Food Service Fund, which are capitalized. Inventory in the Food Service Fund consists of purchased food supplies and United States Department of Agriculture ("USDA") donated food commodities. Inventories of purchased food and supplies are valued at cost (first-in, first-out). Inventory of USDA food commodities is valued as determined by current purchase price if known, otherwise at USDA value.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies (continued)****E. Assets, Liabilities and Fund Equity (continued)****Capital Assets**

The District's capital assets are recorded at original cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the asset. Assets acquired by gift or bequest are recorded at their fair value at the date of transfer. Capital assets are recorded as expenditures in the various funds at the time of purchase in the governmental fund financial statements.

It is the policy of the District to capitalize all capital assets costing more than \$5,000 with an estimated useful life of two or more years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	10-50
Equipment and vehicles	5-10
Land improvements	20

**Long-term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed in the year the related debt is acquired.

In the governmental fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Compensated Absences**

In accordance with state law, the District allows teachers to accumulate a maximum of ninety days sick leave. Accumulated sick leave is transferable to other school districts. During an illness, a teacher continues to receive full pay for each day of accumulated sick leave. After all sick leave is used, the teacher is removed from the payroll. If a teacher leaves the employment of the District, any unused sick leave is not paid to them. Because of the non-vesting of sick leave and other uncertainties, no estimate of any potential liability has been made.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies (continued)**E. Assets, Liabilities and Fund Equity (continued)Compensated Absences (continued)

Two weeks of vacation is given to all 12-month employees. Vacation is non-cumulative and employees are not paid for unused vacation days. Therefore, no provision or liability has been recorded.

Net Position/Fund Balance

Net position in the government-wide financial statements are classified as net investment in capital assets, restricted (if any) and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments, or imposed by law through state statute.

Fund balances are classified as follows:

Nonspendable – amounts that cannot be expended either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be expended only for specific purposes because of state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – amounts that can only be used for specific purposes imposed by formal action of the Board of Trustees. Amounts committed 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 it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by the Board of Trustees, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints are not considered to be legally enforceable.

Assigned – amounts that are designated by the District for specific purposes but do not meet the definition of restricted or committed fund balance. In the building fund and debt service fund, assigned amounts represent items designated for capital improvements and bond payments, respectively. Fund balance may be designated by the Board of Trustees or by their designee.

Unassigned – amounts that are not included in other spendable classifications.

The details of the fund balances are included in the Governmental Funds Balance Sheet. Restricted funds are first used as appropriate, followed by assigned funds to the extent that the expenditure authority has been appropriated or budgeted by the District's Board of Trustees.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 1 - Summary of Significant Accounting Policies (continued)**E. Assets, Liabilities and Fund Equity (continued)Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

New Pronouncements

The Governmental Accounting Standards Board issued the following statement which has been implemented by the District for the year ended June 30, 2019:

Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*: Effective for periods, beginning after June 15, 2018, this Statement was issued to improve the information that is disclosed in the notes to financial statements related to debt, including direct borrowings and direct placements. This Statement also clarifies which liabilities should be included when disclosing information related to debt. The adoption of this standard did not significantly impact the District's financial statements.

The Governmental Accounting Standards Board issued the following statements which are effective in future years:

Governmental Accounting Standards Board Statement No. 87, *Leases*: Effective for periods beginning after December 15, 2019, this Statement requires lessees to recognize certain lease assets and lease liabilities for leases that previously were classified as operating leases. The Statement requires the recognition of amortization expense for using the leased asset over the shorter of the term of the lease or the useful life of the underlying asset, interest expense on the lease liability, and note disclosures about the lease. The impact to the District upon adoption of this Statement is being evaluated by management.

Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*: Effective for periods beginning after December 15, 2018, this Statement improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The District is currently assessing the impact this Statement will have on the District's financial statements.

Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*: Effective for reporting periods beginning after December 15, 2019, this Statement requires interest costs incurred during a construction period be recognized as an expense in the period incurred for financial statements prepared using the economic resource measurement focus. This standard is not expected to have a material impact on the financial statements of the District.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 2 - Cash, Cash Equivalents and Investments**

State statutes authorize the District to invest in obligations of the United States and its agencies, general obligations (not revenue obligations) of the State of South Carolina and its political subdivisions, savings and loan associations to the extent of federal insurance, certificates of deposit collateralized secured, repurchase agreements secured by the foregoing obligations and the state treasurer's investment pool. In the opinion of management, there were no deposit or investment transactions occurring during the year that were in violation of either the state statutes or the policy of the District.

**1. Deposits**

All of the District's deposits are either insured or collateralized by the Dedicated Method. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the District's agents in the District's name. The District's cash and cash equivalents are held by multiple depositories. Cash and cash equivalents (demand deposits) consist of checking, savings, and money market accounts.

At June 30, 2019, the carrying amount of the District's cash and cash equivalents was \$1,958,726 and the bank balance was \$2,713,030. Of the bank balance, \$500,000 was covered by federal depository insurance while \$2,213,030 was covered by collateral.

*Custodial Credit Risk.* For deposits, it is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2019, all deposits are either insured or fully collateralized.

**2. Investments**

As required by Statement 31 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Certain Investments and for External Investments Pools*, the District's investments with a maturity of more than one year are carried at acquisition value and non-money market investments are carried at fair value as determined by quoted market prices. Investments that have a remaining maturity at the time of purchase of one year or less and non-participating interest earnings and investment contracts are reported at amortized cost.

The District's investments in the state treasurer's investment pool are stated at fair value. These investments are part of a pool of funds for which the collateral is not identified for each deposit, but rather for the fund as a whole. These investments are collateralized by cash or government and agency securities, which are fully guaranteed as to principal and interest by the federal government, but not in the name of the District.

As of June 30, 2019, the fair value of investments with the South Carolina State Investment Pool was \$11,919,632. These investments have a maturity of less than six months.

*Interest Rate Risk.* The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The District does not have a formal investment policy that would limit its investment choices; however, the District follows the state law that defines the investments permitted a governmental entity in the state of South Carolina. The South Carolina State Investment Pool is unrated.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 2 - Cash, Cash Equivalents and Investments (continued)**2. Investments (continued)

*Custodial Credit Risk.* The District does not have a custodial credit risk policy. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral that are in the possession of an outside party.

Following are the components of the District's book and fair values for cash and investments at June 30, 2019:

<u>Cash and Investments</u>	<u>Fair and Carrying Value</u>
Deposit:	
Demand deposits – Governmental Funds	\$ 1,723,108
Demand deposits – Agency Fund	<u>235,618</u>
	\$ <u>1,958,726</u>
Investments:	
South Carolina State Investment Pool	\$ <u>11,919,632</u>
	\$ <u>11,919,632</u>

*Fair Value.* Investments are reported at fair value and categorized within the fair value hierarchy established under accounting principles generally accepted in the United States of America. 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; Level 3 inputs are significant unobservable inputs. Gains or losses that result from market fluctuation are reported in the current period. As of June 30, 2019, the District's investments in the South Carolina State Investment Pool are valued using quoted prices in active markets (Level 1 inputs).

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 3 - Receivables and Unearned Revenue**

Receivables as of year-end for the government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds					Adjustment to Full Accrual	Government Wide
	General	Special Revenue	EIA	Non-major Governmental	Total		Total
Receivables:							
Taxes	\$ 462,088	\$ -	\$ -	\$ 12,786	\$ 474,874	\$ 606,894	\$ 1,081,768
Accounts receivable	4,239	35,013	-	2,320	41,572	-	41,572
Due from other governments	297,387	464,162	8,189	23,951	793,689	-	793,689
Net total receivables	<u>\$ 763,714</u>	<u>\$ 499,175</u>	<u>\$ 8,189</u>	<u>\$ 39,057</u>	<u>\$ 1,310,135</u>	<u>\$ 606,894</u>	<u>\$ 1,917,029</u>

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Unearned Revenue
Special Revenue Fund	\$ 60,215
Education Improvement Act Fund (hereafter "EIA Fund")	20,858
	<u>\$ 81,073</u>



## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 4 - Capital Assets**

Capital asset activity for the year ended June 30, 2019 was as follows:

	<u>Balance July 1, 2018</u>	<u>Acquisitions and Additions</u>	<u>Dispositions and Deletions</u>	<u>Balance June 30, 2019</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,953,870	\$ 117,555	\$ -	\$ 2,071,425
Construction in progress	119,709	-	119,709	-
Total capital assets not being depreciated	<u>2,073,579</u>	<u>117,555</u>	<u>119,709</u>	<u>2,071,425</u>
Capital assets being depreciated:				
Land improvements	4,972,150	160,425	-	5,132,575
Buildings and improvements	31,640,465	329,931	-	31,970,396
Equipment and vehicles	6,447,724	365,449	285,072	6,528,101
Total capital assets being depreciated	<u>43,060,339</u>	<u>855,805</u>	<u>285,072</u>	<u>43,631,072</u>
Less accumulated depreciation for:				
Land improvements	2,180,524	253,824	-	2,434,348
Buildings and improvements	15,072,679	776,575	-	15,849,254
Equipment and vehicles	3,638,911	382,860	269,539	3,752,232
Total accumulated depreciation	<u>20,892,114</u>	<u>\$ 1,413,259</u>	<u>\$ 269,539</u>	<u>22,035,834</u>
Total capital assets being depreciated, net	<u>22,168,225</u>			<u>21,595,238</u>
Governmental activity capital assets, net	<u>\$ 24,241,804</u>			<u>\$ 23,666,663</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 1,314,331
Support services	98,928
	<u>\$ 1,413,259</u>

**Note 5 - Accounts Payable and Accrued Liabilities**

Accounts payable consists of amounts due to vendors and contractors for goods or services received on or before the end of the year. No adjustments between the modified and full accrual basis of accounting were needed.

**Note 6 - Defined Benefit Pension Plans**Plan Descriptions

The District is a member of the South Carolina Retirement System ("SCRS") and the Police Officers Retirement System ("PORS"), two of four defined benefit retirement systems maintained by the Retirement Division of the Public Employee Benefits Association ("PEBA") of South Carolina. Each system publishes their component unit financial report.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 6 - Defined Benefit Pension Plans (continued)**Plan Descriptions (continued)

The systems provide retirement, disability, cost of living adjustments on an ad-hoc basis, life insurance and survivor benefits to state employees, public school employees, and employees of counties, municipalities, and certain other state political subdivisions. Each system is independent. Assets may not be transferred from one system to another or used for any purpose other than to benefit each system's participants.

A comprehensive annual financial report containing financial statements and required supplementary information for the SCRS and PORS is issued and publicly available by writing PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

Funding and Benefit Policies

Title 9 of the South Carolina Code of Laws of 1976 (as amended) prescribes requirements relating to membership, benefits, and employee/employer contributions for each system.

The following paragraphs summarize the requirements for the SCRS and PORS. They are a cost-sharing multiple-employer pension system that benefits employees of public schools, the State, and its political subdivisions. Membership is required as a condition of employment. Both employers and employees must contribute. Employees under SCRS contribute at 9.00%, while employees under PORS contribute at 9.75%. SCRS employers contribute at 14.41%, and PORS employers contribute at 16.84%. In addition to the above rates, participating employers of the SCRS contribute .15% and PORS employers contribute .20% of payroll to provide an incidental group life insurance benefit for their participants. In addition, participating employers of PORS contribute an additional .20% for accidental group life insurance benefit for participants. An additional employer contribution surcharge of 6.05% of covered payroll was added to the contribution rate to state and public school entities covered by the State Health Insurance Program. This assessment is for the purpose of providing retiree health insurance coverage and is not a part of the actuarially established contribution rates. The total contribution rate, including the group life insurance and health insurance surcharge, for the District was 20.61% for SCRS and 23.29% for PORS.

The District contributed for all plans the following for the current year and each of the preceding two years:

<u>Year Ended</u> <u>June 30</u>	<u>Employee</u> <u>Contributions</u>	<u>Employer</u> <u>Contributions</u>	<u>Total</u> <u>Contributions</u>
2019	\$ 1,193,953	\$ 1,911,719	\$ 3,105,672
2018	1,187,178	1,769,112	2,956,290
2017	1,122,143	1,478,732	2,600,875
Average number of members			<u>394</u>

Actuarially determined contribution requirements are equal to the actual contributions made to SCRS.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 6 - Defined Benefit Pension Plans (continued)**Pension Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflow of Resources

At June 30, 2019, the District reported a liability of \$31,538,210 for its proportionate share of the net pension liability of SCRS and PORS. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017. The District's proportion of the net pension liability was based on the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2018, the District's proportion was .140601% of the total SCRS pension liability and .001198% of the total PORS pension liability.

The District reported deferred outflows of resources and deferred inflows of resources related to the SCRS and PORS from the following sources at June 30, 2019:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on SCRS investments	\$ 501,125	\$ -
Assumption changes	1,252,151	-
Deferred amounts from changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	208,951	224,709
Contributions subsequent to the measurement date	1,911,595	-
Difference in expected and actual experience in measurement of pension liability	57,915	185,394
	<u>\$ 3,931,737</u>	<u>\$ 410,103</u>

The District's contributions subsequent to the measurement date of \$1,911,595 will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Total pension expense for the year ended June 30, 2019 was \$1,486,031.

The following schedule reflects the District's proportion of the amortization of the net balance of remaining deferred outflows and deferred inflows of resources of the SCRS and PORS at the measurement date of June 30, 2018:

<u>Measurement Period Ending June 30,</u>	<u>SCRS</u>	<u>PORS</u>
2019	\$ 1,162,908	\$ 4,865
2020	763,407	2,925
2021	(278,391)	(951)
2022	(44,172)	(552)
Net Balance of Deferred Outflows of Resources	<u>\$ 1,603,752</u>	<u>\$ 6,287</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

Notes to Financial Statements

June 30, 2019

**Note 6 - Defined Benefit Pension Plans (continued)**

Actuarial Assumptions

Actuarial valuations 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 during the valuation process 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 last experience study was performed on data through July 1, 2017.

The most recent annual actuarial valuation reports adopted by the Public Employee Benefit Authority Board and the South Carolina Budget and Control Board are as of July 1, 2017. The total pension liability in those reports was determined using the following actuarial assumptions, applied to all periods included in the measurement.

	<u>SCRS</u>	<u>PORS</u>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service)	3.5% to 9.5% (varies by service)
Inflation	2.25%	2.25%
Benefit adjustment	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

The post-retiree mortality assumption is dependent upon the member's job category and gender. This assumption includes base rates which are automatically adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 6 - Defined Benefit Pension Plans (continued)**Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments for actuarial purposes is based upon the 30 year capital market assumptions. The actuarial long-term expected rates of return represent best estimates of arithmetic real rates of return for each major asset class and were developed in coordination with the investment consultant for the Retirement System Investment Commission ("RSIC") using a building-block approach, reflecting observable inflation and interest rate information available in the fixed income markets as well as Consensus Economic forecasts. The actuarial long-term assumptions for other asset classes are based on historical results, current market characteristics and professional judgment.

The RSIC has exclusive authority to invest and manage the retirement trust funds' assets. As co-fiduciary of the SCRS, statutory provisions and governance policies allow the RSIC to operate in a manner consistent with a long-term investment time horizon. The expected real rates of investment return, along with the expected inflation rate, form the basis for the target asset allocation adopted annually by the RSIC. For actuarial purposes, the long-term expected rate of return is calculated by weighting the expected future real rates of return by the target allocation percentage and adding the actuarial expected inflation. For actuarial purposes, the 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes a 5.00% real rate of return and a 2.25% inflation component. The target asset allocations and the long-term expected real rates of return are as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Conservative fixed income	12%	0.10%
Diversified credit	18%	0.65%
Opportunistic	13%	0.48%
Real assets	10%	0.42%
Global equity	47%	3.38%
Total expected rate of return	<u>100%</u>	<u>5.03%</u>
Inflation for actuarial purposes		<u>2.25%</u>
Total expected nominal return		<u>7.28%</u>

Discount Rate

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

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 6 - Defined Benefit Pension Plans (continued)**Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following table presents the net pension liability of the District's calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1.00% lower (6.25%) or 1.00% higher (8.25%) than the current rate:

	<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>		
	<u>1.00% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1.00% Increase (8.25%)</u>
SCRS	\$ 40,256,523	\$ 31,504,264	\$ 25,247,135
PORS	\$ 45,763	\$ 33,946	\$ 24,266

**Note 7 - Postemployment Benefits Other Than Pensions**

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State of South Carolina provides postemployment health and dental and long-term disability benefits through the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), collectively referred to as the OPEB Trust Funds ("OPEB Trusts"), to retired State and school district employees and their covered dependents.

Plan Description

The OPEB Trusts were established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan. In accordance with Act 195, the OPEB Trusts are administered by the PEBA, Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee. The OPEB Trusts are cost-sharing, multiple-employer, defined benefit plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans.

Benefits

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 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.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 7 - Postemployment Benefits Other Than Pensions (continued)**Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, Insurance Benefits and participating retirees to PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA, Insurance Benefits. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The covered payroll surcharge for the year ended June 30, 2019 was 6.05%.

The SCRS collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments. Employer contributions 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. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree healthcare expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs.

SCLTDITF benefits are funded through a person's premium charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2019. The SCLTDITF premium is billed monthly by PEBA, Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

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.

Total required employer contributions to the SCRHITF and SCLTDITF from the District were \$941,862 and \$10,790, respectively, for the year ended June 30, 2019.

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the 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.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 7 - Postemployment Benefits Other Than Pensions (continued)**Actuarial Assumptions and Methods (continued)

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation for SCRHITF:

<b>Valuation Date:</b>	June 30, 2017
<b>Actuarial Cost Method:</b>	Entry Age Normal
<b>Inflation:</b>	2.25%
<b>Investment Rate of Return:</b>	4.00%, net of OPEB Plan investment expenses; including inflation
<b>Single Discount Rate:</b>	3.62% as of June 30, 2018
<b>Demographic Assumptions:</b>	Based on the experience study performed for the SCRS for the 5-year period ending June 30, 2015.
<b>Mortality:</b>	For healthy retirees, the 2016 Public Retirees of South Carolina Mortality Table for Males and the 2016 Public Retirees of South Carolina Mortality Table for Females are used with fully generational mortality projections based on Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.
<b>Healthcare Trend Rate:</b>	Initial trend starting at 6.75% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 14 years
<b>Retiree Participation:</b>	79% for retirees who are eligible for funded premiums. 59% participation for retirees who are eligible for partial funded premiums. 20% for retirees who are eligible for non-funded premiums.
<b>Notes:</b>	There were no benefit changes during the year; the discount rate changed from 3.56% as of June 30, 2017 to 3.62% as of June 30, 2018.



## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 7 - Postemployment Benefits Other Than Pensions (continued)**Actuarial Assumptions and Methods (continued)

Additional information as of the latest actuarial valuation for SCLTDITF:

<b>Valuation Date:</b>	June 30, 2017
<b>Actuarial Cost Method:</b>	Entry Age Normal
<b>Inflation:</b>	2.25%
<b>Investment Rate of Return:</b>	4.00%, net of Plan investment expense; including inflation
<b>Single Discount Rate:</b>	3.91% as of June 30, 2018
<b>Salary, Termination, and Retirement Rates:</b>	Based on the experience study performed for the SCRS for the 5-year period ending June 30, 2015.
<b>Disability Incidence:</b>	The rates used in the valuation are based on the rates developed for the SCRS pension plans.
<b>Disability Recovery:</b>	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 92% were assumed to recover after the first two years.
<b>Offsets:</b>	40% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group.
<b>Expenses:</b>	Third party administrative expenses were included in the benefit projections
<b>Notes:</b>	The discount rate changed from 3.87% as of June 30, 2017 to 3.91% as of June 30, 2018.

Net OPEB Liability

At June 30, 2019, the District reported liabilities of \$25,310,365 and \$4,253 for its proportionate share of the SCRHITF and SCLTDITF net OPEB liabilities, respectively. The net OPEB liabilities were measured as of June 30, 2017, with update procedures being performed to rollforward the OPEB liabilities to June 30, 2018. The District's proportionate shares of the collective net OPEB liabilities and collective OPEB expense was determined using the District's payroll-related contributions over the measurement period. At June 30, 2018, the District's proportionate shares of the SCRHITF and SCLTDITF were .178612% and .138941%, respectively.

OPEB Expense

For the year ended June 30, 2019, the District recognized OPEB expense for the SCRHITF and SCLTDITF plans of \$388,982 and (\$669), respectively.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 7 - Postemployment Benefits Other Than Pensions (continued)**Single Discount Rate

The Single Discount Rate of 3.62% was used to measure the total OPEB liability for the SCRHITF. 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).

A Single Discount Rate of 3.91% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 4.00% and a municipal bond rate of 3.62%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2037. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2037, and the municipal bond rate was applied to all benefit payments after that date.

Long-term Expected Rate of Return

The long-term expected rate of returns represent 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 2017 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:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	2.09%	1.67%
Cash	20.00%	0.84%	0.17%
<b>Total</b>	100.00%		1.84%
Expected Inflation			2.25%
<b>Total Return</b>			4.09%
<b>Investment Return Assumption</b>			<b>4.00%</b>

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 7 - Postemployment Benefits Other Than Pensions (continued)**Sensitivity Analysis

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.62%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Plan	1.00% Decrease (2.62%)	Current Discount Rate (3.62%)	1.00% Increase (4.62%)
SCRHITF	\$ 29,818,042	\$ 25,310,365	\$ 21,676,821

Regarding the sensitivity of the SCRHITF's net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

Plan	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
SCRHITF	\$ 20,826,344	\$ 25,310,365	\$ 31,107,374

The following table presents the SCLTDITF's net OPEB liability calculated using a Single Discount Rate of 3.9187%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Plan	1.00% Decrease (2.91%)	Current Discount Rate (3.91%)	1.00% Increase (4.91%)
SCLTDITF net OPEB liability	\$ 6,357	\$ 4,253	\$ 2,201

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 7 - Postemployment Benefits Other Than Pensions (continued)**Deferred Outflows and Inflows of Resources

At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources for the combined plans:

	<u>SCRHITF and SCLTDITF</u>	
	<u>Deferred</u> <u>Outflows of</u> <u>Resources</u>	<u>Deferred</u> <u>Inflows of</u> <u>Resources</u>
Net difference between projected and actual investment experience	\$ 99,521	\$ 260
Net difference between projected and actual experience in liability measurement	379,161	8,819
Assumption changes	-	2,061,304
Changes in proportion and differences between the District's contributions and proportionate share of contributions	104,925	615
Contributions subsequent to the measurement date	<u>941,771</u>	<u>-</u>
Total	<u>\$ 1,525,378</u>	<u>\$ 2,070,998</u>

Difference between Expected and Actual Experience

The \$941,771 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date for the SCRHITF and SCLTDITF plans during the year ended June 30, 2019, will be recognized as a reduction of the net OPEB liabilities in the year ending June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the SCRHITF and SCLTDITF plans:

	<u>SCRHITF and</u> <u>SCLTDITF</u>
Years ended June 30:	
2019	\$ (297,237)
2020	(297,237)
2021	(297,237)
2022	(307,890)
2023	(321,203)
Thereafter	<u>33,411</u>
	<u>\$ (1,487,391)</u>

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 7 - Postemployment Benefits Other Than Pensions (continued)**Additional Financial and Actuarial Information

PEBA - Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the Insurance Benefits' link on PEBA's website at [www.peba.sc.gov](http://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. PEBA is considered a division of the primary government of the State of South Carolina and therefore, OPEB Trust Funds financial information is also included in the comprehensive annual financial report of the State.

**Note 8 - Defined Contribution Pension Plan**

As an alternative to membership in the SCRS, newly hired state, public school and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Plan ("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.

Under the State ORP, employees contribute 9.00% and employers contribute 14.41% of which 5.00% is directed to the investment provider and 9.41% to the SCRS to cover administrative expenses. In addition to the above rates, participating employers of the State ORP contribute .15% of covered payroll to provide incidental death benefits for their participants. An additional employer contribution surcharge of 6.05% of covered payroll was added to the contribution rate for the purpose of providing retiree health insurance coverage. The total contribution rate for the District was 20.61%.

Total contributions under the State ORP for fiscal year 2019 were employee contributions of \$207,210 and employer contributions of \$331,767.

**Note 9 - Postretirement Benefits**

The District is a member of the SCRS and the PORS which were established July 1, 1945. The SCRS covers public school employees, public higher education personnel, state employees, city, county and other local public employees. It provides a complete schedule of benefits for regular retirement. A member is eligible for a full service retirement at age 65 or upon completion of twenty-eight years or after January 1, 2001; members are eligible after twenty-eight years membership. Reduced benefits are payable as early as age 55. The PORS covers law enforcement employees. A member is eligible for service retirement at age 60 or upon completion of twenty-five years of service.

As described more fully in Note 6, funding of the plan is made from employee/employer contributions. Benefits vest after five years of service for members prior to July 1, 2012. New members hired on or after July 1, 2012 vest after eight years of service. Vested members who retire at age 65 or with twenty-eight years of service at any age receive an annual benefit payable monthly for life. The benefit is based on length of service and on average final compensation.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 9 - Postretirement Benefits (continued)**

There is no minimum age or years of service required for retirement in State Optional Retirement Program ("ORP"). The employee is immediately 100% vested in the account value including employee and employer contributions. The employee receives distributions upon termination of employment or reaches 59 1/2. The benefit is based on the total account value payable either by an annuity, lump sum or partial distributions.

In addition to providing pension plan and supplemental benefits, the State currently provides its retired employees with healthcare benefits.

All postretirement benefits paid to the School District's retired members are made from the South Carolina Retirement System and from South Carolina's General Fund (Healthcare).

**Note 10 - Postemployment Benefits**

The District provides death benefits to employees through the group life insurance program for members of the SCRS, PORS and the ORP, which is explained further in Note 6. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the budgeted salary of the deceased member.

The District has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The District does not determine the number of eligible participants. For the year ended June 30, 2019, the District made contributions of \$23,367 to the State for death benefits representing .15% of covered payroll for members of the SCRS and ORP and .40% of covered payroll for members of PORS.

Upon the death of a retiree, a benefit will be paid to the designated beneficiary of an amount based on years of credit services as follows:

10 - 19 years service credits	\$2,000
20 - 27 years service credits	4,000
28 or more years service credits	6,000

**Note 11 - 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 two plans. Compensation deferred under the Sections 457 and 401(k) plans is placed in trust for the contributing employees. Neither the State nor the District has any liability for losses under the plans.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 11 - Deferred Compensation Plans (continued)**

In addition, the District allows employees to participate in plans established under Internal Revenue Code Section 403(b). Participation is voluntary. The District remits employee contributions to a third party administrator. The third party administrator then remits to the various 403(b) providers. The District has no loss under the Plan.

**Note 12 - 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. The District is insured by a commercial insurance carrier. The District pays premiums to the commercial carrier for its general insurance coverage.

The District continues to carry insurance for other risks of loss including employee health, dental, group life, and accident insurance under the State of South Carolina. The State accumulates assets to cover risks that its members incur in their normal operations. Specifically, the State assumes substantially all of the risk for the above.

**Note 13 - Long-term Obligations and Short-term Obligations**Long-term Obligations

Bonds payable at June 30, 2019 are comprised of the following specific issues:

\$1,220,000 issued March 28, 2018 general obligation bonds, due in annual installments commencing March 2019 of \$602,588 to \$617,412; with an interest rate of 2.46%	<u>\$ 617,412</u>
--	-------------------

The annual requirement to amortize all general obligation debt outstanding as of June 30, 2019, including interest payments of \$15,188, is as follows:

Fiscal Year Ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	<u>\$ 617,412</u>	<u>\$ 15,188</u>	<u>\$ 632,600</u>

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 13 - Long-term Obligations and Short-term Obligations (continued)**

A schedule of changes in long-term debt for the fiscal year ended June 30, 2019 is as follows:

Governmental activities:	Balance	Increases	Decreases	Balance	Current Portion of Long-Term Liabilities
	July 1, 2018			June 30, 2019	
General obligation bonds	\$ 1,220,000	\$ -	\$ (602,588)	\$ 617,412	\$ 617,412
Net OPEB liability	24,084,601	1,230,017	-	25,314,618	-
Net pension liability	31,483,057	55,153	-	31,538,210	-
Total	\$ 56,787,658	\$ 1,285,170	\$ (602,588)	\$ 57,470,240	\$ 617,412

There are a number of limitations and restrictions contained in the debt instruments. Management believes the District is in compliance with all significant limitations and restrictions, including the legal debt limit imposed by the State of South Carolina.

Short-term Obligations

On March 28, 2018, the District issued a \$600,000 Bond Anticipation Note. The note matured on March 28, 2019 with an interest rate of 2.27%. On March 26, 2019, the District issued a \$1,200,000 Bond Anticipation Note due March 26, 2020 with an interest rate of 2.50%.

Short-term debt activity for the year ended June 30, 2019, was as follows:

Governmental activities:	Balance	Increases	Decreases	Balance
	July 1, 2018			June 30, 2019
March 2018 Bond Anticipation Note	\$ 600,000	\$ -	\$ (600,000)	\$ -
March 2019 Bond Anticipation Note	-	1,200,000	-	1,200,000
Total	\$ 600,000	\$ 1,200,000	\$ (600,000)	\$ 1,200,000

Interest and Fees

For the year ended June 30, 2019, \$59,990 of interest and fees were accrued and expensed. Interest and fees paid during the year ended June 30, 2019 was \$43,555. Interest due in 2020 will be \$15,188.



## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 14 - Interfund Transactions**

The composition of interfund balances as of June 30, 2019, is as follows:

Receivable	Payable				Total
	General Fund	Special Revenue	School Building Fund	Non-major Governmental	
General Fund	\$ -	\$ 438,960	\$ 729,146	\$ 135,275	\$ 1,303,381
EIA Fund	12,770	-	-	-	12,770
Total	\$ 12,770	\$ 438,960	\$ 729,146	\$ 135,275	\$ 1,316,151

Amounts were due to the General Fund from other individual major and non-major funds primarily for operating purposes.

**Note 15 - Transfers to/from Other Funds**

Transfers for the year ended June 30, 2019 are summarized below:

Transfer In	Transfer Out			Total
	General Fund	EIA	Non-major Governmental	
General	\$ -	\$ 688,960	\$ 81,737	\$ 770,697
School Building	1,200,000	-	-	1,200,000
EIA	-	5,823	-	5,823
Agency	958,898	-	-	958,898
Total	\$ 2,158,898	\$ 694,783	\$ 81,737	\$ 2,935,418

Transfers between the General Fund and agency funds were to supplement the activities of the agency funds.

**Note 16 - Tax Abatements**

The District is subject to tax abatements granted by Spartanburg County (the "County"). This program has the purpose of increasing business activity and employment in the County.

Under the County's program, companies apply for a fee in lieu of property taxes ("FILOT") agreement. The fee agreed to under the FILOT agreement is further reduced by a Special Source Revenue Credit ("SSRC") if the company fulfills a specified level of investment in the County within the timeframe stated in the FILOT Agreement. This provides the company with an incentive to relocate their facilities to the County.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 16 - Tax Abatements (continued)**

Information relevant to these abatements for the year ended June 30, 2019 is as follows:

<u>Tax Abatement Program</u>	<u>Original Ad Valorem Tax</u>	<u>Fee Dollars</u>	<u>Special Source Revenue Credit</u>	<u>Amount Abated During the Year</u>
Fee in Lieu of Tax	\$ 466,625	\$ 158,688	\$ -	\$ 307,937

**Note 17 - Summary Disclosure of Significant Contingencies and Commitments**Unemployment Compensation

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. Under this method of funding, no accurate estimate of any potential liability can be made. However, the District does not feel any such liability would have a detrimental impact on the financial status of the District.

Federal and State Assisted Programs

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 due to questioned costs.

Asbestos Hazard Emergency Response Act ("Asbestos Plan")

The District's asbestos management plan was completed and implemented in July 1989. It has been determined by proper authorities, under federal guidelines, that no serious threats regarding asbestos were found. The District is unable to determine any future cost associated with the management of the Asbestos Plan in order to provide continued compliance with federal guidelines or future cost associated with new construction, repairs or normal maintenance to new or existing buildings. Maintenance and inspection programs are carried out for all District property. At June 30, 2018, in the opinion of management, the District was in compliance with Environmental Protection Agency and Department of Health and Environmental Control procedures regarding the Asbestos Plan.

Construction Commitments

At June 30, 2019, the District has construction commitments totaling \$16,672.

## SPARTANBURG COUNTY SCHOOL DISTRICT FOUR

## Notes to Financial Statements

June 30, 2019

**Note 18 - Related Organization**

These financial statements exclude R.D. Anderson Area Vocational Center, Moore, South Carolina (the "Center"). The Center serves the high schools in Spartanburg County School District Four, Five and Six. In addition, two of District Four's Board of Trustees, Randy Grant and Charles Hembree, also serve as Board members of R.D. Anderson Area Vocational Center. The District remits a portion of its Education Finance Act monies to the Center to cover the educational costs of the District's students attending R.D. Anderson Area Vocational Center. For the year ended June 30, 2019, \$170,892 was recorded as a General Fund expenditure.

**Note 19 - Related Party Transactions**

The District obtained cleaning services from a related party whose father is in a position of control. The cost for cleaning services paid to the related party was \$9,789 during 2019. The District also obtained sound system equipment and repair services from a company whose parent is a member of the Board of Trustees. The cost of the equipment and service was \$2,426 during 2019. In addition, the District also obtain graphic designs from a company whose parent is a member of the Board of Trustees. The cost of the graphic design was \$99 during 2019.

**Note 20 - Subsequent Events**

As of the date of the audit report, there are no material subsequent events.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 SOUTH CAROLINA RETIREMENT SYSTEMS  
 June 30, 2019  
 (UNAUDITED)

Fiscal Year*	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Net Pension Liability
<u>South Carolina Retirement System</u>					
2018	0.140601% \$	31,504,264 \$	13,172,889	239.159868%	84.83%
2017	0.139693% \$	31,447,141 \$	12,938,936	243.042712%	87.48%
2016	0.139021% \$	29,694,680 \$	12,447,459	238.560175%	89.01%
2015	0.142582% \$	27,041,364 \$	12,528,548	215.837973%	75.46%
2014	0.148595% \$	25,583,133 \$	12,706,464	201.339515%	66.89%
2013	0.148595% \$	26,652,642 \$	12,745,539	209.113495%	77.34%
<u>Police Officers' Retirement System</u>					
2018	0.001198% \$	33,946 \$	16,589	204.629574%	62.00%
2017	0.001310% \$	35,916 \$	17,653	203.455503%	64.10%
2016	0.001164% \$	29,525 \$	14,839	198.968933%	65.44%
2015	0.000986% \$	21,490 \$	12,218	175.888034%	54.87%
2014	0.000640% \$	12,214 \$	7,668	159.285342%	48.04%
2013	0.000640% \$	13,226 \$	9,356	141.363831%	58.78%

\* Represents South Carolina Retirement System's and Police Officers' Retirement System's fiscal year.

This data is presented for those years in which information is available.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PENSION CONTRIBUTIONS  
LAST TEN FISCAL YEARS

South Carolina Retirement System

Fiscal Year*	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2019 \$	1,910,731 \$	1,910,731 \$	- \$	13,259,758	14.4100%
2018 \$	1,766,484 \$	1,766,484 \$	- \$	13,172,889	13.4100%
2017 \$	1,476,289 \$	1,476,289 \$	- \$	12,938,936	11.4097%
2016 \$	1,358,018 \$	1,358,018 \$	- \$	12,447,459	10.9100%
2015 \$	1,346,819 \$	1,346,819 \$	- \$	12,528,548	10.7500%
2014 \$	1,327,825 \$	1,327,825 \$	- \$	12,706,464	10.4500%
2013 \$	1,331,909 \$	1,331,909 \$	- \$	12,745,539	10.4500%
2012 \$	1,147,768 \$	1,147,768 \$	- \$	12,229,810	9.3850%
2011 \$	1,128,039 \$	1,128,039 \$	- \$	12,208,209	9.2400%
2010 \$	1,133,486 \$	1,133,486 \$	- \$	12,219,000	9.2764%

Police Officers' Retirement System

Fiscal Year*	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2019 \$	988 \$	988 \$	- \$	5,869	16.8342%
2018 \$	2,627 \$	2,627 \$	- \$	16,589	15.8358%
2017 \$	2,443 \$	2,443 \$	- \$	17,653	13.8390%
2016 \$	1,979 \$	1,979 \$	- \$	14,839	13.3365%
2015 \$	1,590 \$	1,590 \$	- \$	12,218	13.0136%
2014 \$	954 \$	954 \$	- \$	7,668	12.4413%
2013 \$	1,113 \$	1,113 \$	- \$	9,356	11.8961%
2012 \$	208 \$	208 \$	- \$	1,833	11.3475%
2011 \$	122 \$	122 \$	- \$	1,097	11.1212%
2010 \$	53 \$	53 \$	- \$	527	10.0569%

\* Represents South Carolina Retirement System's and Police Officers' Retirement System's fiscal year.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY  
 FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2019

Fiscal Year	The District's Proportion of the Net OPEB Liability	The District's Proportionate Share of the Net OPEB Liability	The District's Total Covered Employee Payroll During the Measurement Period	The District's Proportionate Share of the Net OPEB Liability as a Percentage of Total Covered Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Covered Employee OPEB Liability
<u>South Carolina Retiree Health Insurance Trust Fund (SCRHITF)</u>					
2019 \$	0.178612% \$	25,310,365 \$	13,172,889 \$	192.14%	7.91%
2018 \$	0.177795% \$	24,082,042 \$	12,938,936 \$	186.12%	7.60%
2017 \$	0.177795% \$	25,724,502 \$	12,447,459 \$	206.66%	Not Available
<u>South Carolina Long-term Disability Insurance Trust Fund (SCLTDITF)</u>					
2019 \$	0.141147% \$	4,253 \$	(1)	\$ (1)	92.20%
2018 \$	0.141147% \$	2,559 \$	(1)	\$ (1)	95.29%
2017 \$	0.141147% \$	980 \$	(1)	\$ (1)	Not Available

(1) Contributions to the SCLTDITF are based upon a fixed fee per covered employee. Therefore, covered payroll is not applicable to the SCLTDITF

This data is presented for those years in which information is available.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS  
 FOR THE YEARS ENDED JUNE 30, 2017 THROUGH JUNE 30, 2019

South Carolina Retiree Health Insurance Trust Fund (SCRHITF)

Fiscal Year	Actuarial Required OPEB Contribution	Actual OPEB Contributions	Contribution Deficiency (Excess)	District's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2019 \$	941,862 \$	941,862 \$	- \$	15,567,963	6.0500%
2018 \$	847,163 \$	847,163 \$	- \$	15,402,960	5.5000%
2017 \$	799,136 \$	799,136 \$	- \$	14,993,171	5.3300%

South Carolina Long-term Disability Insurance Trust Fund (SCLTDITF)

Fiscal Year	Actuarial Required Contribution	Actual Contributions	Contribution Deficiency (Excess)	District's Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2019 \$	10,790 \$	10,790 \$	- \$	(1)	(1)
2018 \$	10,906 \$	10,906 \$	- \$	(1)	(1)
2017 \$	10,967 \$	10,967 \$	- \$	(1)	(1)

(1) Contributions to the SCLTDITF are based upon a fixed fee per covered employee. Therefore, covered payroll is not applicable to the SCLTDITF

This data is presented for those years in which information is available.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
1000 Revenue from Local Sources			
1100 Taxes			
1110 Ad Valorem Taxes	\$ 6,458,728	\$ 6,701,266	\$ 242,538
1200 Revenue from Local Governmental Units Other than LEA's			
1280 Revenue in Lieu of Taxes (Independent and Dependent LEA)	150,000	266,511	116,511
1300 Tuition			
1310 Regular Day School from Patrons	-	19,165	19,165
1500 Earnings on Investments			
1510 Interest on Investments	- 50,000	181,573	131,573
1900 Other Revenue from Local Sources			
1993 Receipt of Insurance Proceeds	-	1,936	1,936
1999 Revenue from Other Local Sources	-	10,302	10,302
Total Local Sources	<u>6,658,728</u>	<u>7,180,753</u>	<u>522,025</u>
3000 Revenue from State Sources			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	-	3,903	3,903
3160 School Bus Driver's Salary	130,000	222,576	92,576
3161 EAA School Bus Driver's Salary and Fringe	-	(68)	(68)
3162 Transportation Workers' Compensation	12,000	17,532	5,532
3180 Fringe Benefits Employer Contributions	3,282,000	3,415,530	133,530
3181 Retiree Insurance	547,000	605,921	58,921



SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
3300 Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	353,425	367,193	13,768
3312 Primary	1,041,225	1,073,655	32,430
3313 Elementary	1,761,325	1,821,992	60,667
3314 High School	528,225	515,778	(12,447)
3315 Trainable Mentally Handicapped	48,200	42,917	(5,283)
3316 Speech Handicapped (Part-Time Program)	539,325	645,590	106,265
3317 Homebound	4,800	5,863	1,063
3320 Part-Time Programs			
3321 Emotionally Handicapped	36,400	37,790	1,390
3322 Educable Mentally Handicapped	33,700	30,681	(3,019)
3323 Learning Disabilities	534,025	548,808	14,783
3324 Hearing Handicapped	41,200	31,498	(9,702)
3325 Visually Handicapped	20,600	26,248	5,648
3326 Orthopedically Handicapped	4,100	4,167	67
3327 Vocational	1,030,625	1,113,753	83,128
3330 Miscellaneous EFA Programs			
3331 Autism	156,000	174,874	18,874
3332 High Achieving Students	137,600	145,868	8,268
3334 Limited English Proficiency	46,800	46,206	(594)
3351 Academic Assistance	216,200	234,194	17,994
3352 Pupils in Poverty	778,325	732,302	(46,023)
3353 Dual Credit Enrollment	14,600	12,195	(2,405)
3392 NBC Excess EFA Formula	20,000	13,587	(6,413)
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Property Tax Relief	892,411	892,411	-
3820 Homestead Exemption	433,314	433,314	-
3825 Reimbursement for Property Tax Relief	2,143,500	2,170,864	27,364
3830 Merchant's Inventory Tax	29,000	29,256	256
3840 Manufacturers Depreciation Reimbursement	100,000	165,131	65,131
3890 Other State Property Tax Revenues	20,000	26,708	6,708
3990 Other State Revenue			
3993 PEBA On-Behalf	140,000	145,969	5,969
3999 Revenue from Other State Sources	-	2,415	2,415
Total State Sources	<u>15,075,925</u>	<u>15,756,621</u>	<u>680,696</u>
Total Revenue all Sources	<u>21,734,653</u>	<u>22,937,374</u>	<u>1,202,721</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures			
100 Instruction			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	516,471	537,572	(21,101)
200 Employee Benefits	257,372	238,834	18,538
400 Supplies and Materials	36,000	12,638	23,362
500 Capital Outlay	5,000	-	5,000
112 Primary Programs			
100 Salaries	1,576,543	1,437,277	139,266
200 Employee Benefits	702,096	603,935	98,161
400 Supplies and Materials	95,000	52,760	42,240
500 Capital Outlay	6,000	-	6,000
113 Elementary Programs			
100 Salaries	3,101,929	3,072,236	29,693
200 Employee Benefits	1,285,205	1,262,610	22,595
300 Purchased Services	-	10,371	(10,371)
400 Supplies and Materials	137,500	70,157	67,343
500 Capital Outlay	10,000	-	10,000
114 High School Programs			
100 Salaries	2,079,967	1,954,964	125,003
200 Employee Benefits	879,265	820,108	59,157
300 Purchased Services	13,000	69,917	(56,917)
400 Supplies and Materials	113,700	61,937	51,763
500 Capital Outlay	5,000	-	5,000
600 Other Objects	2,000	8,200	(6,200)
115 Vocational Programs			
100 Salaries	288,951	139,300	149,651
200 Employee Benefits	99,568	57,249	42,319
300 Purchased Services - Other than Tuition	-	13,638	(13,638)
370 Purchased Services - Tuition	183,340	170,892	12,448
400 Supplies and Materials	12,700	1,400	11,300

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	560,953	49,790	511,163
200 Employee Benefits	264,008	21,235	242,773
300 Purchased Services	1,000	2,242	(1,242)
400 Supplies and Materials	1,500	1,009	491
122 Trainable Mentally Handicapped			
100 Salaries	-	10,169	(10,169)
200 Employee Benefits	-	3,812	(3,812)
300 Purchased Services	3,500	17,910	(14,410)
400 Supplies and Materials	-	2	(2)
123 Orthopedically Handicapped			
100 Salaries	10,000	2,581	7,419
200 Employee Benefits	2,860	1,037	1,823
300 Purchased Services	23,000	-	23,000
124 Visually Handicapped			
100 Salaries	-	4,063	(4,063)
200 Employee Benefits	-	2,170	(2,170)
300 Purchased Services	20,700	20,988	(288)
400 Supplies and Materials	1,000	-	1,000
125 Hearing Handicapped			
100 Salaries	10,000	6,554	3,446
200 Employee Benefits	2,860	2,655	205
300 Purchased Services	13,300	15,741	(2,441)
400 Supplies and Materials	150	2	148
126 Speech Handicapped			
100 Salaries	145,377	96,261	49,116
200 Employee Benefits	63,033	37,071	25,962
300 Purchased Services	-	4,576	(4,576)
400 Supplies and Materials	1,800	160	1,640
127 Learning Disabilities			
100 Salaries	118,811	459,208	(340,397)
200 Employee Benefits	48,665	192,665	(144,000)
300 Purchased Services	-	2,081	(2,081)
400 Supplies and Materials	2,000	32	1,968

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
128 Emotionally Handicapped			
100 Salaries	3,480	50,191	(46,711)
200 Employee Benefits	993	28,838	(27,845)
300 Purchased Services	10,600	6,367	4,233
400 Supplies and Materials	300	-	300
130 Pre-School Programs			
135 Pre-School Handicapped-Speech (3 & 4 year-olds)			
100 Salaries	24,556	23,515	1,041
200 Employee Benefits	9,451	11,697	(2,246)
139 Early Childhood Programs			
100 Salaries	90,292	23,982	66,310
200 Employee Benefits	38,025	6,382	31,643
300 Purchased Services	-	145	(145)
400 Supplies and Materials	5,000	6,908	(1,908)
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	65,160	64,527	633
200 Employee Benefits	25,978	27,432	(1,454)
400 Supplies and Materials	8,000	1,780	6,220
143 Advanced Placement			
400 Supplies and Materials	-	100	(100)
145 Homebound			
100 Salaries	25,000	3,082	21,918
200 Employee Benefits	7,144	890	6,254
300 Purchased Services	12,000	2,761	9,239
147 Full Day 4K			
100 Salaries	100,855	159,286	(58,431)
200 Employee Benefits	54,875	61,701	(6,826)
300 Purchased Services	-	18,523	(18,523)
400 Supplies and Materials	-	318	(318)
148 Gifted and Talented - Artistic			
100 Salaries	-	8,956	(8,956)
200 Employee Benefits	-	2,577	(2,577)
300 Purchased Services	-	70	(70)
149 Other Special Programs			
300 Purchased Services	10,000	-	10,000

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
160 Other Exceptional Programs			
161 Autism			
100 Salaries	-	126,312	(126,312)
200 Employee Benefits	-	54,603	(54,603)
300 Purchased Services	8,800	19,308	(10,508)
400 Supplies and Materials	-	6	(6)
170 Summer School Program			
171 Primary Summer School			
400 Supplies and Materials	-	1,110	(1,110)
175 Instructional Programs Beyond Regular School Day			
400 Supplies and Materials	4,000	1,075	2,925
180 Adult/Continuing Education Programs			
181 Adult Basic Education Programs			
400 Supplies and Materials	-	831	(831)
600 Other Objects	15,000	-	15,000
Total Instruction	<u>13,220,633</u>	<u>12,263,282</u>	<u>957,351</u>
200 Support Services			
210 Pupil Services			
211 Attendance and Social Work Services			
300 Purchased Services	26,000	25,568	432
400 Supplies and Materials	400	-	400
212 Guidance Services			
100 Salaries	315,234	282,034	33,200
200 Employee Benefits	129,241	116,586	12,655
300 Purchased Services	2,200	-	2,200
400 Supplies and Materials	4,000	306	3,694
213 Health Services			
100 Salaries	34,835	24,142	10,693
200 Employee Benefits	15,834	6,386	9,448
300 Purchased Services	3,600	934	2,666
400 Supplies and Materials	6,000	6,798	(798)
600 Other Objects	2,000	116	1,884

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	Budget	Actual	Variance Positive (Negative)
214 Psychological Services			
100 Salaries	65,848	74,752	(8,904)
200 Employee Benefits	26,176	28,932	(2,756)
400 Supplies and Materials	-	64	(64)
217 Career Specialist Services			
100 Salaries	-	41,409	(41,409)
200 Employee Benefits	-	14,725	(14,725)
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	225,788	188,314	37,474
200 Employee Benefits	88,507	75,584	12,923
300 Purchased Services	-	49,813	(49,813)
400 Supplies and Materials	-	1,096	(1,096)
222 Library and Media Services			
100 Salaries	293,288	288,328	4,960
200 Employee Benefits	129,583	127,918	1,665
300 Purchased Services	8,000	4,590	3,410
400 Supplies and Materials	81,400	3,304	78,096
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	312,502	287,699	24,803
200 Employee Benefits	112,655	105,152	7,503
300 Purchased Services	6,400	32,466	(26,066)
400 Supplies and Materials	43,600	6,320	37,280
600 Other Objects	4,000	1,604	2,396
230 General Administration Services			
231 Board of Education			
100 Salaries	6,000	7,053	(1,053)
200 Employee Benefits	6,122	13,234	(7,112)
300 Purchased Services	55,000	65,359	(10,359)
318 Audit Services	40,000	30,675	9,325
400 Supplies and Materials	8,000	458	7,542
600 Other Objects	87,000	44,748	42,252
232 Office of the Superintendent			
100 Salaries	297,711	309,473	(11,762)
200 Employee Benefits	104,196	106,605	(2,409)
300 Purchased Services	9,500	5,773	3,727
400 Supplies and Materials	13,000	10,290	2,710
600 Other Objects	3,000	1,297	1,703

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
233 School Administration			
100 Salaries	1,155,409	1,199,136	(43,727)
200 Employee Benefits	473,477	490,693	(17,216)
300 Purchased Services	31,700	6,920	24,780
400 Supplies and Materials	46,100	22,917	23,183
600 Other Objects	6,000	5,708	292
250 Finance and Operations Services			
252 Fiscal Services			
100 Salaries	289,222	131,102	158,120
100 Head of Organization Unit Salaries	-	152,125	(152,125)
200 Employee Benefits	107,604	51,946	55,658
200 Head of Organization Unit Employee Benefits	-	50,726	(50,726)
300 Purchased Services	14,000	20,474	(6,474)
400 Supplies and Materials	13,000	6,378	6,622
600 Other Objects	7,000	7,397	(397)
254 Operation and Maintenance of Plant			
100 Salaries	825,831	792,543	33,288
200 Employee Benefits	349,021	325,611	23,410
300 Purchased Services	364,000	426,765	(62,765)
321 Public Utilities	72,900	75,010	(2,110)
400 Supplies and Materials	114,000	77,823	36,177
470 Energy	418,000	377,216	40,784
500 Capital Outlay	50,000	12,629	37,371
600 Other Objects	76,000	-	76,000
255 Student Transportation			
100 Salaries	452,618	490,867	(38,249)
200 Employee Benefits	149,434	164,119	(14,685)
300 Purchased Services	24,700	21,279	3,421
400 Supplies and Materials	4,000	1,327	2,673
256 Food Service			
200 Employee Benefits	266,143	191,714	74,429
258 Security			
100 Salaries	14,000	2,174	11,826
200 Employee Benefits	4,274	654	3,620
300 Purchased Services	205,000	138,096	66,904
400 Supplies and Materials	2,000	3,712	(1,712)

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
260 Central Support Services			
263 Information Services			
100 Salaries	18,000	3,200	14,800
200 Employee Benefits	5,140	916	4,224
300 Purchased Services	25,000	17,030	7,970
400 Supplies and Materials	4,000	17,345	(13,345)
266 Technology and Data Processing Services			
100 Salaries	201,900	190,840	11,060
200 Employee Benefits	83,905	78,269	5,636
300 Purchased Services	78,000	54,269	23,731
400 Supplies and Materials	27,500	24,681	2,819
Total Support Services	<u>8,545,498</u>	<u>8,023,516</u>	<u>521,982</u>
300 Community Services			
350 Custody and Care of Children Services			
100 Salaries	-	700	(700)
200 Employee Benefits	-	95	(95)
400 Supplies and Materials	1,000	3,416	(2,416)
Total Community Services	<u>1,000</u>	<u>4,211</u>	<u>(3,211)</u>
400 Other Charges			
410 Intergovernmental Expenditures			
412 Payments to Other Governmental Units			
720 Transits	20,000	-	20,000
Total Intergovernmental Expenditures	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total Expenditures	<u>21,787,131</u>	<u>20,291,009</u>	<u>1,496,122</u>



SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses)			
5300 Sale of Capital Assets	-	1,270	1,270
Interfund Transfers, from (to) Other Funds			
5230 Transfer from Special Revenue EIA Fund	769,000	688,960	(80,040)
5280 Transfer from Other Funds Indirect Costs	150,000	81,737	(68,263)
421-710 Transfer to Non-EIA Special Revenue Fund	(34,000)	-	34,000
424-710 Transfer to School Building Fund	-	(1,200,000)	(1,200,000)
426-710 Transfer to Pupil Activity Fund	<u>(1,070,404)</u>	<u>(958,898)</u>	<u>111,506</u>
Total Other Financing Sources (Uses)	<u>(185,404)</u>	<u>(1,386,931)</u>	<u>(1,201,527)</u>
Net Change in Fund Balance	\$ <u>(237,882)</u>	1,259,434	\$ <u>1,497,316</u>
Fund Balance - July 1, 2018		<u>9,359,792</u>	
Fund Balance - June 30, 2019		\$ <u>10,619,226</u>	

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>Revenues</b>							
<b>1000 Revenue from Local Sources</b>							
1900 Other revenue from local sources							
1930 Medicaid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 282,392	\$ 282,392
1999 Revenue from other local sources	-	-	-	-	-	586	586
<b>Total local sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>282,978</b>	<b>282,978</b>
<b>2000 Intergovernmental Revenue</b>							
2300 Payments from non-profit entities (for First Steps)	-	-	-	-	-	85,516	85,516
<b>Total Intergovernmental revenue</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>85,516</b>	<b>85,516</b>
<b>3000 Revenue from State Sources</b>							
<b>3100 Restricted state funding</b>							
3110 Occupational education							
3118 EEDA career specialist	-	-	-	-	141,459	-	141,459
3120 General education							
3127 Student health and fitness	-	-	-	-	20,061	-	20,061
3130 Special programs							
3135 Reading coaches	-	-	-	-	61,052	-	61,052
3136 Student health and fitness - nurses	-	-	-	-	58,193	-	58,193
3190 Miscellaneous restricted state grants							
3193 Education license plates	-	-	-	-	424	-	424
3199 Other restricted state grants	-	-	-	-	1,470	-	1,470
3600 Education lottery act revenue							
3670 School safety - facility and Infrastructure safety upgrades	-	-	-	-	125,395	-	125,395
3900 Other state revenue							
3994 PEBA nonemployer contributions	-	-	-	-	184,289	-	184,289
3999 Revenue from other State Sources	-	-	-	-	-	1,250	1,250
<b>Total state sources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>592,343</b>	<b>1,250</b>	<b>593,593</b>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	Other Restricted State Grants	Other Special Revenue Programs	Total
<b>4000 Revenue from Federal Sources</b>							
4200 Occupational education							
4210 Vocational aid, Title I	-	-	-	55,850	-	-	55,850
4300 Elementary and secondary education act of 1965							
4310 Title I	669,969	-	-	-	-	53,762	723,731
4341 Language instruction for limited English proficient and immigrant students, Title III	-	-	-	-	-	6,474	6,474
4351 Improving teacher quality	-	-	-	-	-	70,059	70,059
4500 Programs for children with disabilities							
4510 Individuals with disabilities education act	-	696,634	-	-	-	-	696,634
4520 Preschool grants	-	-	32,374	-	-	-	32,374
4900 Other federal sources							
4997 Title IV SSAE	-	-	-	-	-	33,753	33,753
4999 Revenue from other federal sources	-	-	-	-	-	831	831
<b>Total federal sources</b>	<b>669,969</b>	<b>696,634</b>	<b>32,374</b>	<b>55,850</b>	<b>-</b>	<b>164,879</b>	<b>1,619,706</b>
<b>Total Revenue all Sources</b>	<b>669,969</b>	<b>696,634</b>	<b>32,374</b>	<b>55,850</b>	<b>592,343</b>	<b>534,623</b>	<b>2,581,793</b>
<b>Expenditures</b>							
<b>100 Instruction</b>							
<b>110 General Instruction</b>							
<b>111 Kindergarten programs</b>							
100 Salaries	36,160	-	-	-	-	500	36,660
200 Employee benefits	10,442	-	-	-	-	41	10,483
400 Supplies and materials	1,336	-	-	-	-	310	1,646
<b>112 Primary programs</b>							
100 Salaries	137,868	-	-	-	5,137	37,951	180,956
200 Employee benefits	58,094	-	-	-	1,484	12,546	72,124
400 Supplies and materials	9,950	-	-	-	-	7,985	17,935

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	Other Restricted State Grants	Other Special Revenue Programs	Total
113 Elementary programs							
100 Salaries	-	-	-	-	10,429	5,843	16,272
200 Employee benefits	-	-	-	-	3,011	483	3,494
400 Supplies and materials	-	-	-	-	-	45,430	45,430
114 High school programs							
100 Salaries	100,942	-	-	-	-	3,763	104,705
200 Employee benefits	45,511	-	-	-	-	312	45,823
300 Purchased services	-	-	-	-	-	15,865	15,865
400 Supplies and materials	2,625	-	-	-	424	1,459	4,508
115 Vocational programs							
100 Salaries	-	-	-	8,209	-	-	8,209
200 Employee benefits	-	-	-	2,547	-	-	2,547
400 Supplies and materials	-	-	-	20,733	-	-	20,733
120 Exceptional Programs							
121 Educable mentally handicapped							
100 Salaries	-	105,687	-	-	-	1,189	106,876
200 Employee benefits	-	46,895	-	-	-	98	46,993
400 Supplies and materials	-	41,597	-	-	-	1,250	42,847
124 Visually handicapped							
300 Purchased services	-	1,013	-	-	-	-	1,013
125 Hearing handicapped							
400 Supplies and materials	-	7,031	-	-	-	-	7,031
126 Speech handicapped							
100 Salaries	-	198,483	-	-	-	-	198,483
200 Employee benefits	-	86,030	-	-	-	-	86,030
400 Supplies and materials	-	9,730	-	-	-	-	9,730
130 Preschool Programs							
137 Preschool handicapped self- contained (3 and 4-year olds)							
100 Salaries	-	-	25,178	-	-	-	25,178
200 Employee benefits	-	-	7,196	-	-	-	7,196

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	Other Restricted State Grants	Other Special Revenue Programs	Total
139 Early childhood programs							
100 Salaries	155,689	-	-	-	-	-	155,689
200 Employee benefits	86,633	-	-	-	-	-	86,633
140 Special Programs							
145 Homebound							
100 Salaries	-	1,212	-	-	-	-	1,212
200 Employee benefits	-	344	-	-	-	-	344
170 Summer School Programs							
171 Primary summer school							
100 Salaries	-	-	-	-	-	1,200	1,200
200 Employee benefits	-	-	-	-	-	301	301
175 Instructional programs beyond regular school day							
100 Salaries	-	-	-	-	-	13,230	13,230
200 Employee benefits	-	-	-	-	-	3,822	3,822
180 Adult/Continuing Educational Programs							
183 Adult English Literacy							
400 Supplies and materials	-	-	-	-	-	2,000	2,000
188 Parenting/family literacy							
400 Supplies and materials	2,143	-	-	-	-	-	2,143
Total Instruction	<u>647,393</u>	<u>498,022</u>	<u>32,374</u>	<u>31,489</u>	<u>20,485</u>	<u>155,578</u>	<u>1,385,341</u>
200 Support Services							
210 Pupil Services							
213 Health services							
100 Salaries	-	-	-	-	37,827	122,973	160,800
200 Employee benefits	-	-	-	-	20,366	65,734	86,100

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

	201/202 Title I	203/204 Idea	205/206 Preschool Handicapped	207/208 Occupational Education	Other Restricted State Grants	Other Special Revenue Programs	Total
214 Psychological services							
100 Salaries	-	83,423	-	-	-	-	83,423
200 Employee benefits	-	28,801	-	-	-	-	28,801
400 Supplies and materials	-	3,988	-	-	-	-	3,988
215 Exceptional program services							
300 Purchased services	-	8,201	-	-	-	-	8,201
217 Career specialist services							
100 Salaries	-	-	-	-	99,989	-	99,989
200 Employee benefits	-	-	-	-	41,470	-	41,470
220 Instructional Staff Services							
221 Improvement of instruction curriculum development							
100 Salaries	-	-	-	-	47,371	975	48,346
200 Employee benefits	-	-	-	-	13,681	279	13,960
300 Purchased services	-	4,591	-	-	-	5,149	9,740
400 Supplies and materials	-	500	-	-	-	-	500
223 Supervision of special programs							
100 Salaries	17,517	46,557	-	18,902	-	-	82,976
200 Employee benefits	5,059	12,801	-	5,459	-	-	23,319
300 Purchased services	-	6	-	-	-	27,588	27,594
400 Supplies and materials	-	936	-	-	-	-	936
224 Improvement of Instruction - Inservice and staff training							
300 Purchased services	-	-	-	-	-	2,686	2,686
230 General Administration Services							
233 School administration							
100 Salaries	-	-	-	-	-	1,125	1,125
200 Employee benefits	-	-	-	-	-	92	92
250 Finance and Operations Services							
251 Student transportation							
300 Purchased services	-	6,608	-	-	-	-	6,608



SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND  
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS AND OTHER SPECIAL REVENUE PROGRAMS  
YEAR ENDED JUNE 30, 2019

Schedule 3

Subfund	Revenue Code	Program	Revenues and Other Sources	Expenditures	Transfers In/(Out)	Unearned Revenue
State Restricted Grants						
801	3199	Other restricted state grants	\$ 1,470	\$ 1,470	\$ -	-
919	3193	Education license plates	424	424	-	-
928	3118	EEDA Career specialist	141,459	141,459	-	-
935	3185	Reading coaches	61,052	61,052	-	-
936	3136	Student health and fitness - nurses	58,193	58,193	-	-
937	3127	Student health and fitness	20,061	20,061	-	-
970	3670	School safety - facility and infrastructure safety upgrades	125,395	125,395	-	56,995
994	3994	PEBA nonemployer contributions	184,289	184,289	-	-
			<u>\$ 592,343</u>	<u>\$ 592,343</u>	<u>\$ -</u>	<u>\$ 56,995</u>
Other Special Revenue Programs						
210	4997	Title IV - SSAE	\$ 33,753	\$ 33,753	\$ -	-
240	4310	Title I - Direct Student Services	53,762	53,762	-	-
264	4341	Title III	6,474	6,474	-	-
267	4351	Improving teacher quality	70,059	70,059	-	-
804	1999	Local grant	586	586	-	-
806	3999	Revenue from other state sources	1,250	1,250	-	-
873	2310	Local grant	-	-	-	2,053
884	4999	Revenue from other federal sources	831	831	-	-
885	1930	Medicaid	282,392	282,392	-	-
996	2300	First steps	85,516	85,516	-	-
			<u>\$ 534,623</u>	<u>\$ 534,623</u>	<u>\$ -</u>	<u>\$ 2,053</u>



SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 EDUCATION IMPROVEMENT ACT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - ALL PROGRAMS  
 YEAR ENDED JUNE 30, 2019

Revenues

3000 Revenue from State Sources

3500 Education Improvement Act		
3502 ADEPT	\$	1,729
3507 Aid to district technology		38,386
3511 Professional development		9,910
3518 Adoption list of formative assessment		14,084
3519 Grade 10 assessment		25,945
3526 Refurbishment of science kits		23,654
3528 Industry certifications/credentials		10,000
3529 Career and technology education		50,083
3532 National Board salary supplement		205,115
3533 Teacher of the year award		1,077
3538 Students at risk of school failure		287,089
3541 Child early reading development and education program (CERDEP) - full day 4k		487,047
3550 Teacher salary increase		563,080
3555 Teacher salary fringe		115,510
3557 Summer reading program		41,315
3558 Reading		2,948
3577 Teacher supplies		48,675
3595 EEDA supplies and materials		3,953
3597 Aid to districts		88,257
3599 Other EIA		3,217
		<hr/>
Total State Sources		2,021,074
		<hr/>
Total Revenue all Sources		2,021,074
		<hr/>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 EDUCATION IMPROVEMENT ACT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - ALL PROGRAMS  
 YEAR ENDED JUNE 30, 2019

Expenditures

100 Instruction

110 General Instruction

111 Kindergarten programs

100 Salaries	31,648
200 Employee benefits	13,121
400 Supplies and materials	7,490

112 Primary programs

100 Salaries	97,661
200 Employee benefits	36,135
400 Supplies and materials	20,300

113 Elementary programs

100 Salaries	107,736
200 Employee benefits	30,517
400 Supplies and materials	65,712

114 High school programs

100 Salaries	29,480
200 Employee benefits	8,189
400 Supplies and materials	70,500

115 Vocational programs

400 Supplies and materials	28,628
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120 Exceptional Programs

121 Educable mentally handicapped

100 Salaries	7,500
200 Employee benefits	2,147
400 Supplies and materials	3,850

126 Speech handicapped

400 Supplies and materials	1,650
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SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL PROGRAMS  
YEAR ENDED JUNE 30, 2019

130 Preschool Programs

137 Preschool handicapped self contained

100 Salaries	58,603
200 Employee benefits	28,389

139 Early childhood programs

400 Supplies and materials	8,825
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140 Special Programs

141 Gifted and talented - academic

400 Supplies and materials	275
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147 CDEP

100 Salaries	321,695
200 Employee benefits	165,352
400 Supplies and materials	2,200

170 Summer School Program

171 Primary summer school

100 Salaries	35,949
200 Employee benefits	10,430
300 Purchased services	1,638
400 Supplies and materials	188

172 Elementary summer school

100 Salaries	16,916
200 Employee benefits	4,884
400 Supplies and materials	60

173 High school summer school

100 Salaries	6,774
200 Employee benefits	1,959

175 Instructional programs beyond regular school day

100 Salaries	14,136
200 Employee benefits	3,873
400 Supplies and materials	71

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 EDUCATION IMPROVEMENT ACT  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCE - ALL PROGRAMS  
 YEAR ENDED JUNE 30, 2019

180 Adult/Continuing Educational Programs

188 Parenting/family literacy  
 400 Supplies and materials

152

Total Instruction

1,244,633

200 Support Services

210 Pupil Services

212 Guidance services

100 Salaries	22,500
200 Employee benefits	6,397
300 Purchased services	2,224
400 Supplies and materials	3,104

217 Career specialist services

300 Purchased services	815
400 Supplies	962

220 Instructional Staff Services

221 Improvement of instruction - curriculum development

100 Salaries	2,300
200 Employee benefits	665
400 Supplies and materials	1,729

222 Library and media

400 Supplies and materials	1,100
----------------------------	-------

223 Supervision of special programs

100 Salaries	14,464
200 Employee benefits	5,337
300 Purchased services	1,499

224 Improvement of instruction - inservice and staff training

100 Salaries	1,348
200 Employee benefits	381
300 Purchased services	4,791

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - ALL PROGRAMS  
YEAR ENDED JUNE 30, 2019

250 Finance and Operations Services	
255 Student transportation	
100 Salaries	2,692
200 Employee benefits	782
300 Purchased services	1,174
260 Central Support Services	
266 Data processing services	
400 Supplies and materials	3,217
Total Support Services	<u>77,481</u>
410 Intergovernmental Expenditures	
412 Payments to other governmental units	
720 Transits	10,000
Total Intergovernmental Expenditures	<u>10,000</u>
Total Expenditures	<u>1,332,114</u>
Other Financing Sources (Uses)	
Interfund Transfers, from (to) Other Funds	
5230 Transfer from Special Revenue EIA Fund	5,823
420-710 Transfer to General Fund	(688,960)
422-710 Transfer to Special Revenue EIA Fund	<u>(5,823)</u>
Total Other Financing Sources (Uses)	<u>(688,960)</u>
Net Change in Fund Balance	-
Fund Balance - July 1, 2018	<u>-</u>
Fund Balance - June 30, 2019	\$ <u><u>-</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
YEAR ENDED JUNE 30, 2019

	<u>Revenue</u>	<u>Expenditures</u>	<u>EIA Fund Transfers In/(Out)</u>	<u>EIA Fund Unearned Revenue</u>	<u>Other Fund Transfers In/(Out)</u>	<u>Other Fund Deferred Revenue</u>
Revenues						
3000 Revenue from State Sources						
3500 Education Improvement Act						
3502 ADEPT	\$ 1,729	\$ 1,729	\$ -	\$ -	\$ -	-
3507 Aid to district technology	38,386	38,386	-	-	-	-
3511 Professional development	9,910	5,306	(4,604)	-	-	-
3518 Formative assessment	14,084	14,084	-	-	-	-
3519 Grade 10 assessment	25,945	15,575	-	-	(10,370)	-
3526 Refurbishment of science kits	23,654	23,654	-	11,677	-	-
3528 Industry certificates	10,000	10,000	-	-	-	-
3529 Career and technology education	50,083	50,083	-	9,181	-	-
3532 National Board Certification salary supplement	205,115	205,115	-	-	-	-
3533 Teacher of the year award	1,077	1,077	-	-	-	-
3538 Students at risk of school failure	287,089	292,912	5,823	-	-	-
3541 Child early reading development and education program (CDEP) - full day 4k	487,047	487,047	-	-	-	-
3550 Teacher salary increase	563,080	-	-	-	(563,080)	-
3555 Teacher salary fringe	115,510	-	-	-	(115,510)	-
3557 Summer reading program	41,315	41,315	-	-	-	-
3558 Reading	2,948	1,729	(1,219)	-	-	-
3577 Teacher supplies	48,675	48,675	-	-	-	-
3595 EEDA supplies and materials	3,953	3,953	-	-	-	-
3597 Aid to districts	88,257	88,257	-	-	-	-
3599 Other EIA	3,217	3,217	-	-	-	-
Total Revenue from State Sources	<u>\$ 2,021,074</u>	<u>\$ 1,332,114</u>	<u>\$ -</u>	<u>\$ 20,858</u>	<u>\$ (688,960)</u>	<u>\$ -</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

Revenues

1000 Revenue from Local Sources

1500 Earnings on Investments  
1510 Interest on investments

\$ 63,972

Total Local Sources

63,972

Total Revenue all Sources

63,972

Expenditures

100 Instruction

110 General Instruction

111 Kindergarten programs  
400 Supplies and materials

208

112 Primary programs  
400 Supplies and materials

34,190

113 Elementary programs  
400 Supplies and materials

223,794

114 High school programs  
400 Supplies and materials

184,035

Total Instruction

442,227

200 Support Services

220 Instructional Staff Services

224 Improvement of instruction - inservice  
and staff training  
400 Supplies and materials

596

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

230 General Administration Services	
232 Office of superintendent	
400 Supplies and materials	597
233 School Administration	
400 Supplies and materials	19,467
250 Finance and Operations	
253 Facilities acquisition and construction	
300 Purchased services	86,932
400 Supplies and materials	139,474
500 Capital outlay	
510 Land	109,555
540 Equipment	591,836
255 Student transportation	
400 Supplies and materials	858
258 Security	
400 Purchased services	75,236
260 Central Support Services	
266 Technology and data processing services	
300 Purchased services	75,380
400 Supplies and materials	236,431
270 Support Services - Pupil Activities	
271 Pupil service activities	
660 Pupil activity	<u>108,299</u>
Total Support Services	<u>1,444,661</u>
500 Debt Service	
620 Interest	13,545
690 Other objects (fees for servicing bonds)	<u>15,790</u>
Total Debt Service	<u>29,335</u>
Total Expenditures	<u>1,916,223</u>



SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHOOL BUILDING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

Other Financing Sources (Uses)

Interfund transfers, from (to) Other Funds

5210 Transfer from General Fund 1,200,000

Total Other Financing Sources (Uses) 1,200,000

Net Change in Fund Balance (652,251)

Fund Balance - July 1, 2018 2,350,366

Fund Balance - June 30, 2019 \$ 1,698,115

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2019

	<u>Special Revenue Fund</u>		
	School Food Service Fund	Debt Service Fund	Total Non-major Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 47,368	\$ -	\$ 47,368
Investments	332,704	14,475	347,179
Taxes receivable, net	-	12,786	12,786
Accounts receivable	1,755	565	2,320
Due from other governments	23,951	-	23,951
Inventory	38,109	-	38,109
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 443,887</u>	<u>\$ 27,826</u>	<u>\$ 471,713</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	\$ 135,275	\$ -	\$ 135,275
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>135,275</u>	<u>-</u>	<u>135,275</u>
<b>Fund Balances</b>			
Nonspendable - inventory	38,109	-	38,109
Restricted - food service fund	270,503	-	270,503
Assigned - balance general fund	-	27,826	27,826
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>308,612</u>	<u>27,826</u>	<u>336,438</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 443,887</u>	<u>\$ 27,826</u>	<u>\$ 471,713</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED JUNE 30, 2019

	<u>Special Revenue Fund</u>		
	School Food Service Fund	Debt Service Fund	Total Non-major Governmental Funds
<b>Revenues</b>			
Local	\$ 296,925	\$ 604,199	\$ 901,124
State	-	55,096	55,096
Federal	1,267,656	-	1,267,656
<b>Total Revenues</b>	<b>1,564,581</b>	<b>659,295</b>	<b>2,223,876</b>
<b>Expenditures</b>			
<b>Current:</b>			
Support services	1,527,498	-	1,527,498
Debt service	-	632,600	632,600
<b>Total Expenditures</b>	<b>1,527,498</b>	<b>632,600</b>	<b>2,160,098</b>
<b>Excess of revenues over expenditures</b>	<b>37,083</b>	<b>26,695</b>	<b>63,778</b>
<b>Other Financing Uses</b>			
Transfers out	(81,737)	-	(81,737)
<b>Total Other Financing Uses</b>	<b>(81,737)</b>	<b>-</b>	<b>(81,737)</b>
<b>Net change in fund balances</b>	<b>(44,654)</b>	<b>26,695</b>	<b>(17,959)</b>
Fund Balance - July 1, 2018	353,266	1,131	354,397
Fund Balance - June 30, 2019	<u>\$ 308,612</u>	<u>\$ 27,826</u>	<u>\$ 336,438</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHOOL FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

Revenues

1000 Revenue from Local Sources

1500 Earnings on Investments		
1510 Interest on investments	\$	9,078

1600 Food Service

1610 Lunch sales to pupils		180,395
1620 Breakfast sales to pupils		25,427
1630 Special sales to pupils		27,777
1640 Lunch sales to adults		27,350
1650 Breakfast sales to adults		51
1660 Special sales to adults		15,957

1900 Other Revenue from Local Sources

1999 Revenue from other local sources		10,890
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Total Revenue from Local Sources		<u>296,925</u>
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4000 Revenue from Federal Sources

4800 USDA Reimbursement		
4810 School lunch and after school snacks program		938,023
4830 School breakfast program		264,742

4900 Other Federal Sources

4991 USDA commodities		64,891
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Total Revenue from Federal Sources		<u>1,267,656</u>
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Total Revenue from all Sources		<u>1,564,581</u>
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SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHOOL FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

## Expenditures

250 Finance and Operations

256 Food Service

100 Salaries	473,665
200 Employee benefits	76,498
300 Purchased services	3,297
393 Direct purchased services	27,298
400 Supplies and materials	901,334
500 Capital outlay	39,768
600 Other objects	<u>5,638</u>

Total Expenditures	<u>1,527,498</u>
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## Other Financing Sources (Uses)

Interfund transfers, from (to) Other Funds

432-791 Food Service Fund Indirect Costs	<u>(81,737)</u>
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Total Other Financing Sources (Uses)	<u>(81,737)</u>
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Net Change in Fund Balance	(44,654)
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Fund Balance - July 1, 2018	<u>353,266</u>
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Fund Balance - June 30, 2019	<u>\$ 308,612</u>
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SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
YEAR ENDED JUNE 30, 2019

## Revenues

## 1000 Revenue from Local Sources

## 1100 Taxes

1110 Ad valorem taxes	\$	589,251
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## 1200 Revenue from Local Governmental Units

## Other than LEAs

1280 Revenue in lieu of taxes		11,957
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## 1500 Earning on Investments

1510 Interest on investments		2,991
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Total Local Sources		604,199
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## 3000 Revenue from State Sources

## 3800 State Revenue in Lieu of Taxes

3820 Homestead exemption		37,406
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3830 Merchant's inventory tax		5,007
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3840 Manufacturers depreciation reimbursement		9,962
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3890 Other state property tax revenue		2,721
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Total State Sources		55,096
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Total Revenue all Sources		659,295
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## Expenditures

## 500 Debt Service

610 Redemption of principal		602,588
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620 Interest		30,012
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Total Expenditures		632,600
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Net Change in Fund Balance		26,695
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Fund Balance - July 1, 2018		1,131
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Fund Balance - June 30, 2019	\$	27,826
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SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
PUPIL ACTIVITY FUNDS  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2019

Receipts

1000 Receipts from Local Sources

1500 Earnings on Investments		
1510 Interest on investments	\$	110
1700 Pupil Activities		
1710 Admissions		93,482
1720 Bookstore sales		65
1730 Pupil organization membership		5,040
1740 Student fees		59,472
1790 Other		<u>597,632</u>
Total Receipts from Local Sources		<u>755,801</u>

Disbursements

190 Instructional Pupil Activity		
660 Pupil activity		<u>1,456</u>
Total Instruction		<u>1,456</u>
270 Support Services Pupil Activity		
271 Pupil Service Activities		
660 Pupil activity		<u>1,718,990</u>
Total Supporting Services		<u>1,718,990</u>
Total Disbursements		<u>1,720,446</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
PUPIL ACTIVITY FUNDS  
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES  
YEAR ENDED JUNE 30, 2019

Other Financing Sources (Uses)

Interfund transfers, from (to) Other Funds

5210 Transfer from General Fund 958,898

Total Other Financing Sources (Uses) 958,898

Net Change in Due to Pupil Activities (5,747)

Due to Pupil Activities - July 1, 2018 178,883

Due to Pupil Activities - June 30, 2019 \$ 173,136



SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 AGENCY FUND  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES  
 JUNE 30, 2019

Schedule 12

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<b>Assets</b>				
Cash and equivalents	\$ 227,555	\$ 1,714,699	\$ 1,706,636	\$ 235,618
<b>Total Assets</b>	<b>\$ 227,555</b>	<b>\$ 1,714,699</b>	<b>\$ 1,706,636</b>	<b>\$ 235,618</b>
<b>Liabilities</b>				
Accounts payable	\$ 8,336	\$ 12,157	\$ 8,336	\$ 12,157
Due to pupil activities	178,883	1,714,699	1,720,446	173,136
Due to other governments	40,336	50,325	40,336	50,325
<b>Total Liabilities</b>	<b>\$ 227,555</b>	<b>\$ 1,777,181</b>	<b>\$ 1,769,118</b>	<b>\$ 235,618</b>

See report of independent auditor.

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
LOCATION SCHEDULE  
YEAR ENDED JUNE 30, 2019

Location ID Number	Location Description	Education Level	Cost Type	Total Expenditures
00	Districtwide	Non-school	Central	\$ 1,581,895
35	Woodruff Middle School	Middle School	School	6,667,279
36	Woodruff High School	High School	School	8,930,873
40	Woodruff Primary School	Elementary School	School	7,094,967
42	Woodruff Elementary School	Elementary School	School	<u>5,726,669</u>
Total Expenditures/Disbursements for All Funds				<u>\$ 30,001,683</u>

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

General Fund	\$ 20,291,009
Special Revenue Fund	2,581,793
EIA Fund	1,332,114
School Food Service Fund	1,527,498
Debt Service Fund	632,600
School Building Fund	<u>1,916,223</u>
Total Governmental Fund Expenditures	28,281,237
Pupil Activity Fund Disbursements	<u>1,720,446</u>
Total Expenditures/Disbursements for All Funds	<u>\$ 30,001,683</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
 SCHEDULE OF BONDS PAYABLE  
 JUNE 30, 2019

	Maturity	Interest Rate	Outstanding June 30, 2018	July 1, 2018 - June 30, 2019		Outstanding June 30, 2019	Interest Paid
				Issued	Retired		
Serial bonds issued March 28, 2018	3/28/2019	2.460%	\$ 602,588	\$ -	\$ 602,588	\$ -	\$ 30,012
Interest payable annually on March 28	3/28/2020	2.460%	<u>617,412</u>	<u>-</u>	<u>-</u>	<u>617,412</u>	<u>-</u>
			\$ <u>1,220,000</u>	\$ <u>-</u>	\$ <u>602,588</u>	\$ <u>617,412</u>	\$ <u>30,012</u>

Interest to be paid in fiscal year 2020

\$ 15,188

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
JUNE 30, 2019

<u>Program</u>	<u>Project/Grant Number</u>	<u>Revenue and Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SDE/ Federal Government</u>	<u>Status of Amounts Due to Grantors</u>
EIA - National Board Salary Supplement	EIA	3532/332	Unexpended Funds	\$ 101	Paid Check #119945

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<u>U.S. Department of Agriculture</u>				
Pass Through SC Department of Social Services:				
884	Child and Adult Care Food Program	10.558	N/A	\$ <u>831</u>
Pass Through State Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
600	National School Lunch Program	10.555	N/A	64,891
Cash Assistance:				
600	School Breakfast Program	10.553	N/A	1,204,436
600	National School Lunch Program	10.555	N/A	<u>339,908</u>
	Total Child Nutrition Cluster			<u>1,609,235</u>
Total U. S. Department of Agriculture				<u>1,610,066</u>
<u>U.S. Department of Education</u>				
Pass through State Department of Education:				
202	Title I Grants to LEA's	84.010	18BA081	70,413
202	Title I Grants to LEA's	84.010	19BA081	599,556
240	Title I Direct Student Services	84.010A	H63010100118	53,762
	Total Title I, Part A Cluster			<u>723,731</u>
204	IDEA - Children with Disabilities	84.027	17CA081	20,523
203	IDEA - Children with Disabilities	84.027	18CA081	194,748
204	IDEA - Children with Disabilities	84.027	19CA081	481,363
206	Handicapped Preschool Grant	84.173	18CG081	32,374
	Total Special Education Cluster (IDEA)			<u>729,008 *</u>
207	Vocational Education- Basic (Subprogram 01)	84.048	19VA081	17,235
207	Vocational Education- Basic (Subprogram 02)	84.048	19VA081	24,362
207	Vocational Education- Basic (Subprogram 01)	84.048	18VA081	19
207	Vocational Education- Basic (Subprogram 06)	84.048	18VA081	<u>14,234</u>
	Total Career and Technical Education - Basic Grants to States (Perkins IV)			<u>55,850</u>

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2019

LEA Subfund Code	Federal Grantor/Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Total Expenditures
<u>U.S. Department of Education - continued</u>				
210	Title IV - Student Support and Academic Enrichment	84.424A	H630101003	15,866
210	Title IV - Student Support and Academic Enrichment	84.424A	H63010100319	17,887
264	Title III - ESOL	84.365	18BP081	2,665
264	Title III - ESOL	84.365	19BP081	3,809
267	Title II - Improving Teacher Quality State Grants	84.367	18TQ081	4,450
267	Title II - Improving Teacher Quality State Grants	84.367	19TQ081	<u>65,609</u>
	Total U. S. Department of Education			<u>1,618,875</u>
	Total Federal Assistance Expended			<u>\$ 3,228,941</u>

\* Denotes major federal program

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**June 30, 2019**

**Note 1—Basis of presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spartanburg County School District Four and is presented on the modified accrual basis. 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*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of the financial statements.

**Note 2—Indirect cost rate**

Under the provisions of the Uniform Guidance, the District is permitted to use a 10% de minimis indirect cost rate. The District elected not to use this rate.

**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  
Independent Auditor's Report**

To the Board of Trustees  
Spartanburg County School District Four  
Woodruff, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Four (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 19, 2019.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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



**Purpose of this Report**

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

Cherrey Behaert LHP

Greenville, South Carolina  
November 19, 2019

**Report on Compliance for Each Major Federal Program;  
Report on Internal Control over Compliance Required by the Uniform Guidance  
Independent Auditor's Report**

To the Board of Trustees  
Spartanburg County School District Four  
Woodruff, South Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Spartanburg County School District Four's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2019. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

**Report on Internal Control over Compliance**

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Cherry Bebaert LHP

Greenville, South Carolina  
November 19, 2019

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2019**

**Section I. Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness identified?	<u>      </u> yes	<u>  X  </u> no	
• Significant deficiencies identified?	<u>      </u> yes	<u>  X  </u> no	
Noncompliance material to financial statements noted?	<u>      </u> yes	<u>  X  </u> no	

**Federal Awards**

Internal control over major programs:			
• Material weakness identified?	<u>      </u> yes	<u>  X  </u> no	
• Significant deficiencies identified?	<u>      </u> yes	<u>  X  </u> no	
Noncompliance material to federal awards	<u>      </u> yes	<u>  X  </u> no	
Type of auditor's report issued on compliance for major programs:	Unmodified		
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance	<u>      </u> yes	<u>  X  </u> no	

Identification of major programs:

CFDA#  
84.027

Federal Program Name  
Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B Programs

\$ 750,000

Auditee qualified as low-risk auditee?

  X   yes           no

**Section II. Financial Statement Findings**

There were no audit findings.

**Section III. Federal Award Findings & Questioned Costs**

There were no audit findings.

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
Schedule of Findings and Questioned Costs (continued)  
Year Ended June 30, 2019**

**Section IV. Prior Year Findings**

There were no prior year audit findings.