



SPARTANBURG COUNTY  
SCHOOL DISTRICT FOUR  
Woodruff, South Carolina

AUDITED BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION  
FOR FISCAL YEAR ENDED JUNE 30, 2023

Issued By:  
Spartanburg County School District Four

Dr. W. Rallie Liston, Ed.D.  
Superintendent

Prepared By:  
Finance Department

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
WOODRUFF, SOUTH CAROLINA**

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**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
PRINCIPAL OFFICIALS  
YEAR ENDED JUNE 30, 2023**

**MEMBERS OF BOARD OF TUSTEES**

**June 30, 2023**

Tony Davis	Chairman
Morgan Smith	Vice-Chairman
Sandy Norman	Secretary
Gordon Godfrey	Board Trustee
Rick Sloan	Board Trustee
Jay Phillips	Board Trustee
Ted Harrison	Board Trustee
Gary Lee	Board Trustee
Vacant Position	Board Trustee

**ADMINISTRATIVE OFFICIALS**

Dr. W. Rallie Liston, Ed.D.	Superintendent
Chris Benfield	Business Manager

# FINANCIAL SECTION



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Four, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Spartanburg County School District Four's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Four, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management's 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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



***Auditor’s Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Spartanburg County School District Four’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Spartanburg County School District Four’s ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis, budgetary comparison schedule – General Fund, schedule of District’s proportionate share of the net pension liability – SCRS and PORS, schedule of District contributions – SCRS and PORS, schedule of District’s proportionate share of the net OPEB liability – SCRHITF and the schedule of District contributions – SCRHITF on pages 4 through 9 and 48 through 52 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spartanburg County School District Four’s basic financial statements. The combining and individual nonmajor fund financial statements and the Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules and the Schedule of Expenditures of Federal Awards is 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 22, 2023 on our consideration of Spartanburg County School District Four’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Spartanburg County School District Four’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spartanburg County School District Four’s internal control over financial reporting and compliance.



Greenville, South Carolina  
November 22, 2023



**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)  
JUNE 30, 2023**

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, 2023. This information should be read in conjunction with the audited financial statements included in this report.

**FINANCIAL HIGHLIGHTS:**

- During fiscal year 2023, average daily membership decreased by 20.19 or 0.75% from the previous year.
- In March 2023, the District issued Bond Anticipation Notes (BAN) in the amount of \$1,300,000. The proceeds will be used to repay the 2022 BAN of \$600,000 plus interest. The remaining proceeds will be used to renovate, repair and upgrade the District's facilities and upgrade technology and security cameras at all locations.
- In August 2022, the voters of the District approved a \$100,000,000 bond referendum to construct a new Woodruff High School.
- In November 2022, the District issued \$100,000,000 General Obligation Bonds to construct the new Woodruff High School.
- The District's operating millage decreased from 186.0 mills to 184.0 mills. The District did not increase debt service millage. The District's debt service millage remained at 19.1 mills.

**OVERVIEW OF THE FINANCIAL STATEMENTS:**

The financial statements are comprised of the following components:

- Independent Auditor's Report
- Management's Discussion and Analysis (MD&A)
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Schedules
- Other Schedules required by the SC Department of Education
- 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 Financial 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 funds consist of:

**Governmental funds:** The District's basic services are included in the governmental funds, which generally focus on two things – how cash, and other assets that 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 Projects Funds, the Education Improvement Act Fund, the School Building Fund, the Debt Service Fund, and the Food Service Fund.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS:**

### **Net Position**

Net position is an indicator of the fiscal health of the District. Total net position increased between fiscal years 2023 and 2022 by \$4,646,774 or 29.1%.

The District's current assets increased by \$109,892,216. Of this increase, \$108,389,010 relates to an increase in cash, cash equivalents and investments. Cash, cash equivalents and investments increased because the District issued a \$100 million GO bond November 2022. The vast majority of the proceeds of this bond will not be expended until fiscal years 2025 and 2026. Also, the increase in cash, cash equivalents and investments results because of an increase in investment earnings due to higher interest rates and more funds being invested. Net capital assets increased by \$1,700,775. This increase results because current additions exceeded depreciation expense and disposals for the year. The District's current liabilities increased by \$3,650,770. This increase results because bond anticipation notes increased from \$600,000 to \$1,300,000. Also, accrued interest payable increased, due to the payment structure of the \$100 million bond. Long-term liabilities increased by \$96,266,001. The increase in long-term liabilities is due to the issuance of the \$100 million bond. The increase in total assets was greater than the increase in total liabilities and deferred inflow of resources. As a result, the District's total net position increased by \$4,646,774.

The following table provides a summary of the District's net position for the fiscal years ended June 30, 2023 and 2022:

	<b>2023</b>	<b>2022</b>	<b>Increase (Decrease)</b>
Assets:			
Current assets	\$ 136,194,102	\$ 26,301,886	\$ 109,892,216
Capital assets (Net of Accumulated Depreciation)	24,764,154	23,063,379	1,700,775
Total Assets	<u>160,958,256</u>	<u>49,365,265</u>	<u>111,592,991</u>
Deferred Outflows of Resources:	<u>12,508,086</u>	<u>14,129,443</u>	<u>(1,621,357)</u>
Liabilities:			
Current liabilities	5,722,648	2,071,878	3,650,770
Long-term liabilities	167,000,611	70,734,610	96,266,001
Total Liabilities	<u>172,723,259</u>	<u>72,806,488</u>	<u>99,916,771</u>
Deferred Inflows of Resources:	<u>12,082,181</u>	<u>6,674,092</u>	<u>5,408,089</u>
Net Position			
Net Investment in Capital Assets	16,118,003	19,555,336	(3,437,333)
Restricted	112,665,449	1,505,871	111,159,578
Unrestricted	<u>(140,122,550)</u>	<u>(37,047,079)</u>	<u>(103,075,471)</u>
Total Net Position	<u>\$ (11,339,098)</u>	<u>\$ (15,985,872)</u>	<u>\$ 4,646,774</u>

## Operating Results

Total governmental activities generated revenues of \$44,444,687, which represents a \$6,304,402 increase from the prior year. The increase results mainly because investment earnings increased by \$4,015,204. This increase was due to interest rates exceeding 5% for most of the year.

Total expenses increased by \$5,252,989. This increase is due to mandatory salary increases and fringe benefit increases. In addition, interest and other charges increased by \$4,280,783 due to the payments and the accrual of interest expense related to the \$100 million bond issued in November 2022.

The following table provides a summary of the District's changes in net position for the fiscal years ended June 30, 2023 and June 30, 2022:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Revenues:			
Program Revenues			
Charges for Services	\$ 1,082,159	\$ 667,081	\$ 415,078
Operating Grants and Contributions	22,448,995	22,112,451	336,544
General Revenues			
Property Taxes	11,672,043	14,879,907	(3,207,864)
State Aid Not Restricted for Specific Purpose	4,979,924	-	4,979,924
Miscellaneous	4,261,566	480,846	3,780,720
Total Revenues	<u>44,444,687</u>	<u>38,140,285</u>	<u>6,304,402</u>
Expenses:			
Instruction	19,801,809	20,294,838	(493,029)
Support Services	15,502,490	13,924,194	1,578,296
Community Services	-	113,061	(113,061)
Interest & Other Charges	4,493,614	212,831	4,280,783
Total Expenses	<u>39,797,913</u>	<u>34,544,924</u>	<u>5,252,989</u>
Change in Net Position	4,646,774	3,595,361	1,051,413
Net Position, Beginning of Year	<u>(15,985,872)</u>	<u>(19,581,233)</u>	<u>3,595,361</u>
Net Position, End of Year	<u>\$ (11,339,098)</u>	<u>\$ (15,985,872)</u>	<u>\$ 4,646,774</u>

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS:

### Governmental Funds

The District's governmental funds reported a combined fund balance of \$132,000,724 an increase of \$107,965,849 from the prior year. The District's General Fund had expenditures and other financing uses that exceeded revenue and other financing sources by \$635,421. The District's assessed value increased. This resulted in additional property tax revenue of \$1,319,427. In addition, State revenue exceeded expectations by \$1,425,927. Also, the District continued cost savings measures established in prior years to reduce expenditures. These measures include funding as many positions as possible with grant funding. This increase resulted in savings of \$2,257,216. The additional revenue and savings in expenditures was offset by a board approved transfer to debt service fund of \$6,000,000.

The District's Special Revenue funds had revenues and other financing sources that exceeded expenditures and other financing uses by \$302,954. This results because pupil activity receipts exceeded expenditures by \$50,649 and food service revenues and other sources exceeded expenditures and other uses by \$252,305. The increase in Pupil Activity Fund results because of additional funds collected by clubs exceeding expenditures. The Food Service Fund increase results because an increase in expenditures due to higher salaries and higher food costs was offset by the lunch fees paid by students and the amount reimbursed by USDA.

The District's School Building Fund had revenues and other financing sources that exceeded expenditures and other financing uses by \$101,915,321. This occurred because the district issued a \$100 million GO bond November 2022. These proceeds will not be expended until fiscal years 2024 and 2025.

The District's Debt Service Fund had revenues and other financing sources exceed expenditures and other financing uses by \$6,382,995. The results because the District transferred \$6,000,000 from the General Fund for future bond payments.

**GENERAL FUND BUDGETARY HIGHLIGHTS:**

The District amended its fiscal year 2023 budget for the presentation of revenues and other financing sources. The total budget remained the same. Total actual revenue exceeded budgeted revenue by \$3,419,356. This increase results because the District's state revenue allocations exceeded budget by \$1,425,927. In addition property tax revenue exceeded budgeted revenue by \$1,319,427. This increase results because the District's assessed value increased. Actual expenditures were less than budgeted expenditures by \$2,257,216. 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 sources to exceed other financing uses by \$2,236,000. The District's financing uses actually exceeded financing sources by \$3,809,627. This resulted because the District's Board approved an unbudgeted transfer of \$6,000,000 to the debt service fund..

**CAPITAL ASSETS AND DEBT ADMINISTRATION:**

**Capital Assets**

Capital assets, net of depreciation, increased by \$1,617,514 from the previous year. This was due to the fact that capital additions exceeded depreciation expense and disposals. Major additions this year included construction in progress on the new Woodruff High School of \$2,501,863. Other major additions included resurfacing the tennis courts, updating the scoreboard at the football stadium and installing quartz tile at Woodruff Middle School. The following is a summary of the capital assets, net of depreciation at year-end. The following table is a summary of the components of Capital Assets at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Land	\$ 4,429,539	\$ 4,312,728	\$ 116,811
Construction in Progress	2,501,863	39,920	2,461,943
Land Improvements	5,132,575	5,132,575	-
Buildings & Building Improvements	32,411,382	32,328,337	83,045
Equipment & Vehicles	7,537,848	7,196,775	341,073
	<u>52,013,207</u>	<u>49,010,335</u>	<u>3,002,872</u>
Accumulated Depreciation	(27,332,314)	(25,946,956)	(1,385,358)
Total	<u>\$ 24,680,893</u>	<u>\$ 23,063,379</u>	<u>\$ 1,617,514</u>

## Debt Administration

As of June 30, 2023, the District had general obligation bonded indebtedness outstanding of \$102,140,683. This is an increase of \$98,632,640 from June 30, 2022. This increase is due to the District issuing a \$100 million general obligation bond in November 2023. In addition, the District has Deferred Amounts for Premiums of \$4,837,071 which relates to the issuance of the \$100 million general obligation bond. Also, the District issued bond anticipation notes in the amount of \$1,300,000, which are still outstanding as of June 30, 2023. More detailed information about the District's debt is presented in the Notes to the Financial Statements.

The following table is a summary of the District's outstanding debt at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
General Obligation Bonds	\$ 102,140,683	\$ 3,508,043	\$ 98,632,640
Deferred Amounts for Premiums	4,837,071	-	4,837,071
Total	<u>\$ 106,977,754</u>	<u>\$ 3,508,043</u>	<u>\$ 103,469,711</u>

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET:**

The District anticipates enrollment over the next couple years to increase. The District has acquired land and is the process of constructing a new Woodruff High School. Currently, there are over 5,000 new homes approved within the District.

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 2023 was 2.50%. This is a decrease from September 2022's unemployment rate of 2.9%. The State's unemployment rate for September 2023 is 2.9%. This is a decrease from the September 2022 rate of 3.2%.
- The County's employment was 154,893 for September 2023. The employment for the prior year was 148,834.

### **REQUEST FOR INFORMATION:**

This financial report is designed to provide its citizens, investors, and creditors with a general overview of the School District's finances and to demonstrate the School District's accountability for the resources it receives. Questions concerning any of the information should be addressed to:

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

# BASIC FINANCIAL STATEMENTS

The basic financial statements provide a summary overview of the financial position of all funds and of the operating results of all funds. They also serve as an introduction to the more detailed statements and schedules that follow.

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash & Cash Equivalents	\$ 1,539,412
Cash with Fiscal Agent - Spartanburg County	204,599
Investments	129,937,846
Property Taxes Receivable, Net	187,262
Due From County Government	2,492,181
Due From State Government	12,211
Due From Federal Government	1,521,961
Prepaid Items	206,960
Inventories - Supplies & Materials	58,288
Other Receivables	33,382
Right-to-Use Assets, Net of Accumulated Amortization	
IT Subscriptions	83,261
Capital Assets Not Being Depreciated:	
Land	4,429,539
Construction in Progress	2,501,863
Capital Assets, Net of Accumulated Depreciation:	
Buildings & Improvements	13,584,745
Land Improvements	1,675,685
Equipment & Vehicles	2,489,061
<b>Total Assets</b>	<b>\$ 160,958,256</b>
<b>Deferred Outflows of Resources</b>	
Net Pension Deferred Outflows	1,496,736
Net OPEB Deferred Outflows	6,801,736
Employer Contributions Subsequent to Measurement Date	4,209,614
<b>Total Deferred Outflows of Resources</b>	<b>\$ 12,508,086</b>
<b>Liabilities</b>	
Accounts Payable	\$ 952,170
Accrued Salaries	805,391
Accrued Payroll Related Liabilities	959,160
Due To State Government	2,568
Bond Anticipation Notes Payable	1,300,000
Unearned Revenue	15,957
Accrued Interest Payable	1,687,402
Noncurrent Liabilities:	
Net Pension Liability	33,458,498
Net OPEB Liability	26,481,229
Due Within One Year	1,568,314
Due in More Than One Year	105,492,570
<b>Total Liabilities</b>	<b>\$ 172,723,259</b>
<b>Deferred Inflows of Resources</b>	
Net Pension Deferred Inflows	649,324
Net OPEB Deferred Inflows	11,432,857
<b>Total Deferred Inflows of Resources</b>	<b>\$ 12,082,181</b>
<b>Net Position</b>	
Net Investment in Capital Assets	16,118,003
Restricted For:	
Special Projects	360,174
Food Service	1,440,526
Debt Service Program	4,852,710
Capital Projects	106,012,039
Unrestricted	(140,122,550)
<b>Total Net Position</b>	<b>\$ (11,339,098)</b>

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



**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
<b>Governmental Activities:</b>				
Instruction	\$ 19,801,809	\$ -	\$ 11,559,441	\$ (8,242,368)
Support Services	15,502,490	1,082,159	10,889,554	(3,530,777)
Interest & Other Charges	4,493,614	-	-	(4,493,614)
<b>Total Primary Government</b>	<b>\$ 39,797,913</b>	<b>\$ 1,082,159</b>	<b>\$ 22,448,995</b>	<b>\$ (16,266,759)</b>
 <b>General Revenues:</b>				
Property Taxes Levied For:				
General Purposes				10,231,878
Debt Service				1,440,165
State Aid Not Restricted For Specific Purpose				4,979,924
Unrestricted Investment Earnings				4,085,359
Miscellaneous				176,207
<b>Total General Revenues</b>				<b>20,913,533</b>
<b>Change in Net Position</b>				<b>\$ 4,646,774</b>
<b>Net Position, Beginning of Year</b>				<b>(15,985,872)</b>
<b>Net Position, End of Year</b>				<b>\$ (11,339,098)</b>

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2023**

	Special Revenue Funds					Total Governmental Funds
	General	Special Projects	Education Improvement Act	Food Service	Debt Service	
<b>Assets</b>						
Cash & Cash Equivalents	\$ 1,090,446	\$ 426,799	\$ -	\$ 22,167	\$ -	\$ 1,539,412
Cash with Fiscal Agent - Spartanburg County	183,987	-	-	-	20,612	204,599
Investments	13,434,159	-	-	1,690,321	6,487,138	129,937,846
Property Taxes Receivable, Net	167,008	-	15,899	-	20,254	187,262
Due From Other Funds	2,848,310	-	-	-	-	2,864,209
Due From County Government	2,468,164	-	-	-	24,017	2,492,181
Due From State Government	-	12,211	-	-	-	12,211
Due From Federal Government	-	1,442,992	-	78,969	-	1,521,961
Prepaid Items	206,960	-	-	58,288	-	206,960
Inventories - Supplies & Materials	-	-	-	-	-	58,288
Other Receivables	29,548	-	-	2,054	1,780	33,382
<b>Total Assets</b>	<b>\$ 20,428,582</b>	<b>\$ 1,882,002</b>	<b>\$ 15,899</b>	<b>\$ 1,851,799</b>	<b>\$ 6,553,801</b>	<b>\$ 139,058,311</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>						
<b>Liabilities</b>						
Accounts Payable	930,003	22,167	-	-	-	952,170
Accrued Salaries	805,391	-	-	-	-	805,391
Accrued Payroll Related Liabilities	959,160	-	-	-	-	959,160
Due To Other Funds	-	1,497,035	-	352,985	-	2,864,209
Due To State Government	-	-	2,568	-	-	2,568
Bond Anticipation Note Payable	-	-	-	-	-	1,300,000
Unearned Revenue	-	2,626	13,331	-	-	15,957
<b>Total Liabilities</b>	<b>2,694,554</b>	<b>1,521,828</b>	<b>15,899</b>	<b>352,985</b>	<b>-</b>	<b>6,899,455</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Tax Revenues	144,443	-	-	-	13,689	158,132
<b>Total Deferred Inflows</b>	<b>144,443</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,689</b>	<b>158,132</b>
<b>Fund Balances</b>						
Non-Spendable	206,960	-	-	58,288	-	265,248
Restricted For:						
Special Projects	-	360,174	-	-	-	360,174
Food Service	-	-	-	1,440,526	-	1,440,526
Debt Service	-	-	-	-	6,540,112	6,540,112
Capital Projects	-	-	-	-	-	106,012,039
Assigned	440,033	-	-	-	-	440,033
Unassigned	16,942,592	-	-	-	-	16,942,592
<b>Total Fund Balances</b>	<b>17,589,585</b>	<b>360,174</b>	<b>-</b>	<b>1,498,814</b>	<b>6,540,112</b>	<b>132,000,724</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 20,428,582</b>	<b>\$ 1,882,002</b>	<b>\$ 15,899</b>	<b>\$ 1,851,799</b>	<b>\$ 6,553,801</b>	<b>\$ 139,058,311</b>

The notes to the basic 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  
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

**Total Governmental Fund Balances** \$ 132,000,724

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. *This is the amount that the cost of the assets exceeds the accumulated depreciation.*

<i>Cost of Assets</i>	\$ 52,013,207	
<i>Accumulated Depreciation</i>	(27,332,314)	24,680,893

Right-to-Use Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. *This is the amount that the cost of the assets exceeds the accumulated amortization.*

<i>Cost of Assets</i>	89,208	
<i>Accumulated Amortization</i>	(5,947)	83,261

Deferred Outflows (Inflows) resulting from the recognition of the employer's share of the state's net pension and OPEB liabilities as well as the deferred loss on refundings are not current financial resources and, therefore, are not reported in the funds. 425,905

Certain unearned revenues reported in the governmental funds are recognized subject to a reserve for uncollectible amounts in the statement of activities. *This is the additional amount of taxes receivable recognized under the accrual basis.* 158,132

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

<i>Long Term Debt</i>	(102,223,813)	
<i>Net Pension Liability</i>	(33,458,498)	
<i>Net OPEB Liability</i>	(26,481,229)	
<i>Bond Premiums, Net of Amortization</i>	(4,837,071)	
<i>Accrued Interest Payable</i>	(1,687,402)	(168,688,013)

**Net Position of Governmental Activities:** **\$ (11,339,098)**

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2023**

	Special Revenue					Capital Projects	Total Governmental Funds
	General	Special Projects	Education Improvement Act	Food Service	Debt Service		
<b>Revenues</b>							
Taxes Levied/Assessed by the LEA	\$ 8,740,880	\$ -	\$ -	\$ -	\$ 1,302,726	\$ -	\$ 10,043,606
Revenue From Local Governmental Units Other Than LEAs	1,531,570	-	-	-	137,439	-	1,669,009
Tuition	15,950	-	-	-	-	-	15,950
Earnings on Investments	516,479	156	-	56,167	205,667	3,306,890	4,085,359
Food Service	-	-	-	221,463	-	-	221,463
Pupil Activities	-	844,746	-	-	-	-	844,746
Other Revenue from Local Sources	161,573	222,724	-	11,807	-	-	396,104
<b>Total Local</b>	<b>10,966,452</b>	<b>1,067,626</b>	<b>-</b>	<b>289,437</b>	<b>1,645,832</b>	<b>3,306,890</b>	<b>17,276,237</b>
State Sources	17,935,814	237,741	3,147,796	-	140,111	-	21,461,462
Federal Sources	-	3,731,878	-	2,015,682	-	-	5,747,560
<b>Total Revenues</b>	<b>\$ 28,902,266</b>	<b>\$ 5,037,245</b>	<b>\$ 3,147,796</b>	<b>\$ 2,305,119</b>	<b>\$ 1,785,943</b>	<b>\$ 3,306,890</b>	<b>\$ 44,485,259</b>
<b>Expenditures</b>							
<b>Current:</b>							
Instruction	15,163,373	3,033,977	898,289	-	-	55,736	19,151,375
Support Services	10,529,020	1,786,426	146,855	1,940,823	-	515,650	14,918,774
Intergovernmental	-	42,758	12,568	-	-	-	55,326
<b>Debt Service:</b>							
Legal Services	-	-	-	-	-	166,393	166,393
Advertising	-	-	-	-	-	2,544	2,544
Other Professional and Technical Services	-	-	-	-	-	280,700	280,700
Redemption of Principal	-	-	-	-	1,367,360	-	1,367,360
Interest	-	-	-	-	1,606,589	7,778	1,614,367
Discounts on Bonds Sold	-	-	-	-	-	850,000	850,000
<b>Capital Outlay</b>	<b>35,667</b>	<b>123,435</b>	<b>1,500</b>	<b>10,202</b>	<b>-</b>	<b>2,966,189</b>	<b>3,136,993</b>
<b>Total Expenditures</b>	<b>\$ 25,728,060</b>	<b>\$ 4,986,596</b>	<b>\$ 1,059,212</b>	<b>\$ 1,951,025</b>	<b>\$ 2,973,949</b>	<b>\$ 4,844,990</b>	<b>\$ 41,543,832</b>
Excess of Revenues Over (Under) Expenditures	3,174,206	50,649	2,088,584	354,094	(1,188,006)	(1,538,100)	2,941,427
<b>Other Financing Sources (Uses)</b>							
Premiums on Bonds Sold	-	-	-	-	-	4,935,214	4,935,214
Issuance of Debt	-	-	-	-	-	100,000,000	100,000,000
Lease Purchase	-	-	-	-	-	89,208	89,208
Transfers In	2,190,373	6,713	-	-	7,571,001	-	9,768,087
Transfers Out	(6,000,000)	(6,713)	(2,088,584)	(101,789)	-	(1,571,001)	(9,768,087)
<b>Total Other Financing Sources (Uses)</b>	<b>(3,809,627)</b>	<b>-</b>	<b>(2,088,584)</b>	<b>(101,789)</b>	<b>7,571,001</b>	<b>103,453,421</b>	<b>105,024,422</b>
<b>Net Change in Fund Balances</b>	<b>\$ (635,421)</b>	<b>\$ 50,649</b>	<b>\$ -</b>	<b>\$ 252,305</b>	<b>\$ 6,382,995</b>	<b>\$ 101,915,321</b>	<b>\$ 107,965,849</b>
<b>Fund Balance, Beginning of Year</b>	<b>18,225,006</b>	<b>309,525</b>	<b>-</b>	<b>1,246,509</b>	<b>157,117</b>	<b>4,096,718</b>	<b>24,034,875</b>
<b>Fund Balance, Ending of Year</b>	<b>\$ 17,589,585</b>	<b>\$ 360,174</b>	<b>\$ -</b>	<b>\$ 1,498,814</b>	<b>\$ 6,540,112</b>	<b>\$ 106,012,039</b>	<b>\$ 132,000,724</b>

The notes to the basic 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  
FOR THE YEAR ENDED JUNE 30, 2023**

Amounts reported for the Governmental Activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds \$ 107,965,849

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. *This is the amount by which depreciation and amortization expense exceeded related capital outlays in the current period.*

<i>Depreciation and Amortization Expense</i>	\$ (1,461,183)	
<i>Capital Outlay</i>	<u>3,166,018</u>	1,704,835

The issuance of long-term debt (e.g. bonds) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. *This is the amount that principal repaid during the year exceeds the amount of debt issued during the year.*

<i>Redemption of Principal &amp; Payments to Refunded Debt Escrow Agent</i>	1,367,360	
<i>Proceeds from Long-Term Debt</i>	<u>(100,000,000)</u>	(98,632,640)

Lease and information technology subscription proceeds provide current financial resources to governmental funds, while the payment of these items consumes the resources of governmental funds. Neither transaction, however, has any effect on net position. *This is the amount of lease and subscription payments during the year exceeds the amount of newly issued leases and subscriptions.*

<i>Payments on Lease and Subscription Liabilities</i>	6,078	
<i>Proceeds from Lease and Subscription Liabilities</i>	<u>(89,208)</u>	(83,130)

Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. *This is the change in bond premium and discount amortization.*

<i>Change in Amortization of Bond Premiums</i>	<u>(4,837,071)</u>	(4,837,071)
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In the statement of activities, the gain/(loss) on the sale or disposal of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus the change in net position differs from the change in fund balance by the book value of capital assets disposed or sold.

(4,060)

Certain unavailable tax revenues reported in the governmental funds are recognized in the statement of activities, net of a reserve for uncollectible amounts. This is the change in the amount of taxes receivable recognized under the accrual basis.

(40,572)

Retirement expense in the statement of activities is measured by the District's proportionate share of the PEBA total pension and OPEB liability expense. In the governmental funds, however, the expenditure is measured by the current contributions to the retirement system. *This is the amount Current Contributions exceed the District's proportionate share.*

<i>District's Proportionate Share of Total Pension Expense</i>	(2,363,110)	
<i>District's Proportionate Share of Total OPEB Expense</i>	(1,589,110)	
<i>Current Contributions to Systems</i>	<u>4,209,614</u>	257,394

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. *This is the amount that accrued interest on bonds at the end of the prior year exceeded the accrued interest on bonds at the end of the current year.*

<i>Accrued Interest - End of Current Year</i>	(1,687,402)	
<i>Accrued Interest - End of Prior Year</i>	<u>3,571</u>	(1,683,831)

**Change in Net Position of Governmental Activities \$ 4,646,774**

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*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 District is fully accredited by the Cognia, Inc., formerly Advance Accreditation Commission.

The District's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (statements and interpretations).

The accompanying financial statements present 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 13 because the District does not significantly influence operations of the organization nor is the related organization accountable to the District for its fiscal operations.

*Basis of Presentation*

*Government-wide Financial Statements*

The government-wide financial statements - the statement of net position and the statement of activities – display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify relationships between the government-wide financial statements and the fund financial statements.

The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those associated with a service, program or department and therefore are clearly identifiable with a particular function. Program revenues include amounts paid by the recipient for the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Basis of Presentation (Continued)*

#### *Fund Financial Statements*

Fund financial statements report detailed information about the District. Their focus is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column.

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

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

#### *Governmental Fund Types*

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

#### *General Fund*

The General Fund is the general operating fund of the District. It accounts for all activities except those required to be accounted for in other funds.

#### *Special Revenue Funds*

The Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The District has the following special revenue funds:

#### *Special Projects Fund*

Used to account for financial resources provided primarily by federal and state grants.

#### *Education Improvement Act (EIA) Fund*

Used to account for the proceeds of the additional one percent sales and use tax revenues that are legally restricted to expenditures for the South Carolina Education Improvement Act of 1984 standards.

#### *Food Service Fund*

Used to account for cafeteria operations at school locations. The fund is financed by user charges and subsidized primarily by USDA school lunch and breakfast programs.

#### *Debt Service Fund*

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Basis of Presentation (Continued)*

#### *Governmental Fund Types (Continued)*

##### *Capital Projects Fund*

The Capital Projects Fund is used to account for the financial resources to be used for the acquisition or construction of major capital facilities and their upkeep.

#### *Measurement Focus and Basis of Accounting*

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

#### *Revenues - Exchange and Nonexchange Transactions*

Revenue resulting from exchange transactions is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recognized in the accounting period when they become both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period of the District is sixty (60) days after year-end.

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

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

#### *Unearned Revenue*

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

#### *Expenditures/Expenses*

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



## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Budget*

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

1. The District superintendent submits to the local school Board of Trustees an operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Any revisions to transfer budgeted amounts between 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.
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.

The District legally adopts an annual budget for the General Fund prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriated to each function. All annual appropriations lapse at fiscal year-end. The budget is prepared on a basis consistent with U.S. generally accepted accounting principles, which is consistent with actual financial statement results, including significant accruals to provide meaningful comparisons.

### *Deposits and Investments*

State statutes authorize the District to invest in (1) obligations of the United States and its agencies, (2) general obligations of the State of South Carolina and its subdivisions, (3) savings and loan associations to the extent of federal insurance, (4) certificates of deposit collaterally secured, (5) repurchase agreements secured by the foregoing obligations, and (6) the State Treasurer's Investment Pool.

Investments are stated at fair value, except for certain short-term highly liquid debt investments which are exempted from reporting at fair value. The District's investments reported at fair value approximate cost.

### *Cash Management*

At June 30, 2023, 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, Capital Projects Fund, Food Service Fund, and certain Special Project 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) General Fund. These amounts will be settled from collections of reimbursements under grant programs from the Federal and State Governments and local sources.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Due from County Government*

The County Government, fiscal agent for the District, receives monies from local, state and federal sources on behalf of the District. The monies held by the County Government are uninsured but collateralized with government investments held by the pledging institution's agent in the name of the County. Market value approximates cost on the investments. These monies are remitted to the District once a claim has been presented to the County Government.

### *Taxes Receivable*

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

Taxes receivable as reported in the statement of net position are net of the following allowance for uncollectible amounts:

Delinquent Taxes Receivable	\$ 591,051
Less: Allowance for Uncollectible	<u>(403,789)</u>
Property Taxes Receivable	<u><u>\$ 187,262</u></u>

### *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 on 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 transferred to the Spartanburg County Delinquent Tax Collector, at which time an additional 5% penalty is assessed. Spartanburg County bills and collects the District's property taxes. The District's uncollected assessed taxes that have been transferred to the Spartanburg County Delinquent Tax Collector are recorded as taxes receivable in the accompanying government-wide statement of net position. An allowance for the amounts considered to be uncollected has also been recorded. These delinquent amounts and related allowance are not reflected as receivables in the accompanying fund financial statement balance sheet in that they are not deemed available.

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 2022 tax levy was assessed at \$74,187,981. In addition, the District's 2022 tax levy included property with an assessed value totaling \$7,083,971 that was billed under fee-in-lieu agreements.

The District's operating tax rate is currently 184.0 mills with an additional 19.1 mills for debt retirement.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Inventory and Prepaid Items*

Inventories are presented at the lower of cost or market using the first in, first out (FIFO) method and are expensed when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

### *Capital Assets and Depreciation*

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. The District does not possess any infrastructure.

All reported capital assets except land and construction in progress are depreciated. Construction projects are depreciated once they are completed or placed into service, at which time the complete costs of the project are transferred to the appropriate capital asset category. Depreciation is computed using the straight-line method over the following useful lives: 1) Buildings and Improvements - 10-50 years; 2) Equipment and Vehicles - 5-10 years; and 4) Land Improvements - 20 years.

### *Right-to-Use Assets*

The District has recorded right to use lease and subscription assets as a result of implementing GASB 87 and GASB 96. The right-to-use assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any payments made prior to the term, less incentives, and plus ancillary charges necessary to place the asset into service. The right-to-use assets are amortized on a straight-line basis over the life of the related lease or subscription.

### *Interfund Transactions*

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

### *Vacation and Sick Pay – Compensated Absences*

In accordance with state law, the District allows employees to accumulate a maximum of ninety (90) days sick leave. Accumulated sick leave is transferable to other school districts. During an illness, an employee continues to receive full pay for each day of accumulated sick leave. If an employee leaves the employment of the District, any unused sick leave is not paid. Because of the nonvesting of sick leave and other uncertainties, no estimate of any potential liability has been made.

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

### *Leases and Subscription Liabilities*

At the commencement of a lease/subscription, the District initially measures the liability at the present value of payments expected to be made during the lease/subscription term. Subsequently, the liability is reduced by the principal portion of payments made.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Leases and Subscription Liabilities (Continued)*

Key estimates and judgments related to leases/subscriptions include the following:

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District uses its estimated incremental borrowing rate as the discount rate for leases/subscriptions. The District's estimated incremental borrowing rate is based on historical market data and credit spread based on market data points compared to the lease/subscription commencement date.
- The lease/subscription term includes the noncancellable period of the lease/subscription. Payments included in the measurement of the lease/subscription liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease/subscription and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the liability.

### *Accrued Liabilities and Long-Term Debt*

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

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Amortizations of premiums and discounts are included in interest expense. Long-term debt liabilities are reported net of the applicable unamortized bond premiums or discounts.

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

### *Deferred Outflows and Inflows of Resources*

In the government-wide financial statements, in addition to assets and liabilities, separate sections for deferred outflows and deferred inflows of resources are reported. Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as revenue until that time. The District's only deferred outflows and inflows of resources are related to pensions, OPEB and a deferred loss on refunding from prior years.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Pension and Other Post-Employment Benefit (OPEB) Plans*

For purposes of measuring the net pension liability and net OPEB liability, deferred outflows and inflows of resources related to pension and OPEB, and pension and OPEB expenses, information about the fiduciary net position of the South Carolina Retirement System (SCRS) and OPEB Trusts, and additions to and deductions from the SCRS and OPEB Trusts fiduciary net position have been determined on the accrual basis of accounting as are reported by the SCRS and OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit, administrative and refund expenses are recognized when due and payable. Investments are reported at fair value.

### *Governmental Fund Balance Classifications*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. See Note 11 for details regarding the District's fund balance classifications. The classifications used in the governmental fund financial statements are as follows:

#### *Nonspendable*

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

#### *Restricted*

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

#### *Committed*

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

#### *Assigned*

This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or by an official or body to which the Board delegates authority.

#### *Unassigned*

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

#### *Spending Policy*

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

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### *Governmental Fund Balance Classifications (Continued)*

#### *Net Position*

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

#### *Restricted Sources*

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

#### *Estimates*

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

#### *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 accumulate assets to cover risks that its members incur in their normal operations. Specifically, the State assume substantially all the risk for the above.

#### *Excess of Expenditures over Appropriations*

The legal level of budgetary control is at the total expenditure level. This is the level at which expenditures should not exceed appropriations. For the fiscal year ended June 30, 2023, the District's general fund expenditures did not exceed appropriations at the total expenditure, however expenditures exceeded appropriations for support services by \$96,101.

#### *Change in Accounting Principle*

During the year ended June 30, 2023, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance for the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under the new standard, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. See Note 12 for the impact of this implementation on the financial statements presented.

## 2. CASH AND INVESTMENTS

### *Cash*

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.

All cash held under the custody of the District is pooled except for food service and student activity funds. At year-end the carrying amounts of the District's total deposits including special projects and food service funds were \$1,539,412 and the bank balances totaled \$2,596,436. Of these deposits, \$500,000 was insured by FDIC. The remaining \$2,096,436 was collateralized with securities held by the pledging financial institution in the District's name. Cash with fiscal agent, on deposit with the county treasurer or due from the county, was carried at \$204,599 at June 30, 2023. The cash held by the treasurer in the name of the District was either fully insured by FDIC or collateralized with securities held by financial institutions in the name of Spartanburg County, South Carolina.

Custodial credit risk is the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's policy regarding cash custodial risk is to require banks with which the District maintains deposits to collateralize and/or insure the District's funds.

### *Investments*

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, 2023, the fair value of investments with the South Carolina State Investment Pool was \$129,937,846. These investments have a maturity of less than six months.

Investments are reported at fair value and categorized within the fair value hierarchy established under U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; 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, 2023, the District's investments in the South Carolina State Investment Pool are valued using amortized cost.

Following are the components of the District's book and fair values for cash and investments at June 30, 2023:

Cash and Investments	Fair Value	Carrying Value
Deposits:		
Demand Deposits	<u>\$ 1,539,412</u>	<u>\$ 1,539,412</u>
Investments		
SC Local Government Investment Pool	<u>\$ 129,937,846</u>	<u>\$ 129,937,846</u>

## 2. CASH AND INVESTMENTS (CONTINUED)

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The District 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.

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

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 Investment Pool is unrated.

## 3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 4,312,728	\$ 116,811	\$ -	\$ 4,429,539
Construction in Progress	39,920	2,501,863	(39,920)	2,501,863
<b>Total Capital Assets Not Being Depreciated</b>	<b>4,352,648</b>	<b>2,618,674</b>	<b>(39,920)</b>	<b>6,931,402</b>
Capital Assets Being Depreciated:				
Land Improvements	5,132,575	-	-	5,132,575
Buildings & Building Improvements	32,328,337	97,595	(14,550)	32,411,382
Equipment & Vehicles	7,196,775	400,461	(59,388)	7,537,848
<b>Total Capital Assets Being Depreciated</b>	<b>44,657,687</b>	<b>498,056</b>	<b>(73,938)</b>	<b>45,081,805</b>
Less: Accumulated Depreciation For:				
Land Improvements	(3,187,947)	(268,943)	-	(3,456,890)
Buildings & Building Improvements	(18,091,425)	(749,762)	14,550	(18,826,637)
Equipment & Vehicles	(4,667,584)	(436,531)	55,328	(5,048,787)
<b>Total Accumulated Depreciation</b>	<b>(25,946,956)</b>	<b>(1,455,236)</b>	<b>69,878</b>	<b>(27,332,314)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>18,710,731</b>	<b>(957,180)</b>	<b>(4,060)</b>	<b>17,749,491</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 23,063,379</b>	<b>\$ 1,661,494</b>	<b>\$ (43,980)</b>	<b>\$ 24,680,893</b>

Depreciation Expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Instruction	\$ 749,330
Support Services	705,906
<b>Total Depreciation - Governmental Activities</b>	<b>\$ 1,455,236</b>



#### 4. RIGHT-TO-USE ASSETS

Right-to-use asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Right-to-Use Assets Being Amortized:				
IT Subscriptions	\$ -	\$ 89,208	\$ -	\$ 89,208
Total Right-to-Use Assets Being Amortized	-	89,208	-	89,208
Less: Accumulated Amortization For:				
IT Subscriptions	-	(5,947)	-	(5,947)
Total Accumulated Amortization	-	(5,947)	-	(5,947)
Total Right-to-Use Assets Being Amortized, Net	-	83,261	-	83,261
Governmental Activities, Right-to-Use Assets, Net	\$ -	\$ 83,261	\$ -	\$ 83,261

Amortization expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Instruction	\$ 3,062
Support Services	2,885
Total Amortization - Governmental Activities	<u>\$ 5,947</u>

#### 5. SHORT-TERM OBLIGATIONS

The following is a summary of short-term debt activity of the District for the year ended June 30, 2023:

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023
Bond Anticipation Notes	\$ 600,000	\$ 1,300,000	\$ (600,000)	\$ 1,300,000
	<u>\$ 600,000</u>	<u>\$ 1,300,000</u>	<u>\$ (600,000)</u>	<u>\$ 1,300,000</u>

On March 25, 2022, the District issued a \$600,000 General Obligation Bond Anticipation Note, Series 2022. As of June 30, 2023, these bonds were paid in full, including interest of \$7,778.

On March 23, 2023, the District issued a \$1,300,000 General Obligation Bond Anticipation Note, Series 2023 to fund the 2022 Bond Anticipation Note. The Note shall be payable as to principal and interest on March 21, 2024 at a rate of 4.39%. As of June 30, 2023, these bonds were still outstanding.

## 6. LONG-TERM OBLIGATIONS

General Obligation Bonds consisted of the following at June 30, 2023:

Issuance	Interest Rates	Maturity	Original Issue	Outstanding June 30, 2023
General Obligation Bonds				
Issued June 17, 2021	0.79%	2025	\$ 3,000,000	\$ 1,511,276
Issued March 24, 2022	1.32%	2024	1,250,000	629,407
Issued November 10, 2022	5.00%	2052	<u>100,000,000</u>	<u>100,000,000</u>
Total General Obligation Bonds			<u>\$ 104,250,000</u>	<u>\$ 102,140,683</u>

The annual requirement to amortize all bonds outstanding as of June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 1,382,072	\$ 5,115,381	\$ 6,497,453
2025	2,758,611	5,101,131	7,859,742
2026	-	4,995,138	4,995,138
2027	-	4,995,138	4,995,138
2028	-	4,995,138	4,995,138
2029 - 2033	3,095,000	24,853,190	27,948,190
Thereafter	<u>94,905,000</u>	<u>59,149,157</u>	<u>154,054,157</u>
	<u>\$ 102,140,683</u>	<u>\$ 109,204,273</u>	<u>\$ 211,344,956</u>

Long-Term liability activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Issued June 17, 2021	\$ 2,258,043	\$ -	\$ 746,767	\$ 1,511,276	\$ 752,665
Issued March 24, 2022	1,250,000	-	620,593	629,407	629,407
Issued November 10, 2022	-	100,000,000	-	100,000,000	-
Total Bonds Payable	<u>3,508,043</u>	<u>100,000,000</u>	<u>1,367,360</u>	<u>102,140,683</u>	<u>1,382,072</u>
Plus Deferred Amounts:					
For Premiums	<u>-</u>	<u>4,935,214</u>	<u>98,143</u>	<u>4,837,071</u>	<u>168,246</u>
Total Bond Related Liabilities	<u>3,508,043</u>	<u>104,935,214</u>	<u>1,465,503</u>	<u>106,977,754</u>	<u>1,550,318</u>
Subscription Liabilities	<u>-</u>	<u>89,208</u>	<u>6,078</u>	<u>83,130</u>	<u>17,996</u>
Governmental Activities Long-Term Liabilities	<u>\$ 3,508,043</u>	<u>\$ 105,024,422</u>	<u>\$ 1,471,581</u>	<u>\$ 107,060,884</u>	<u>\$ 1,568,314</u>

## 6. LONG-TERM OBLIGATIONS (CONTINUED)

Arbitrage is the difference between the yield on an issuer's tax-exempt bonds and the investment income earned on the proceeds. Restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U.S. Treasury. The District is required to have an arbitrage rebate calculation performed every five years and to rebate any excess arbitrage earnings. As of June 30, 2023, the District had no arbitrage rebate liability.

There are several limitations and restrictions contained in the various debt instruments. The District is in compliance with all significant limitations and restrictions including the legal debt limit imposed by Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended.

Bonds in the governmental funds will be retired by future property tax levies accumulated in the Debt Service Fund. As of June 30, 2023, \$6,553,801 is available in the Debt Service Fund to service the general long-term debt.

### *General Obligation Bonds*

On June 17, 2021, the District issued \$3,000,000 in General Obligation Bonds at an interest rate of 0.79% payable on June 1, 2025. Principal and interest payments are due annually on June 1 of each year until the bonds are paid in full. Proceeds of these bonds were used to (a) pay on March 25, 2021, the principal amount and accrued interest on the District's \$600,000 General Obligation Bond Anticipation Note, Series 2020 and (b) pay a portion of the costs of acquiring, constructing, furnishing, and equipping improvements to various facilities of the School District.

On March 24, 2022, the District issued \$1,250,000 in General Obligation Bonds with an interest rate of 1.32% payable on March 24, 2024. Principal and interest payments are due annually on March 24 of each year until the bonds are paid in full. Proceeds of these bonds were used to fund a portion of the cost of the acquisition of technology for use by the District and the acquisition, construction, furnishing, and/or equipping of capital items for and improvements to the facilities of the District.

On November 10, 2022, the District issued \$100,000,000 in General Obligation Bonds with an interest rate of 5.00% payable on March 1, 2052. Interest on the Bonds is payable on March 1, 2023 and semiannually thereafter on March 1 and September 1 of each year (the "Bond Payment Dates") until the Bonds are paid in full. The Bonds will mature and bear interest in accordance with the agreement. This issuance is part of the August 11, 2022 bond referendum approved by Spartanburg County voters authorizing the Board to issue general obligation bonds on a principal amount not to exceed \$100,000,000. The bond proceeds will be used to fund a new Woodruff High School.

### *Subscription Liabilities*

The District has entered into arrangements to subscribe to certain information technology subscription services. The subscription arrangements qualify as other than short-term subscriptions under GASB 96 and therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

In March 2023, the District entered into a subscription arrangement for the use certain information technology software. The subscription arrangement is in effect for a 60 month period commencing March 1, 2023, ending February 28, 2028, with a minimum monthly charge ranging from \$1,531 to \$1,723.

The future minimum subscription obligations and the net present value of these minimum subscription payments for the District as of June 30, 2023 are as follows:

Year Ended June 30,	Principal	Interest	Total
2024	\$ 17,996	\$ 1,663	\$ 19,659
2025	17,903	1,663	19,566
2026	17,810	1,663	19,473
2027	17,718	1,663	19,381
2028	11,703	1,108	12,811
	<u>\$ 83,130</u>	<u>\$ 7,760</u>	<u>\$ 90,890</u>

## 7. RETIREMENT PLAN

### *Description of the Entity*

The South Carolina Public Employee Benefit Authority (PEBA), created July 1, 2012, is the state agency responsible for the administration and management of the various Retirement Systems and retirement programs of the state of South Carolina, including the State Optional Retirement Program and the S.C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, an eight-member board, serves as co-trustee and co-fiduciary for the assets of the retirement trust funds. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions regarding the actuary of the Systems.

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

PEBA issues a Comprehensive Annual Financial Report containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The Comprehensive Annual Financial Report is publicly available through 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, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the comprehensive annual financial report of the state.

### *Plan Descriptions*

The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple-employer defined benefit pension plan, was established July 1, 1962, pursuant to the provisions of Section 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

## 7. RETIREMENT PLAN (CONTINUED)

### *Membership*

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary of the requirements under each system is presented below.

#### *SCRS*

Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

#### *State ORP*

As an alternative to membership in SCRS, certain newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

#### *PORS*

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

### *Benefits*

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current annual salary. A brief summary of the benefit terms for each system is presented below.

#### *SCRS*

A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight-year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

## 7. RETIREMENT PLAN (CONTINUED)

### *Benefits (Continued)*

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

### *PORS*

Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase.

### *Contributions*

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased, but also established a ceiling for SCRS and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. The General Assembly postponed the one percent increase in the SCRS and PORS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

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

## 7. RETIREMENT PLAN (CONTINUED)

### *Contributions (Continued)*

Required employee contribution rates are as follows:

SCRS	
Employee Class Two	9.00% of earnable compensation
Employee Class Three	9.00% of earnable compensation
State ORP Employee	9.00% of earnable compensation
PORS	
Employee Class Two	9.75% of earnable compensation
Employee Class Three	9.75% of earnable compensation

Required employer contribution rates are as follows:

SCRS	
Employer Class Two	17.41% of earnable compensation
Employer Class Three	17.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
State ORP	
Employer Contribution	17.41% of earnable compensation
Employer Incidental Death Benefit	0.15% of earnable compensation
PORS	
Employer Class Two	19.84% of earnable compensation
Employer Class Three	19.84% of earnable compensation
Employer Incidental Death Benefit	0.20% of earnable compensation
Employer Accidental Death Program	0.20% of earnable compensation

\*\*Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

### *Actuarial Assumptions and Methods*

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared 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. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2022, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

## 7. RETIREMENT PLAN (CONTINUED)

### *Actuarial Assumptions and Methods (Continued)*

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022.

	SCRS	PORS
Actuarial Cost Method	Entry Age	Entry Age
Actuarial Assumptions:		
Investment Rate of Return	7.00%	7.00%
Projected Salary Increases	3.0% - 11.0%	3.5% - 10.5%
Includes Inflation at	2.25%	2.25%
Benefits Adjustments	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. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table (2020 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2022, TPL are as follows:

Former Job Class	Males	Females
Educators	2020 PRSC Males multiplied by 95%	2020 PRSC Females multiplied by 94%
General Employees and Members of the General Assembly	2020 PRSC Males multiplied by 97%	2020 PRSC Females multiplied by 107%
Public Safety and Firefighters	2020 PRSC Males multiplied by 127%	2020 PRSC Females multiplied by 107%

### *Net Pension Liability*

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022, for SCRS and PORS are presented below.

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%
PORS	8,937,686,946	5,938,707,767	2,998,979,179	66.4%

The TPL is calculated by the Systems' actuary, and each plan's fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.



## 7. RETIREMENT PLAN (CONTINUED)

### *Long-term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets	<b>12.0%</b>		
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Real Return	<u>100.0%</u>		<u>4.79%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.04%</u>

### *Discount Rate*

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the 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 TPL.

### *Sensitivity Analysis*

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1 percent lower (6 percent) or 1 percent higher (8 percent) than the current rate:

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS	\$ 42,853,212	\$ 33,423,567	\$ 25,584,150
PORS	48,719	34,931	23,657

## 7. RETIREMENT PLAN (CONTINUED)

### *Pension Expense*

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2022, are presented below.

Description	SCRS	PORS	Total
Service Cost	\$ 1,473,890	\$ 2,540	\$ 1,476,430
Interest on the Total Pension Liability	5,209,273	6,973	5,216,246
Plan Administrative Costs	24,804	38	24,842
Plan Member Contributions	(1,356,041)	(1,905)	(1,357,946)
Expected Return on Plan Assets	(3,210,721)	(4,977)	(3,215,698)
Recognition of Current Year Amortization - Difference Between Expected and Actual Experience & Assumption Changes	687,422	803	688,225
Recognition of Current Year Amortization - Difference Between Projected and Actual Investment Earnings	(27,530)	(35)	(27,565)
Other	3,606	(34)	3,572
<b>Total Aggregate OPEB Expense</b>	<b>\$ 2,804,703</b>	<b>\$ 3,403</b>	<b>\$ 2,808,106</b>

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective NPL and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

### *Deferred Outflows of Resources and Deferred Inflows of Resources*

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources.

	SCRS Total Net Deferred Outflows/ (Inflows) of Resources	PORS Total Net Deferred Outflows/ (Inflows) of Resources	Total Total Net Deferred Outflows/ (Inflows) of Resources
Difference Between Expected and Actual Experience	\$ 144,729	\$ (105)	\$ 144,624
Net Difference Between Projected and Actual Investment Earnings	51,546	106	51,652
Assumption Changes	1,071,972	1,455	1,073,427
Deferred Amounts from Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Employer Contributions	(430,316)	8,025	(422,291)
	<b>\$ 837,931</b>	<b>\$ 9,481</b>	<b>\$ 847,412</b>

## 7. RETIREMENT PLAN (CONTINUED)

### *Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)*

Deferred outflows of resources of \$3,076,654 related to pensions resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	SCRS	PORS	Aggregate Totals
2022	\$ (611,682)	\$ (4,889)	\$ (616,571)
2023	(283,751)	(3,993)	(287,744)
2024	929,166	760	929,926
2025	<u>(871,664)</u>	<u>(1,359)</u>	<u>(873,023)</u>
	<u>\$ (837,931)</u>	<u>\$ (9,481)</u>	<u>\$ (847,412)</u>

As discussed in paragraph 71b of GASB 68, collective deferred outflows of resources and deferred inflows of resources arising from differences between projected and actual pension plan investment earnings in different measurement periods should be aggregated and included as a net collective deferred outflow of resources related to pensions or a net collective deferred inflow of resources related to pensions. Accordingly, the Outstanding Balance of Deferred Outflows of Resources in the Schedules of Pension Amounts by Employer reflects the current net difference between projected and actual pension plan investment earnings.

Additional items reported within the Outstanding Balance of Deferred Outflows and Inflows of Resources in the Schedules of Pension Amounts by Employer result from the two cost-sharing multiple-employer defined benefit pension plan-specific deferrals previously discussed.

### *Employer Contributions*

Employers' proportionate shares were calculated on the basis of employer and nonemployer contributions remitted to the plan. In an effort to help offset a portion of the increased contribution requirements for employers, the General Assembly again provided nonemployer contributions to PEBA. Based on the criteria provided by the General Assembly, PEBA issued credit invoices to certain SCRS and PORS employers for fiscal year 2022 who then applied the credit invoices towards contributions otherwise due to the Systems. The amount of credit invoices issued in fiscal year 2022 totaled \$88.7 million and \$12.5 million for SCRS and PORS respectively.

Employer contributions recognized by the Systems that are not representative of future contribution effort are excluded in the determination of employers' proportionate shares. Examples of employer contributions not representative of future contribution effort are contributions towards the purchase of employee service purchases and employer contributions paid by employees.

## 7. RETIREMENT PLAN (CONTINUED)

### *Employer Contributions (Continued)*

The District's contributions to the SCRS and PORS for the last three fiscal years were as follows:

	2023	2022	2021
SCRS			
Employee Contributions	\$ 1,438,980	\$ 1,337,040	\$ 1,299,532
Employer Contributions	3,073,938	2,718,648	2,476,726
Employer Group Life Contributions	<u>1,131,819</u>	<u>1,068,257</u>	<u>1,038,568</u>
Total	<u>\$ 5,644,737</u>	<u>\$ 5,123,945</u>	<u>\$ 4,814,826</u>
PORS			
Employee Contributions	\$ 1,779	\$ 1,797	\$ 1,692
Employer Contributions	3,693	3,547	3,166
Employer Group Life Contributions	<u>1,140</u>	<u>1,152</u>	<u>1,085</u>
Total	<u>\$ 6,612</u>	<u>\$ 6,496</u>	<u>\$ 5,943</u>

Note that the amounts listed above exclude non-employer contributions.

### *Additional Financial and Actuarial Information*

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2022, and the accounting valuation report as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' Comprehensive Annual Financial Report.

## 8. OTHER POST EMPLOYMENT BENEFITS

### *Description of the Entity and Summary of Significant Accounting Policies*

The South Carolina Public Employee Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Terms commence on July first of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority (SFFA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

## 8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

### *Plan Descriptions*

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in 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 OPEB 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. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

### *Benefits*

The SCRHITF is a healthcare plan that covers retired employees of the State of South Carolina, including all agencies, and public school districts. The SCRHITF provides health and dental insurance benefits to eligible retirees. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment 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.

Since the employer contribution/premium paid and the proportionate share of the net OPEB liability and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the District, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

### *Contributions and Funding Policies*

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2022 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

## 8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

### *Contributions and Funding Policies (Continued)*

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2022 totaled \$615,405,810. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$1,094,627.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

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.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – 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 fund financial information is also included in the comprehensive annual financial report of the state.

### *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.

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.

## 8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

### *Actuarial Assumptions and Methods (Continued)*

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2021
Actuarial Cost Method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.69% as of June 30, 2022
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019.
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial-Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022.

### *Roll Forward Disclosure*

The actuarial valuation were performed as of June 30, 2021. Update procedures were used to roll forward the total OPEB liability to June 30, 2022.

### *Net OPEB Liability*

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2022:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$ 16,835,502,593	\$ 1,623,661,403	\$ 15,211,841,190	9.64%

## 8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

### *Net OPEB Liability (Continued)*

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

### *Single Discount Rate*

The Single Discount Rate of 3.69% 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).

### *Long-term Expected Rate of Return*

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

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

### *Sensitivity Analysis*

The following table presents the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.69%, 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:

	1.00% Decrease (2.69%)	Current Discount Rate (3.69%)	1.00% Increase (4.69%)
SCRHITF Net OPEB Liability	\$ 31,307,974	\$ 26,481,229	\$ 22,602,282



**8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

*Sensitivity Analysis (Continued)*

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:

	1.00% Decrease	Current Healthcare Cost Trend Rate	1.00% Increase
SCRHITF Net OPEB Liability	\$ 21,778,222	\$ 26,481,229	\$ 31,972,245

*OPEB Expense*

Components of collective OPEB expense reported in the Schedule of OPEB Amounts by Employer for the fiscal year ended June 30, 2022 are presented below.

Description	SCRHITF
Service Cost	\$ 1,501,558
Interest on the Total OPEB Liability	758,138
Projected Earnings on Plan Investments	(81,773)
OPEB Plan Administrative Expense	1,395
Recognition of Outflow (Inflow) of Resources due to Liabilities	(640,084)
Recognition of Outflow (Inflow) of Resources due to Assets	<u>53,791</u>
Total Aggregate OPEB Expense	<u>\$ 1,593,025</u>

Additional items included in Total Employer OPEB Expense are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers’ proportionate share of the collective NOL and differences between actual employer contributions and proportionate share of total plan employer contributions.

*Deferred Outflows and Inflows of Resources*

As discussed in paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

**8. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)**

*Deferred Outflows and Inflows of Resources (Continued)*

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources.

	SCRHITF		Total Net Deferred Outflows/ (Inflows) of Resources
	Deferred Outflows of Resources	Deferred Inflows of Resources	
Net Difference Between Expected and Actual Experience	\$ 568,387	\$ 2,328,445	\$ (1,760,058)
Net Difference Between Projected and Actual Investment Experience	208,220	-	208,220
Assumption Changes	5,970,835	8,512,277	(2,541,442)
Deferred Amounts from Changes in Proportionate Share and Differences Between Employer Contributions and Proportionate Share of Employer Contributions	54,294	592,135	(537,841)
	<u>\$ 6,801,736</u>	<u>\$ 11,432,857</u>	<u>\$ (4,631,121)</u>

Deferred outflows of resources of \$1,132,960 related to OPEB resulted from District employer and non-employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year Ended June 30,	SCRHITF
2022	\$ 694,981
2023	416,458
2024	349,136
2025	489,292
2026	1,141,735
Thereafter	<u>1,539,519</u>
	<u>\$ 4,631,121</u>

*Additional Financial and Actuarial Information*

Information contained in these Notes to the Schedules of OPEB Amounts by Employer (the Schedules) were compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2022, and the accounting and financial reporting actuarial valuations as of June 30, 2022. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trust Funds audited financial statements. Employers are encouraged to review Illustration II in Appendix C of GASB Statement No. 75, which provides a sample footnote disclosure and required supplementary information for a cost-sharing multiple-employer defined benefit OPEB plan.

## 9. DEFERRED COMPENSATION PLANS

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

In addition, the District also 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 the various 403(b) providers. The District has no loss under the Plan.

## 10. INTERFUND TRANSFERS, RECEIVABLES, AND PAYABLES

During the course of normal operations, the District has numerous transactions between funds to provide services, construct assets, service debts, etc. These transactions are generally reflected as transfers. Total transfers during the year ended June 30, 2023, consisted of the following individual fund amounts:

Transfer From	Transfer To			
	General	Special Projects	Debt Service	Total
General Fund	\$ -	\$ -	\$ 6,000,000	\$ 6,000,000
Special Revenue - Special Projects	-	6,713	-	6,713
Special Revenue - EIA	2,088,584	-	-	2,088,584
Special Revenue - Food Service	101,789	-	-	101,789
Debt Service	-	-	-	-
Capital Projects	-	-	1,571,001	1,571,001
<b>Totals</b>	<b>\$ 2,190,373</b>	<b>\$ 6,713</b>	<b>\$ 7,571,001</b>	<b>\$ 9,768,087</b>

Interfund balances are comprised of expenditures and expenses paid on behalf of one fund by another and are to be repaid. All cash activities are recorded in the general fund, and as a result, receivables and payables exist at year end that are either due to or due from the general fund to/from other funds. Various differences include special revenue payments not received from the State Department of Education until after the fiscal year end, fringe amounts paid by the general fund for food service, taxes receivable for debt service, and building project costs. As of June 30, 2023, amounts due from/to other funds related to the School District's pooled cash are as follows:

	Interfund Receivables	Interfund Payables
General Fund	\$ 2,848,310	\$ -
Special Revenue Fund - Special Projects	-	1,497,035
Special Revenue Fund - EIA Fund	15,899	-
Special Revenue Fund - Food Service Fund	-	352,985
Capital Projects Fund	-	1,014,189
<b>Total for Primary Government</b>	<b>\$ 2,864,209</b>	<b>\$ 2,864,209</b>

## 11. FUND BALANCE RESERVATIONS AND DESIGNATIONS

As depicted in Note 1, the Governmental Fund Financial Statements present fund balances based on specific classifications. The fund balances of the Governmental Funds are as follows as of June 30, 2023:

	General Fund	Special Projects	Food Service	Debt Service	Capital Projects	Total
Fund Balances:						
Non-Spendable:						
Inventory	\$ -	\$ -	\$ 58,288	\$ -	\$ -	\$ 58,288
Prepaid Items	206,960	-	-	-	-	206,960
Total Non-Spendable	<u>206,960</u>	<u>-</u>	<u>58,288</u>	<u>-</u>	<u>-</u>	<u>265,248</u>
Restricted For:						
Special Projects	-	360,174	-	-	-	360,174
Food Service	-	-	1,440,526	-	-	1,440,526
Debt Service	-	-	-	6,540,112	-	6,540,112
Capital Projects	-	-	-	-	106,012,039	106,012,039
Total Restricted	<u>-</u>	<u>360,174</u>	<u>1,440,526</u>	<u>6,540,112</u>	<u>106,012,039</u>	<u>114,352,851</u>
Assigned For:						
FY 2023-2024 Expenses	440,033	-	-	-	-	440,033
Total Assigned	<u>440,033</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>440,033</u>
Unassigned	16,942,592	-	-	-	-	16,942,592
Total Fund Balances	<u>\$ 17,589,585</u>	<u>\$ 360,174</u>	<u>\$ 1,498,814</u>	<u>\$ 6,540,112</u>	<u>\$ 106,012,039</u>	<u>\$ 132,000,724</u>

## 12. CHANGE IN ACCOUNTING PRINCIPAL

During the year ended June 30, 2023, the District adopted new accounting guidance by implementing the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which provides guidance for the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Under the new standard, a government generally should recognize a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability.

District management has evaluated their SBITAs applicable to this Statement, and a subscription liability and offsetting and corresponding intangible asset representing the District's right-to-use the subscription asset have been recognized in these financial statements.

## 13. RELATED ORGANIZATIONS

These financial statements exclude R.D. Anderson Area Vocational Center, Moore, South Carolina. 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, 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, 2023, \$325,928 was recorded as a General Fund expenditure.

## 14. RELATED PARTY TRANSACTIONS

The District purchased the following services from related parties during the year ended June 30, 2023:

Service	Relationship	Amount Paid
Cleaning Services	Relationship with Individual in Position of Control	\$ 12,170
Graphic Design Services	Relationship with Board of Trustees	51,210
Printing Services	Relationship with Board of Trustees	7,937
Landscaping Services	Relationship with Board of Trustees	227,136

## **15. TAX ABATEMENT**

The District's property tax revenues were reduced by \$2,919,495 for the fiscal year ended June 30, 2023 under agreements entered into by Spartanburg County. These agreements are considered fee-in-lieu of tax programs related to economic development programs.

## **16. SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS**

The District is required to pay unemployment compensation on covered employees. It has chosen the alternative of paying claims as billed by the South Carolina Employment Security Commission. Under this method of funding, no accurate estimate of any potential liability can be made. However, the District does not believe any such liability would have a detrimental impact on the financial status of the District.

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

The District'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 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, 2023, 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.

Various claims and lawsuits are pending against the District. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the District's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the District.

At June 30, 2023, the District has construction commitments of \$14,128,753.

## **17. FUTURE ACCOUNTING STANDARDS**

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The District is currently evaluating the impact that this Statement will have on its financial statements.

## **18. SUBSEQUENT EVENTS**

In October 2023, the District's operating tax rate was revised for the 2023 tax year from 184.00 mills to 173.7 mills. In addition, the District re-allocated 3.0 mills to fund the District's respective portion of the teacher equalization fund leaving a net operating tax rate of 170.7 mills.

Subsequent to year end, the District has entered into additional construction commitments in the amount of \$73,337,730 related to the construction of the new Woodruff High School.

Management has evaluated the effects subsequent events would have on the financial statements through the date of the auditors' report, which is the date the financial statements were available for issuance.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>			
	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Local	\$ 8,973,023	\$ 8,973,023	\$ 10,966,452	\$ 1,993,429
State	18,595,887	16,509,887	17,935,814	1,425,927
<b>Total Revenues</b>	<b>\$ 27,568,910</b>	<b>\$ 25,482,910</b>	<b>\$ 28,902,266</b>	<b>\$ 3,419,356</b>
<b>Expenditures</b>				
Current:				
Instruction	16,265,716	17,461,690	15,163,373	2,298,317
Support Services	11,664,560	10,468,586	10,564,687	(96,101)
Community Services	1,000	1,000	-	1,000
Intergovernmental	54,000	54,000	-	54,000
<b>Total Expenditures</b>	<b>\$ 27,985,276</b>	<b>\$ 27,985,276</b>	<b>\$ 25,728,060</b>	<b>\$ 2,257,216</b>
<b>Excess Revenues Over (Under) Expenditures</b>	<b>(416,366)</b>	<b>(2,502,366)</b>	<b>3,174,206</b>	<b>5,676,572</b>
<b>Other Financing Sources (Uses)</b>				
Interfund Transfers from/(to) Other Funds	150,000	2,236,000	(3,809,627)	(6,045,627)
<b>Total Other Financing Sources (Uses)</b>	<b>150,000</b>	<b>2,236,000</b>	<b>(3,809,627)</b>	<b>(6,045,627)</b>
<b>Excess Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ (266,366)</b>	<b>\$ (266,366)</b>	<b>\$ (635,421)</b>	<b>\$ (369,055)</b>
<b>Fund Balance, Beginning of Year</b>			<b>18,225,006</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 17,589,585</b>	

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

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - SCRS AND PORS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013*	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>SCRS</b>										
District's Proportion of Net Pension Liability	\$26,652,642	\$25,583,133	\$27,041,364	\$29,694,680	\$31,447,141	\$31,504,264	\$31,941,492	\$35,875,618	\$30,470,658	\$33,423,567
District's Proportionate Share of Net Pension Liability	0.148595%	0.148595%	0.142582%	0.139021%	0.139693%	0.140601%	0.139885%	0.140404%	0.140800%	0.137874%
District's Covered-Employee Payroll	12,745,539	12,706,464	12,528,548	12,447,459	12,938,936	13,172,889	13,259,758	14,070,025	14,439,854	18,109,112
District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll	209.11%	201.34%	215.84%	238.56%	243.04%	239.16%	240.89%	254.98%	211.02%	184.57%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	59.90%	57.00%	52.90%	53.30%	54.10%	54.40%	50.70%	60.70%	57.10%
<b>PORS</b>										
District's Proportion of Net Pension Liability	\$ 13,226	\$ 12,214	\$ 21,490	\$ 29,525	\$ 35,916	\$ 33,946	\$ 11,609	\$ 23,871	\$ 29,698	\$ 34,931
District's Proportionate Share of Net Pension Liability	0.000640%	0.000638%	0.000986%	0.001164%	0.001311%	0.001198%	0.000405%	0.000720%	0.001154%	0.001165%
District's Covered-Employee Payroll	9,356	7,668	12,218	14,839	17,653	16,589	5,869	10,874	17,357	18,245
District's Proportionate Share of Net Pension Liability as a Percentage of Its' Covered-Employee Payroll	141.36%	159.29%	175.89%	198.97%	203.46%	204.63%	197.80%	219.52%	171.10%	191.46%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	N/A	67.50%	64.60%	60.40%	60.90%	61.70%	62.70%	58.80%	70.40%	66.40%

**\* Note:**

This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).



**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRS AND PORS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014*	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>SCRS</b>										
Contractually Required Contribution	\$ 1,327,825	\$ 1,346,819	\$ 1,358,018	\$ 1,476,289	\$ 1,766,484	\$ 1,910,731	\$ 2,167,428	\$ 2,199,580	\$ 2,437,869	\$ 3,073,938
Contributions in Relation to the Contractually Required Contribution	(1,327,825)	(1,346,819)	(1,358,018)	(1,476,289)	(1,766,484)	(1,910,731)	(2,167,428)	(2,199,580)	(2,437,869)	(3,073,938)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	12,745,539	12,706,464	12,528,548	12,447,459	12,938,936	13,172,889	13,259,758	14,070,025	14,439,854	18,109,112
Contributions as a Percentage of Covered-Employee Payroll	10.42%	10.60%	10.84%	11.86%	13.65%	14.51%	16.35%	15.63%	16.88%	16.97%
<b>PORS</b>										
Contractually Required Contribution	\$ 954	\$ 1,590	\$ 1,979	\$ 2,443	\$ 2,627	\$ 988	\$ 1,940	\$ 3,096	\$ 3,473	\$ 2,716
Contributions in Relation to the Contractually Required Contribution	(954)	(1,590)	(1,979)	(2,443)	(2,627)	(988)	(1,940)	(3,096)	(3,473)	(2,716)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	9,356	7,668	12,218	14,839	17,653	16,589	5,869	10,874	17,357	18,245
Contributions as a Percentage of Covered-Employee Payroll	10.20%	20.74%	16.20%	16.46%	14.88%	5.96%	33.06%	28.47%	20.01%	14.89%

**\* Note:**

This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR**  
**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY - SCRHIITF**  
**LAST TEN FISCAL YEARS**

	Fiscal Year									
	2013*	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>SCRHIITF</b>										
District's Proportion of Net OPEB Liability	N/A	N/A	N/A	N/A	\$24,082,042	\$25,310,365	\$26,914,348	\$32,169,483	\$36,721,471	\$26,481,229
District's Proportionate Share of Net OPEB Liability	N/A	N/A	N/A	N/A	0.177795%	0.178612%	0.177987%	0.178210%	0.176349%	0.174083%
District's Covered-Employee Payroll	N/A	N/A	N/A	N/A	12,956,589	13,189,478	13,265,627	14,080,899	14,457,211	18,127,357
District's Proportionate Share of Net OPEB Liability as a Percentage of Its' Covered-Employee Payroll	N/A	N/A	N/A	N/A	185.87%	191.90%	202.89%	228.46%	254.00%	146.08%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	N/A	N/A	N/A	N/A	7.60%	7.91%	8.44%	8.39%	7.48%	9.64%

**\* Note:**

This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available. The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF DISTRICT CONTRIBUTIONS - SCRHIIF  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2014*	2015*	2016*	2017	2018	2019	2020	2021	2022	2023
<b>SCRHIIF</b>										
Contractually Required Contribution	N/A	N/A	N/A	\$ 799,136	\$ 847,163	\$ 941,862	\$ 1,026,738	\$ 1,039,691	\$ 1,069,409	\$ 1,132,960
Contributions in Relation to the Contractually Required Contribution	N/A	N/A	N/A	(799,136)	(847,163)	(941,862)	(1,026,738)	(1,039,691)	(1,069,409)	(1,132,960)
Contribution Deficiency (Excess)	N/A	N/A	N/A	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered-Employee Payroll	N/A	N/A	N/A	12,462,298	12,956,589	13,189,478	13,265,627	14,080,899	14,457,211	18,127,357
Contributions as a Percentage of Covered-Employee Payroll	N/A	N/A	N/A	6.41%	6.54%	7.14%	7.74%	7.38%	7.40%	6.25%

**\* Note:** This schedule is presented to illustrate the requirement to show information for ten (10) years. However, until a full ten year trend is compiled, information is presented for those years for which information is available.

# SUPPLEMENTARY INFORMATION

# GENERAL FUND

The General Fund is the general operating fund of the School District. It is used to account for all financial resources except for those required to be accounted for in another fund. All property taxes, intergovernmental revenues, and miscellaneous revenues are recorded in this fund except amounts which are specifically collected to service debt or capacity. Operational expenditures for general education, support services and other departments of the District are paid through the General Fund.

The following Balance Sheet and Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the General Fund has been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedule are also mandated by the South Carolina Department of Education.

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 2023**

**Assets**

Cash & Cash Equivalents	\$ 1,090,446
Cash with Fiscal Agent - Spartanburg County	183,987
Investments	13,434,159
Property Taxes Receivable	167,008
Due From Other Funds	2,848,310
Due From County Government	2,468,164
Prepaid Items	206,960
Other Receivables	<u>29,548</u>
<b>Total Assets</b>	<b><u><u>\$ 20,428,582</u></u></b>

**Liabilities, Deferred Inflows of Resources & Fund Balances**

**Liabilities**

Accounts Payable	930,003
Accrued Salaries	805,391
Accrued Payroll Related Liabilities	<u>959,160</u>
<b>Total Liabilities</b>	<b><u>2,694,554</u></b>

**Deferred Inflows of Resources**

Unavailable Tax Revenues	<u>144,443</u>
<b>Total Deferred Inflows of Resources</b>	<b><u>144,443</u></b>

**Fund Balances**

Non-Spendable	206,960
Assigned	440,033
Unassigned	<u>16,942,592</u>
<b>Total Fund Balances</b>	<b><u>17,589,585</u></b>

<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balances</b>	<b><u><u>\$ 20,428,582</u></u></b>
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**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>			
<b>1000 Revenue from Local Sources</b>			
1100 Taxes Levied/Assessed by the LEA:			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 8,153,023	\$ 8,740,880	\$ 587,857
1200 Revenue From Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes (Independent and Dependent)	800,000	1,531,570	731,570
1300 Tuition			
1310 Tuition From Patrons for Regular Day School	-	15,950	15,950
1500 Earnings on Investments:			
1510 Interest on Investments	20,000	516,479	496,479
1900 Other Revenue from Local Sources:			
1990 Miscellaneous Local Revenue:			
1993 Receipt of Insurance Proceeds	-	57,177	57,177
1999 Revenue from Other Local Sources	-	104,396	104,396
<b>Total Local Sources</b>	<b>8,973,023</b>	<b>10,966,452</b>	<b>1,993,429</b>
<b>3000 Revenue from State Sources</b>			
3100 Restricted State Funding:			
3103 State Aid to Classrooms	11,162,638	12,035,663	873,025
3130 Special Programs:			
3131 Handicapped Transportation	-	915	915
3160 School Bus Driver Salary (Includes Hazardous Condition Transportation)	225,000	229,734	4,734
3161 EAA Bus Driver Salary and Fringe	-	591	591
3162 Transportation Workers' Compensation	14,600	14,621	21
3181 Retiree Insurance (No Carryover Provision)	782,446	772,498	(9,948)
3300 State Aid to Classrooms - Education Finance Act (EFA):			
3330 Miscellaneous EFA Programs:			
3392 NBC Excess EFA Formula	-	45,574	45,574
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	892,411	892,411	-
3820 Homestead Exemption (Tier 2)	433,314	433,314	-
3825 Reimbursement for Property Tax Relief (Tier 3)	2,574,528	2,684,467	109,939
3830 Merchant's Inventory Tax	29,000	36,570	7,570
3840 Manufacturers Depreciation Reimbursement	225,000	590,204	365,204
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	25,000	52,743	27,743
3900 Other State Revenue:			
3993 PEBA On-Behalf	145,950	145,969	19
3999 Revenue From Other State Sources	-	540	540
<b>Total State Sources</b>	<b>16,509,887</b>	<b>17,935,814</b>	<b>1,425,927</b>
<b>4000 Revenue from Federal Sources</b>			
<b>Total Revenues All Sources</b>	<b>\$ 25,482,910</b>	<b>\$ 28,902,266</b>	<b>\$ 3,419,356</b>
<b>Expenditures</b>			

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>100 Instruction</b>			
110 General Instruction			
111 Kindergarten Programs:			
100 Salaries	670,878	586,184	84,694
200 Employee Benefits	334,260	288,344	45,916
300 Purchased Services	6,000	-	6,000
400 Supplies and Materials	54,000	15,473	38,527
500 Capital Outlay	5,000	-	5,000
112 Primary Programs:			
100 Salaries	1,619,984	1,627,506	(7,522)
200 Employee Benefits	768,488	727,231	41,257
300 Purchased Services	21,250	44,108	(22,858)
400 Supplies and Materials	179,150	56,053	123,097
500 Capital Outlay	6,000	-	6,000
113 Elementary Programs:			
100 Salaries	3,475,123	3,307,381	167,742
200 Employee Benefits	1,620,818	1,475,441	145,377
300 Purchased Services	16,750	87,094	(70,344)
400 Supplies and Materials	302,800	102,934	199,866
500 Capital Outlay	10,000	-	10,000
114 High School Programs:			
100 Salaries	2,402,422	2,411,412	(8,990)
200 Employee Benefits	1,191,089	1,091,200	99,889
300 Purchased Services	233,000	315,352	(82,352)
400 Supplies and Materials	195,850	55,795	140,055
500 Capital Outlay	5,000	-	5,000
600 Other Objects	2,000	14,250	(12,250)
115 Career and Technology Education Programs:			
100 Salaries	201,890	223,149	(21,259)
200 Employee Benefits	94,928	91,228	3,700
300 Purchased Services - Other Than Tuition	20,000	35,187	(15,187)
370 Tuition (Purchased Services)	220,000	235,006	(15,006)
400 Supplies and Materials	12,700	1,511	11,189
120 Exceptional Programs			
121 Educable Mentally Handicapped:			
100 Salaries	900,204	72,451	827,753
200 Employee Benefits	416,720	29,964	386,756
300 Purchased Services	1,000	8,411	(7,411)
400 Supplies and Materials	1,500	449	1,051
122 Trainable Mentally Handicapped:			
100 Salaries	-	8,273	(8,273)
200 Employee Benefits	-	3,666	(3,666)
300 Purchased Services	3,500	21,875	(18,375)
123 Orthopedically Handicapped:			
100 Salaries	10,000	3,917	6,083
200 Employee Benefits	3,216	2,200	1,016
300 Purchased Services	23,000	-	23,000
124 Visually Handicapped:			
100 Salaries	-	10,556	(10,556)
200 Employee Benefits	-	4,374	(4,374)
300 Purchased Services	20,700	26,129	(5,429)
400 Supplies and Materials	1,000	-	1,000
125 Hearing Handicapped:			
100 Salaries	10,000	11,307	(1,307)
200 Employee Benefits	3,216	4,257	(1,041)
300 Purchased Services	13,300	26,154	(12,854)
400 Supplies and Materials	150	-	150
126 Speech Handicapped:			
100 Salaries	240,848	221,626	19,222
200 Employee Benefits	105,408	100,374	5,034
300 Purchased Services	-	3,168	(3,168)
400 Supplies and Materials	1,800	373	1,427
600 Other Objects	-	960	(960)



**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Favorable (Unfavorable)
127 Learning Disabilities:			
100 Salaries	137,398	598,148	(460,750)
200 Employee Benefits	61,212	270,294	(209,082)
300 Purchased Services	-	5,560	(5,560)
400 Supplies and Materials	2,000	-	2,000
128 Emotionally Handicapped:			
100 Salaries	3,280	15,206	(11,926)
200 Employee Benefits	1,056	6,305	(5,249)
300 Purchased Services	10,600	-	10,600
400 Supplies and Materials	300	-	300
130 Pre-School Programs			
132 Pre-School Handicapped-Itinerant (5 year olds):			
100 Salaries	-	375	(375)
200 Employee Benefits	-	30	(30)
133 Pre-School Handicapped-Self-Contained (5 year olds):			
100 Salaries	29,128	35,025	(5,897)
200 Employee Benefits	12,142	16,279	(4,137)
139 Early Childhood Programs:			
100 Salaries	28,261	27,802	459
200 Employee Benefits	9,092	8,536	556
400 Supplies and Materials	10,000	8,500	1,500
140 Special Programs			
141 Gifted and Talented - Academic:			
100 Salaries	74,850	75,100	(250)
200 Employee Benefits	37,894	34,599	3,295
400 Supplies and Materials	8,000	4,266	3,734
145 Homebound:			
100 Salaries	20,000	27,877	(7,877)
200 Employee Benefits	6,432	8,821	(2,389)
300 Purchased Services	8,441	2,097	6,344
147 CDEP:			
100 Salaries	197,319	191,489	5,830
200 Employee Benefits	93,988	87,650	6,338
300 Purchased Services	-	21,262	(21,262)
400 Supplies and Materials	10,000	15,218	(5,218)
148 Gifted and Talented - Artistic:			
100 Salaries	30,000	11,224	18,776
200 Employee Benefits	9,649	3,559	6,090
149 Other Special Programs:			
300 Purchased Services	4,000	-	4,000
160 Other Exceptional Programs			
161 Autism:			
100 Salaries	-	162,756	(162,756)
200 Employee Benefits	-	72,086	(72,086)
300 Purchased Services	8,800	51,496	(42,696)
170 Summer School Program			
171 Primary Summer School:			
100 Salaries	-	2,391	(2,391)
200 Employee Benefits	-	762	(762)
300 Purchased Services	-	2,852	(2,852)
172 Elementary Summer School:			
200 Employee Benefits	-	5,808	(5,808)
300 Purchased Services	-	5,304	(5,304)
175 Instructional Programs Beyond Regular School Day:			
100 Salaries	6,000	19,734	(13,734)
200 Employee Benefits	1,932	6,084	(4,152)
300 Purchased Services	-	4,165	(4,165)
400 Supplies and Materials	4,000	1,414	2,586

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Favorable (Unfavorable)
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs:			
400 Supplies and Materials	-	374	(374)
600 Other Objects	15,000	-	15,000
188 Parenting/Family Literacy:			
300 Purchased Services	-	600	(600)
400 Supplies and Materials	-	2	(2)
190 Instructional Pupil Activity:			
100 Salaries (optional)	685,572	-	685,572
200 Employee Benefits (optional)	234,602	-	234,602
300 Purchased Services (optional)	182,500	-	182,500
400 Supplies and Materials (optional)	34,000	-	34,000
600 Other Objects	27,300	-	27,300
660 Instructional Pupil Activity	32,000	-	32,000
<b>Total Instruction</b>	<b>17,461,690</b>	<b>15,163,373</b>	<b>2,298,317</b>
<b>200 Support Services</b>			
210 Pupil Services			
211 Attendance and Social Work Services:			
100 Salaries	43,072	250	42,822
200 Employee Benefits	22,360	20	22,340
300 Purchased Services	26,000	625	25,375
400 Supplies and Materials	400	-	400
600 Other Objects	-	405	(405)
212 Guidance Services:			
100 Salaries	379,992	389,981	(9,989)
200 Employee Benefits	159,976	166,927	(6,951)
300 Purchased Services	800	-	800
400 Supplies and Materials	4,000	1,181	2,819
213 Health Services:			
100 Salaries	73,388	6,216	67,172
200 Employee Benefits	34,886	4,145	30,741
300 Purchased Services	3,600	14,991	(11,391)
400 Supplies and Materials	6,000	6,139	(139)
600 Other Objects	2,000	245	1,755
214 Psychological Services:			
100 Salaries	99,612	46,615	52,997
200 Employee Benefits	49,056	23,044	26,012
217 Career Specialist Services:			
100 Salaries	-	49,007	(49,007)
200 Employee Benefits	-	15,013	(15,013)
300 Purchased Services	-	855	(855)
220 Instructional Staff Services			
221 Improvement of Instruction Curriculum Development:			
100 Salaries	19,500	30,001	(10,501)
200 Employee Benefits	6,276	9,507	(3,231)
300 Purchased Services	87,612	20,658	66,954
400 Supplies and Materials	-	7,157	(7,157)
222 Library and Media Services:			
100 Salaries	318,720	316,905	1,815
200 Employee Benefits	157,852	145,586	12,266
300 Purchased Services	8,000	-	8,000
400 Supplies and Materials	81,400	7,341	74,059
223 Supervision of Special Programs:			
100 Salaries	364,358	270,728	93,630
200 Employee Benefits	157,995	107,796	50,199
400 Supplies and Materials	-	384	(384)

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Favorable (Unfavorable)
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	200,396	244,042	(43,646)
200 Employee Benefits	99,596	125,245	(25,649)
300 Purchased Services	62,400	78,747	(16,347)
400 Supplies and Materials	43,600	9,165	34,435
600 Other Objects	4,000	2,595	1,405
230 General Administration Services			
231 Board of Education:			
100 Salaries	8,000	7,448	552
200 Employee Benefits	10,614	14,237	(3,623)
300 Purchased Services	74,199	45,397	28,802
318 Audit Services	45,000	52,470	(7,470)
400 Supplies and Materials	8,000	71	7,929
600 Other Objects	87,000	53,009	33,991
232 Office of the Superintendent:			
100 Salaries	330,802	333,688	(2,886)
200 Employee Benefits	123,590	116,462	7,128
300 Purchased Services	9,500	5,138	4,362
400 Supplies and Materials	13,000	8,331	4,669
600 Other Objects	3,000	950	2,050
233 School Administration:			
100 Salaries	1,276,115	1,311,951	(35,836)
200 Employee Benefits	643,000	635,577	7,423
300 Purchased Services	151,700	133,745	17,955
400 Supplies and Materials	46,100	68,039	(21,939)
600 Other Objects	6,000	7,200	(1,200)
250 Finance and Operations Services			
252 Fiscal Services:			
100 Salaries	318,584	320,647	(2,063)
200 Employee Benefits	140,605	136,023	4,582
300 Purchased Services	18,000	27,334	(9,334)
400 Supplies and Materials	15,000	4,053	10,947
600 Other Objects	7,000	10,217	(3,217)
254 Operation and Maintenance of Plant:			
100 Salaries	960,294	907,432	52,862
200 Employee Benefits	460,104	413,345	46,759
300 Purchased Services	387,000	528,538	(141,538)
321 Public Utilities (Excludes gas, oil, elec. & other heating fuels)	72,900	100,134	(27,234)
400 Supplies and Materials	114,000	90,568	23,432
470 Energy (Include gas, oil, elec. & other heating fuels)	418,000	359,086	58,914
500 Capital Outlay	50,000	35,667	14,333
600 Other Objects	76,000	-	76,000
255 Student Transportation (State Mandated):			
100 Salaries	613,410	591,830	21,580
200 Employee Benefits	254,677	231,012	23,665
300 Purchased Services	24,700	17,310	7,390
400 Supplies and Materials	4,000	5,168	(1,168)
600 Other Objects	-	200	(200)
256 Food Service:			
100 Salaries	-	7,011	(7,011)
200 Employee Benefits	323,582	140,923	182,659
258 Security:			
100 Salaries	28,186	15,872	12,314
200 Employee Benefits	9,497	5,881	3,616
300 Purchased Services	180,000	180,766	(766)
400 Supplies and Materials	2,000	718	1,282

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2023**

	Final Budget	Actual	Variance Favorable (Unfavorable)
260 Central Support Services			
263 Information Services:			
100 Salaries	5,000	3,200	1,800
200 Employee Benefits	1,605	1,012	593
300 Purchased Services	25,000	26,612	(1,612)
400 Supplies and Materials	6,000	15,444	(9,444)
264 Staff Services:			
300 Purchased Services	-	108	(108)
266 Technology and Data Processing Services:			
100 Salaries	260,265	212,469	47,796
200 Employee Benefits	116,960	88,132	28,828
300 Purchased Services	88,000	168,164	(80,164)
400 Supplies and Materials	135,750	20,536	115,214
600 Other Objects	-	400	(400)
270 Support Services Pupil Activity			
271 Pupil Services Activities:			
660 Pupil Activity	-	1,003,646	(1,003,646)
<b>Total Support Services</b>	<u>10,468,586</u>	<u>10,564,687</u>	<u>(96,101)</u>
<b>300 Community Services</b>			
350 Custody and Care of Children Services:			
400 Supplies and Materials	1,000	-	1,000
<b>Total Community Services</b>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
<b>400 Other Charges:</b>			
<b>410 Intergovernmental Expenditures</b>			
412 Payments to Other Governmental Units			
720 Transits	54,000	-	54,000
<b>Total Intergovernmental Expenditures</b>	<u>54,000</u>	<u>-</u>	<u>54,000</u>
<b>Total Expenditures</b>	<u>\$ 27,985,276</u>	<u>\$ 25,728,060</u>	<u>\$ 2,257,216</u>
<b>Other Financing Sources (Uses)</b>			
Interfund Transfers, From (To) Other Funds:			
5230 Transfer from Special Revenue EIA Fund	2,086,000	2,088,584	2,584
5280 Transfer from Other Funds Indirect Costs	150,000	101,789	(48,211)
423-710 Transfer to Debt Service Fund	-	(6,000,000)	(6,000,000)
<b>Total Other Financing Sources (Uses)</b>	<u>2,236,000</u>	<u>(3,809,627)</u>	<u>(6,045,627)</u>
<b>Excess/(Deficiency) of Revenues over Expenditures</b>	<u>\$ (266,366)</u>	<u>\$ (635,421)</u>	<u>\$ (369,055)</u>
<b>Fund Balance, Beginning of Year</b>		<u>18,225,006</u>	
<b>Fund Balance, End of Year</b>		<u>\$ 17,589,585</u>	

# SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The School District has the following Special Revenue Funds.

1. The Special Projects Fund consists of multiple special revenue subfunds used to account for all federal, state and local projects and grants except for those subject to EIA.
2. The Education Improvement Act (EIA) Fund was passed in 1984 by the South Carolina State Legislature to upgrade the quality of education in South Carolina. The fund accounts for the proceeds of the additional one percent Sales and Use Tax which is restricted to expenditures for the Education Improvement Act standards. Because of the categorical nature of the funding, the state requires that revenues and expenditures be accounted for in a separate fund. Accordingly, the EIA Fund is reported as a Special Revenue Fund.
3. The School Food Service Fund's purpose is to provide balanced nutritious meals to the School District's students, some of which are free and reduced meals under the United States Department of Agriculture (USDA) school breakfast and lunch programs.

The following schedules for the Special Revenue Funds have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on the schedules are also mandated by the South Carolina Department of Education.

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
BALANCE SHEET  
JUNE 30, 2023**

**Assets**

Cash & Cash Equivalents	\$ 426,799
Due From State Government	12,211
Due From Federal Government	<u>1,442,992</u>

<b>Total Assets</b>	<b>\$ <u>1,882,002</u></b>
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**Liabilities & Fund Balances**

**Liabilities**

Accounts Payable	22,167
Due To Other Funds	1,497,035
Unearned Revenue	<u>2,626</u>

<b>Total Liabilities</b>	<b><u>1,521,828</u></b>
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**Fund Balances**

Restricted	<u>360,174</u>
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<b>Total Fund Balances</b>	<b><u>360,174</u></b>
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<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ <u>1,882,002</u></b>
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**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	PUPIL ACTIVITIES (700s)	TOTAL
<b>Revenues</b>									
<b>1000 Revenue from Local Sources</b>									
1500 Earnings on Investments:									
1510 Interest on Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 156	\$ 156
1700 Pupil Activities:									
1710 Admissions	-	-	-	-	-	-	-	101,341	101,341
1720 Bookstore Sales	-	-	-	-	-	-	-	495	495
1730 Pupil Organization Membership Dues and Fees	-	-	-	-	-	-	-	9,091	9,091
1740 Student Fees	-	-	-	-	-	-	-	42,896	42,896
1790 Other Pupil Activity Income	-	-	-	-	-	-	-	690,923	690,923
1900 Other Revenue from Local Sources:									
1920 Contributions & Donations Private Sources	-	-	-	-	-	-	250	12,825	13,075
1930 Special Needs Transportation - Medicaid	-	-	-	-	-	-	206,823	-	206,823
1990 Miscellaneous Local Revenue:									
1999 Revenue from Other Local Sources	-	-	-	-	-	-	2,826	-	2,826
<b>Total Local Sources</b>	-	-	-	-	-	-	209,899	857,727	1,067,626
<b>3000 Revenue from State Sources</b>									
3100 Restricted State Funding:									
3118 EEDA Career Specialists	-	-	-	-	-	141,461	-	-	141,461
3127 Student Health and Fitness - PE Teachers	-	-	-	-	-	20,062	-	-	20,062
3130 Special Programs:									
3134 CDEP Expansion	-	-	-	-	-	5,884	-	-	5,884
3135 Reading Coaches	-	-	-	-	-	59,260	-	-	59,260
3187 Teacher Supply	-	-	-	-	-	6,600	-	-	6,600
3193 Education License Plates	-	-	-	-	-	339	-	-	339
3900 Other State Revenue:									
3994 PEBA Non-Employer Contributions	-	-	-	-	-	4,135	-	-	4,135
<b>Total State Sources</b>	-	-	-	-	-	237,741	-	-	237,741
<b>4000 Revenue from Federal Sources</b>									
4200 Occupational Education:									
4210 Perkins Aid, Title I - Career and Technical Education	-	-	-	60,985	-	-	-	-	60,985
4300 Elementary and Secondary Education Act of 1965 (ESEA):									
4310 Title I, Basic State Grant Programs (Carryover Provision)	801,932	-	-	-	-	-	-	-	801,932
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	7,514	-	7,514
4351 Supporting Effective Instruction	-	-	-	-	-	-	131,606	-	131,606
4500 Programs for Children with Disabilities									
4510 Individuals With Disabilities Education Act (IDEA)	-	775,460	-	-	-	-	-	-	775,460
4520 Preschool Grants for Children with Disabilities	-	-	37,742	-	-	-	-	-	37,742
4900 Other Federal Sources:									
4931 ARP IDEA	-	-	-	-	-	-	48,558	-	48,558
4933 ARP IDEA Preschool	-	-	-	-	-	-	14,795	-	14,795
4937 ARP Homeless Children & Youth	-	-	-	-	-	-	2,655	-	2,655
4974 CARES ESSER III	-	-	-	-	-	-	637,741	-	637,741
4977 CARES ESSER II	-	-	-	-	-	-	1,095,333	-	1,095,333

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	PUPIL ACTIVITIES (700s)	TOTAL
4990 Other Federal Revenue:	-	-	-	-	-	-	66,090	-	66,090
4997 Title IV - SSAE	-	-	-	-	-	-	51,467	-	51,467
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	-	-	-
<b>Total Federal Sources</b>	801,932	775,460	37,742	60,985	-	-	2,055,759	-	3,731,878
<b>Total Revenues All Sources</b>	\$ 801,932	\$ 775,460	\$ 37,742	\$ 60,985	\$ -	\$ 237,741	\$ 2,265,658	\$ 857,727	\$ 5,037,245
<b>Expenditures</b>									
<b>100 Instruction</b>									
110 General Instruction									
111 Kindergarten Programs:									
100 Salaries	93,975	-	-	-	-	-	844	-	94,819
200 Employee Benefits	39,699	-	-	-	-	-	68	-	39,767
400 Supplies and Materials	5,353	-	-	-	-	-	39,503	-	44,856
112 Primary Programs:									
100 Salaries	103,640	-	-	-	-	4,564	72,372	-	180,576
200 Employee Benefits	51,553	-	-	-	-	1,455	35,968	-	88,976
300 Purchased Services	17,609	-	-	-	-	-	3,000	-	20,609
400 Supplies and Materials	18,563	-	-	-	-	6,600	129,100	-	154,263
113 Elementary Programs:									
100 Salaries	154,387	-	-	-	-	10,648	144,722	-	309,757
200 Employee Benefits	71,035	-	-	-	-	3,395	62,885	-	137,315
400 Supplies and Materials	7,966	-	-	-	-	-	181,509	-	189,475
114 High School Programs:									
100 Salaries	-	-	-	-	-	-	3,099	-	3,099
200 Employee Benefits	-	-	-	-	-	-	250	-	250
400 Supplies and Materials	-	-	-	-	-	339	139,473	-	139,812
500 Capital Outlay	-	-	-	-	-	-	7,334	-	7,334
115 Career and Technology Education Programs:									
400 Supplies and Materials	-	-	-	60,985	-	-	680	-	61,665
120 Exceptional Programs									
121 Educable Mentally Handicapped:									
100 Salaries	-	223,224	-	-	-	-	163,252	-	386,476
200 Employee Benefits	-	144,921	-	-	-	-	70,440	-	215,361
300 Purchased Services	-	17,554	-	-	-	-	-	-	17,554
400 Supplies and Materials	-	17,805	-	-	-	-	30,651	-	48,456
124 Visually Handicapped:									
300 Purchased Services	-	12,446	-	-	-	-	-	-	12,446
400 Supplies and Materials	-	808	-	-	-	-	-	-	808
126 Speech Handicapped:									
100 Salaries	-	38,660	-	-	-	-	18,065	-	56,725
200 Employee Benefits	-	25,843	-	-	-	-	5,755	-	31,598
300 Purchased Services	-	-	-	-	-	-	59,945	-	59,945
400 Supplies and Materials	-	5,217	-	-	-	-	-	-	5,217
137 Pre-School Handicapped-Self-Contained (3 & 4 year olds):									
100 Salaries	-	-	23,230	-	-	-	-	-	23,230
200 Employee Benefits	-	-	7,637	-	-	-	-	-	7,637



**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR**  
**SPECIAL REVENUE - SPECIAL PROJECTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	PUPIL ACTIVITIES (700s)	TOTAL
139 Early Childhood Programs:									
100 Salaries	136,447	-	-	-	-	-	-	-	136,447
200 Employee Benefits	57,972	-	-	-	-	-	-	-	57,972
140 Special Programs									
149 Other Special Programs:									
100 Salaries	-	1,956	-	-	-	-	-	-	1,956
200 Employee Benefits	-	624	-	-	-	-	-	-	624
400 Supplies and Materials	-	1,318	6,875	-	-	-	3,990	-	12,183
160 Other Exceptional Programs									
161 Autism:									
100 Salaries	-	-	-	-	-	-	56,467	-	56,467
200 Employee Benefits	-	-	-	-	-	-	26,099	-	26,099
400 Supplies and Materials	-	531	-	-	-	-	1,209	-	1,740
163 Comprehensive Coordinated Early Intervening Services (CCEIS):									
100 Salaries	-	53,454	-	-	-	-	-	-	53,454
200 Employee Benefits	-	22,328	-	-	-	-	-	-	22,328
300 Purchased Services	-	1,450	-	-	-	-	-	-	1,450
400 Supplies and Materials	-	46,461	-	-	-	-	-	-	46,461
170 Summer School Program									
171 Primary Summer School:									
100 Salaries	-	-	-	-	-	4,460	44,200	-	48,660
200 Employee Benefits	-	-	-	-	-	1,425	14,091	-	15,516
172 Elementary Summer School:									
100 Salaries	-	-	-	-	-	-	79,586	-	79,586
200 Employee Benefits	-	-	-	-	-	-	19,563	-	19,563
173 High School Summer School:									
100 Salaries	-	-	-	-	-	-	28,985	-	28,985
200 Employee Benefits	-	-	-	-	-	-	9,239	-	9,239
175 Instructional Programs Beyond Regular School Day:									
100 Salaries	-	-	-	-	-	-	51,519	-	51,519
200 Employee Benefits	-	-	-	-	-	-	16,272	-	16,272
400 Supplies and Materials	-	-	-	-	-	-	1,393	-	1,393
180 Adult/Continuing Educational Programs									
188 Parenting/Family Literacy:									
400 Supplies and Materials	12,498	-	-	-	-	-	2,204	-	14,702
190 Instructional Pupil Activity:									
660 Instructional Pupil Activity	-	-	-	-	-	-	-	669	669
<b>Total Instruction</b>	<b>770,697</b>	<b>614,600</b>	<b>37,742</b>	<b>60,985</b>	<b>-</b>	<b>32,886</b>	<b>1,523,732</b>	<b>669</b>	<b>3,041,311</b>

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR**  
**SPECIAL REVENUE - SPECIAL PROJECTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	PUPIL ACTIVITIES (700s)	TOTAL
<b>200 Support Services</b>									
210 Pupil Services									
211 Attendance and Social Work Services:									
100 Salaries	-	-	-	-	-	-	42,940	-	42,940
200 Employee Benefits	-	-	-	-	-	-	27,060	-	27,060
300 Purchased Services	470	-	-	-	-	-	-	-	470
213 Health Services:									
100 Salaries	-	-	-	-	-	-	169,691	-	169,691
200 Employee Benefits	-	-	-	-	-	-	81,738	-	81,738
300 Purchased Services	-	-	-	-	-	-	381	-	381
214 Psychological Services:									
100 Salaries	-	58,923	-	-	-	-	122,709	-	181,632
200 Employee Benefits	-	24,122	-	-	-	-	49,369	-	73,491
400 Supplies and Materials	-	981	-	-	-	-	-	-	981
215 Exceptional Program Services:									
300 Purchased Services	-	19,513	-	-	-	-	-	-	19,513
217 Career Specialist Services:									
100 Salaries	-	-	-	-	-	93,382	-	-	93,382
200 Employee Benefits	-	-	-	-	-	48,079	-	-	48,079
220 Instructional Staff Services									
221 Improvement of Instruction Curriculum Development:									
100 Salaries	-	560	-	-	-	40,875	18,380	-	59,815
200 Employee Benefits	-	179	-	-	-	18,384	5,815	-	24,378
300 Purchased Services	-	2,822	-	-	-	-	6,174	-	8,996
400 Supplies and Materials	-	-	-	-	-	-	1,469	-	1,469
223 Supervision of Special Programs:									
100 Salaries	20,083	38,712	-	-	-	-	2,500	-	61,295
200 Employee Benefits	9,768	12,317	-	-	-	-	797	-	22,882
300 Purchased Services	914	-	-	-	-	-	32,757	-	33,671
400 Supplies and Materials	-	2,731	-	-	-	-	116	-	2,847
230 General Administration Services									
233 School Administration:									
100 Salaries	-	-	-	-	-	-	1,075	-	1,075
200 Employee Benefits	-	-	-	-	-	-	87	-	87
250 Finance and Operations Services									
253 Facilities Acquisition and Construction:									
500 Capital Outlay	-	-	-	-	-	-	112,603	-	112,603
540 Equipment	-	-	-	-	-	-	-	-	-
254 Operation and Maintenance of Plant:									
500 Capital Outlay	-	-	-	-	-	-	3,498	-	3,498
255 Student Transportation (State Mandated):									
100 Salaries	-	-	-	-	-	-	15,514	-	15,514
200 Employee Benefits	-	-	-	-	-	-	5,555	-	5,555

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023

	TITLE I (BA Projects) (201/202)	IDEA (CA Projects) (203/204)	PRESCHOOL HANDICAPPED (CG Projects) (205/206)	CATE (VA Projects) (207/208)	ADULT EDUCATION (EA Projects)	OTHER DESIGNATED RESTRICTED STATE GRANTS (900s)	OTHER SPECIAL REVENUE PROGRAMS (200s/800s)	PUPIL ACTIVITIES (700s)	TOTAL
270 Support Services Pupil Activity	-	-	-	-	-	-	3,075	806,409	809,484
271 Pupil Services Activities:									
660 Pupil Activity	31,235	160,860	-	-	-	200,720	703,303	806,409	1,902,527
<b>Total Support Services</b>									
<b>400 Other Charges:</b>									
<b>410 Intergovernmental Expenditures</b>									
411 Payments to the South Carolina Department of Education									
720 Transits	-	-	-	-	-	-	38,623	-	38,623
419 Payments to PEBA Nonemployer Contributions									
720 Transits	-	-	-	-	-	4,135	-	-	4,135
<b>Total Intergovernmental Expenditures</b>									
<b>Total Expenditures</b>	\$ 801,932	\$ 775,460	\$ 37,742	\$ 60,985	\$ -	\$ 237,741	\$ 2,265,658	\$ 807,078	\$ 4,986,596
<b>Other Financing Sources (Uses)</b>									
Interfund Transfers, From (To) Other Funds:									
5270 Transfer from Pupil Activity Fund	-	-	-	-	-	-	-	6,713	6,713
426-710 Transfer to Pupil Activity Fund	-	-	-	-	-	-	-	(6,713)	(6,713)
<b>Total Other Financing Sources (Uses)</b>									
<b>Excess/Deficiency of Revenues over Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,649	\$ 50,649
<b>Fund Balance, Beginning of Year</b>	-	-	-	-	-	-	-	309,525	309,525
<b>Fund Balance, End of Year</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 360,174	\$ 360,174

SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - SPECIAL PROJECTS  
SUMMARY SCHEDULE OF DESIGNATED STATE RESTRICTED GRANTS  
FOR THE YEAR ENDED JUNE 30, 2023

District Subfund Code	District Revenue Code	Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
917	3187	Teacher Supply	\$ 6,600	\$ 6,600	\$ -	\$ -	\$ -
919	3193	Education License Plates	339	339	-	-	-
924	3134	CDEP Expansion	5,884	5,884	-	-	-
928	3118	EEDA Career Specialists	141,461	141,461	-	-	-
935	3135	Reading Coaches	59,260	59,260	-	-	-
937	3127	Student Health and Fitness - PE Teachers	20,062	20,062	-	-	-
994	3994	PEBA Non-Employer Contributions	4,135	4,135	-	-	-
			<u>\$ 237,741</u>	<u>\$ 237,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
BALANCE SHEET  
JUNE 30, 2023**

<b>Assets</b>	
Due From Other Funds	\$ 15,899
<b>Total Assets</b>	<u>\$ 15,899</u>
<b>Liabilities &amp; Fund Balances</b>	
<b>Liabilities</b>	
Due To State Government	2,568
Unearned Revenue	<u>13,331</u>
<b>Total Liabilities</b>	<u>15,899</u>
<b>Fund Balances</b>	
Restricted	<u>-</u>
<b>Total Fund Balances</b>	<u>-</u>
<b>Total Liabilities &amp; Fund Balances</b>	<u>\$ 15,899</u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

**3000 Revenue from State Sources**

3500 Education Improvement Act:	
3502 ADEPT	\$ 3,944
3503 State Aid to Classrooms	2,082,947
3518 Adoption List of Formative Assessment	11,340
3519 Grade 10 Assessment	7,749
3526 Refurbishment Science Kits	108,979
3528 Industry Certifications & Credentials	10,000
3529 Career & Technology Education	50,760
3532 National Board Salary Supplement (No Carryover Provision)	159,362
3533 Teacher of the Year Awards	1,077
3536 Student Health & Fitness	90,197
3541 Child Development Education Pilot Program (CDEP)	522,353
3557 Summer Reading Program	25,790
3577 Teacher Supplies (No Carryover Provision)	49,500
3595 EEDA - Supplies and Materials	7,701
3599 Other EIA	16,097
<b>Total State Sources</b>	<b>3,147,796</b>
<b>Total Revenues All Sources</b>	<b>\$ 3,147,796</b>

**Expenditures**

**100 Instruction**

110 General Instruction

111 Kindergarten Programs:	
100 Salaries	8,500
200 Employee Benefits	2,436
400 Supplies and Materials	13,775
112 Primary Programs:	
100 Salaries	7,500
200 Employee Benefits	2,360
400 Supplies and Materials	45,216
113 Elementary Programs:	
100 Salaries	55,586
200 Employee Benefits	17,487
400 Supplies and Materials	92,651
114 High School Programs:	
100 Salaries	15,000
200 Employee Benefits	4,719
400 Supplies and Materials	16,783
115 Career and Technology Education Programs:	
400 Supplies and Materials	51,360

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

120 Exceptional Programs		
121 Educable Mentally Handicapped:		
100 Salaries		5,000
200 Employee Benefits		1,573
400 Supplies and Materials		5,700
126 Speech Handicapped:		
400 Supplies and Materials		1,500
130 Pre-School Programs		
139 Early Childhood Programs:		
400 Supplies and Materials		600
140 Special Programs		
141 Gifted and Talented - Academic:		
400 Supplies and Materials		300
147 CDEP:		
100 Salaries		359,088
200 Employee Benefits		163,265
400 Supplies and Materials		2,100
170 Summer School Program		
172 Elementary Summer School:		
100 Salaries		19,551
200 Employee Benefits		6,239
		<hr/>
<b>Total Instruction</b>		<b>898,289</b>
		<hr/>
<b>200 Support Services</b>		
210 Pupil Services		
212 Guidance Services:		
100 Salaries		21,186
200 Employee Benefits		6,665
300 Purchased Services		3,692
400 Supplies and Materials		5,406
213 Health Services:		
100 Salaries		64,327
200 Employee Benefits		25,870
217 Career Specialist Services:		
400 Supplies and Materials		900

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

220 Instructional Staff Services	
221 Improvement of Instruction Curriculum Development:	
100 Salaries	7,500
200 Employee Benefits	2,360
222 Library and Media Services:	
400 Supplies and Materials	1,200
224 Improvement of Instruction Inservice and Staff Training:	
100 Salaries	3,003
200 Employee Benefits	940
250 Finance and Operations Services	
255 Student Transportation (State Mandated):	
300 Purchased Services	103
260 Central Support Services	
266 Technology and Data Processing Services:	
300 Purchased Services	3,703
500 Capital Outlay	1,500
	148,355
<b>Total Support Services</b>	<b>148,355</b>
<b>400 Other Charges:</b>	
<b>410 Intergovernmental Expenditures</b>	
411 Payments to the South Carolina Department of Education	
720 Transits	2,568
412 Payments to Other Governmental Units	
720 Transits	10,000
	12,568
<b>Total Intergovernmental Expenditures</b>	<b>12,568</b>
<b>Total Expenditures</b>	<b>\$ 1,059,212</b>
<b>Other Financing Sources (Uses)</b>	
Interfund Transfers, From (To) Other Funds:	
420-710 Transfer to General Fund (Exclude Indirect Costs)	(2,088,584)
<b>Total Other Financing Sources (Uses)</b>	<b>(2,088,584)</b>
<b>Excess/Deficiency of Revenues over Expenditures</b>	<b>\$ -</b>
<b>Fund Balance, Beginning of Year</b>	<b>-</b>
<b>Fund Balance, End of Year</b>	<b>\$ -</b>



**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR THE YEAR ENDED JUNE 30, 2023**

Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act:					
3502 ADEPT	\$ 3,944	\$ 3,944	-	-	\$ -
3503 State Aid to Classrooms	2,082,947	-	-	(2,082,947)	-
3518 Adoption List of Formative Assessment	11,340	11,340	-	-	-
3519 Grade 10 Assessment	7,749	2,112	-	(5,637)	-
3526 Refurbishment Science Kits	108,979	108,979	-	-	-
3528 Industry Certifications & Credentials	10,000	10,000	-	-	-
3529 Career & Technology Education	50,760	50,760	-	-	12,029
3532 National Board Salary Supplement (No Carryover Provision)	159,362	159,362	-	-	-
3533 Teacher of the Year Awards	1,077	1,077	-	-	-
3536 Student Health & Fitness	90,197	90,197	-	-	-
3541 Child Development Education Pilot Program (CDEP)	522,353	522,353	-	-	-
3557 Summer Reading Program	25,790	25,790	-	-	-
3577 Teacher Supplies (No Carryover Provision)	49,500	49,500	-	-	-
3595 EEDA - Supplies and Material	7,701	7,701	-	-	1,302
3599 Other EIA	16,097	16,097	-	-	-
<b>Total</b>	<b>\$ 3,147,796</b>	<b>\$ 1,059,212</b>	<b>-</b>	<b>\$ (2,088,584)</b>	<b>\$ 13,331</b>

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - FOOD SERVICE  
BALANCE SHEET  
JUNE 30, 2023**

**Assets**

Cash & Cash Equivalents	\$ 22,167
Investments	1,690,321
Due From Federal Government	78,969
Inventories - Supplies & Materials	58,288
Other Receivables	<u>2,054</u>

<b>Total Assets</b>	<b>\$ <u><u>1,851,799</u></u></b>
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**Liabilities & Fund Balances**

**Liabilities**

Due To Other Funds	<u>352,985</u>
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<b>Total Liabilities</b>	<b><u>352,985</u></b>
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**Fund Balances**

Non-Spendable	58,288
Restricted	<u>1,440,526</u>

<b>Total Fund Balances</b>	<b><u>1,498,814</u></b>
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<b>Total Liabilities &amp; Fund Balances</b>	<b>\$ <u><u>1,851,799</u></u></b>
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**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

**1000 Revenue from Local Sources**

1500 Earnings on Investments:					
1510 Interest on Investments			\$		56,167
1600 Food Service:					
1610 Lunch Sales to Pupils				150,890	
1620 Breakfast Sales to Pupils				23,778	
1630 Special Sales to Pupils				14,859	
1640 Lunch Sales to Adults				10,291	
1650 Breakfast Sales to Adults				84	
1660 Special Sales to Adults				21,561	
1900 Other Revenue from Local Sources:					
1990 Miscellaneous Local Revenue:					
1999 Revenue from Other Local Sources				11,807	

**Total Local Sources**

289,437

**4000 Revenue from Federal Sources**

4800 USDA Reimbursement:					
4810 School Lunch & After School Snacks Program & Special Milk Program				1,244,265	
4820 Supply Chain Assistance Funding				148,178	
4830 School Breakfast Program				390,405	
4860 Fresh Fruit & Vegetable Program (FFVP) (Carryover Provision)				81,363	
4899 Miscellaneous Food Service				6,787	
4900 Other Federal Sources:					
4990 Other Federal Revenue:					
4991 USDA Commodities (Food Distribution Program) (Carryover Provision)				144,684	

**Total Federal Sources**

2,015,682

**Total Revenues All Sources**

\$ 2,305,119

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - FOOD SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Expenditures**

**200 Support Services**

250 Finance and Operations Services

256 Food Service:

100 Salaries	528,865
200 Employee Benefits	181,894
300 Purchased Services (Excludes gas, oil, elec., and other heating fuels.)	43,308
400 Supplies and Materials (Includes gas, oil, elec., and other heating fuels.)	1,184,466
500 Capital Outlay	10,202
600 Other Objects	2,290
	<u>2,290</u>

**Total Support Services**

1,951,025

**Total Expenditures**

\$ 1,951,025

**Other Financing Sources (Uses)**

Interfund Transfers, From (To) Other Funds:

432-791 Food Service Fund Indirect Costs	<u>(101,789)</u>
--	------------------

**Total Other Financing Sources (Uses)**

(101,789)

**Excess/Deficiency of Revenues over Expenditures**

\$ 252,305

**Fund Balance, Beginning of Year**

1,246,509

**Fund Balance, End of Year**

\$ 1,498,814

# DEBT SERVICE FUND

The Debt Service Funds accounts for the accumulation of resources for, and the payment of the District's general long-term debt principal and interest. The School District has the following Debt Service Funds:

1. The Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned for the payment of general long-term debt principal, interest, and related costs. The resources of this fund are generated by a tax levy based upon property values.

The following individual fund schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various schedules are also mandated by the South Carolina Department of Education.

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
DEBT SERVICE FUND  
BALANCE SHEET  
JUNE 30, 2023**

**Assets**

Cash with Fiscal Agent - Spartanburg County	\$ 20,612
Investments	6,487,138
Property Taxes Receivable	20,254
Due From County Government	24,017
Other Receivables	<u>1,780</u>

**Total Assets** \$ 6,553,801

**Liabilities, Deferred Inflows of Resources & Fund Balances**

**Deferred Inflows of Resources**

Unavailable Tax Revenues	<u>13,689</u>
<b>Total Deferred Inflows of Resources</b>	<u>13,689</u>

**Fund Balances**

Restricted For Debt Service	<u>6,540,112</u>
<b>Total Fund Balances</b>	<u>6,540,112</u>

**Total Liabilities, Deferred Inflows of Resources & Fund Balances** \$ 6,553,801

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

**1000 Revenue from Local Sources**

1100 Taxes Levied/Assessed by the LEA:	
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 1,302,726
1200 Revenue From Local Governmental Units Other Than LEAs	
1280 Revenue in Lieu of Taxes (Independent and Dependent)	137,439
1500 Earnings on Investments:	
1510 Interest on Investments	<u>205,667</u>

<b>Total Local Sources</b>	<u>1,645,832</u>
----------------------------	------------------

**3000 Revenue from State Sources**

3800 State Revenue in Lieu of Taxes:	
3820 Homestead Exemption (Tier 2)	65,536
3830 Merchant's Inventory Tax	6,259
3840 Manufacturers Depreciation Reimbursement	59,504
3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax)	<u>8,812</u>

<b>Total State Sources</b>	<u>140,111</u>
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<b>Total Revenues All Sources</b>	<u><u>\$ 1,785,943</u></u>
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**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Expenditures**

**500 Debt Service**

610 Redemption of Principal	1,367,360
620 Interest	<u>1,606,589</u>

<b>Total Debt Service</b>	<u>2,973,949</u>
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<b>Total Expenditures</b>	<u><u>\$ 2,973,949</u></u>
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**Other Financing Sources (Uses)**

Interfund Transfers, From (To) Other Funds:

5210 Transfer from General Fund (Exclude Indirect Costs)	6,000,000
5250 Transfer from Capital Projects Fund	<u>1,571,001</u>

<b>Total Other Financing Sources (Uses)</b>	<u>7,571,001</u>
---	------------------

<b>Excess/Deficiency of Revenues over Expenditures</b>	<u><u>\$ 6,382,995</u></u>
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<b>Fund Balance, Beginning of Year</b>	<u>157,117</u>
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<b>Fund Balance, End of Year</b>	<u><u>\$ 6,540,112</u></u>
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# CAPITAL PROJECTS FUND

The Capital Projects Fund is used to record proceeds from the sale of long-term general obligation bonds and other revenues used to acquire or construct major capital facilities (other than those of proprietary and trust funds).

The following individual fund schedules have been prepared in the format mandated by the South Carolina Department of Education. The account numbers shown on various schedules are also mandated by the South Carolina Department of Education.

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
CAPITAL PROJECTS FUND  
BALANCE SHEET  
JUNE 30, 2023**

<b>Assets</b>	
Investments	<u>\$ 108,326,228</u>
<b>Total Assets</b>	<u><u>\$ 108,326,228</u></u>
<b>Liabilities &amp; Fund Balances</b>	
<b>Liabilities</b>	
Due To Other Funds	1,014,189
Bond Anticipation Notes Payable	<u>1,300,000</u>
<b>Total Liabilities</b>	<u>2,314,189</u>
<b>Fund Balances</b>	
Restricted For Capital Projects	<u>106,012,039</u>
<b>Total Fund Balances</b>	<u>106,012,039</u>
<b>Total Liabilities &amp; Fund Balances</b>	<u><u>\$ 108,326,228</u></u>

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

**Revenues**

**1000 Revenue from Local Sources**

1500 Earnings on Investments:	
1510 Interest on Investments	\$ 3,306,890

<b>Total Local Sources</b>	3,306,890
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<b>Total Revenues All Sources</b>	\$ 3,306,890
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**Expenditures**

**100 Instruction**

110 General Instruction

111 Kindergarten Programs:	
400 Supplies and Materials	4,598
112 Primary Programs:	
400 Supplies and Materials	13,934
113 Elementary Programs:	
400 Supplies and Materials	23,270
114 High School Programs:	
400 Supplies and Materials	13,934

<b>Total Instruction</b>	55,736
--------------------------	--------

**200 Support Services**

210 Pupil Services

212 Guidance Services:	
400 Supplies and Materials	505

250 Finance and Operations Services

252 Fiscal Services:	
400 Supplies and Materials	25,850
253 Facilities Acquisition and Construction:	
300 Purchased Services	120,653
400 Supplies and Materials	118,281
500 Capital Outlay	
510 Land	125,978
520 Construction Services	2,335,950
540 Equipment	292,599

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2023**

260 Central Support Services		
266 Technology and Data Processing Services:		
300 Purchased Services		110,158
400 Supplies and Materials		48,988
500 Capital Outlay		211,662
270 Support Services Pupil Activity		
271 Pupil Services Activities:		
660 Pupil Activity		91,215
		91,215
<b>Total Support Services</b>		3,481,839
 <b>500 Debt Service</b>		
319 Legal Services		166,393
350 Advertising		2,544
395 Other Professional and Technical Services		280,700
620 Interest		7,778
630 Discounts on Bonds Sold		850,000
		850,000
<b>Total Debt Service</b>		1,307,415
<b>Total Expenditures</b>		\$ 4,844,990
 <b>Other Financing Sources (Uses)</b>		
5110 Premium on Bonds Sold		4,935,214
5120 Proceeds of General Obligation Bonds		100,000,000
5600 Lease Purchase		89,208
Interfund Transfers, From (To) Other Funds:		
423-710 Transfer to Debt Service Fund		(1,571,001)
		(1,571,001)
<b>Total Other Financing Sources (Uses)</b>		103,453,421
<b>Excess/Deficiency of Revenues over Expenditures</b>		\$ 101,915,321
 <b>Fund Balance, Beginning of Year</b>		4,096,718
<b>Fund Balance, End of Year</b>		\$ 106,012,039

# **SUPPLEMENTARY SCHEDULES**

**REQUIRED BY THE SOUTH CAROLINA STATE  
DEPARTMENT OF EDUCATION**

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR**  
**DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/ FEDERAL GOVERNMENT**  
**JUNE 30, 2023**

<b>Program</b>	<b>Project/Grant Number</b>	<b>Revenue &amp; Subfund Code</b>	<b>Description</b>	<b>Amount Due to SDE or Federal Government</b>	<b>Status of Amounts Due To Grantors</b>
EIA - National Board Certification	EIA 332	332   3532	Unexpended Funds	\$ 2,568.41	Paid Check #130544 - 8/25/2023
				<u>\$ 2,568.41</u>	

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
LOCATION RECONCILIATION SCHEDULE  
FOR THE YEAR ENDED JUNE 30, 2023**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
00	District-Wide	Non-School	Central	\$ 3,907,579
35	Woodruff Middle School	Middle School	School	8,103,055
36	Woodruff High School	High School	School	14,287,927
40	Woodruff Primary School	Elementary School	School	8,382,237
42	Woodruff Elementary School	Elementary School	School	6,863,034
<b>Total Expenditures/Disbursements for All Funds</b>				<b>\$ 41,543,832</b>

Above expenditures are reconciled to the District's Audit statements as follows:

General Fund (Subfund 100s)	\$ 25,728,060
Special Revenue Fund - Special Projects (Subfund 200s, 700s, 800s, 900s)	4,986,596
Special Revenue Fund - EIA Fund (Subfund 300s)	1,059,212
Special Revenue Fund - Food Service (Subfund 600s)	1,951,025
Debt Service Fund (Subfund 400s)	2,973,949
Capital Projects Fund (Subfund 500s)	4,844,990

<b>Total Expenditures/Disbursements for All Funds</b>	<b>\$ 41,543,832</b>
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**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SPECIAL REVENUE - SPECIAL PROJECTS  
SUBFUND CODE LIST  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>District Subfund Code</b>	<b>Other Special Revenue Programs Program Name</b>	<b>District Subfund Code</b>	<b>Other Designated Restricted State Grants</b>
210	Title IV SSAE	917	Early Intervention
218	CARES ESSER III	919	Education License Plate
225	CARES ESSER II	924	CDEPP
230	IDEA/ARP	928	EEDA Career Specialist
233	IDEA/ARP Preschool	935	Reading Coaches
263	ARP Homeless	937	Student Health & Fitness - Physical Education (K-5)
264	Title III English Language Acquisition	994	PEBA Non-Employer Contributions
267	Title II Supporting Effective Instruction		
807	Teacher Forum		
810	DHS COVID		
873	Spartanburg County Foundation		
885	Medicaid		



# SINGLE AUDIT SECTION

The following information is related to the annual single audit including the schedule of expenditures of federal awards, findings and recommendations, and auditors' reports on internal control and compliance with applicable laws and regulations.

**INDEPENDENT AUDITORS' 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***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Four as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Spartanburg County School District Four's basic financial statements, and have issued our report thereon dated November 22, 2023.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered Spartanburg County School District Four's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Spartanburg County School District Four's internal control. Accordingly, we do not express an opinion on the effectiveness of Spartanburg County School District Four'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 Spartanburg County School District Four'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 or significant deficiencies may exist that were not identified..



***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether Spartanburg County School District Four's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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 is required to be reported under *Government Auditing Standards*.

We noted certain matters that we have reported to management of Spartanburg County School District Four in a separate letter dated November 22, 2023.

**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.



Greenville, South Carolina  
November 22, 2023

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Spartanburg County School District Four's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Spartanburg County School District Four's major federal programs for the year ended June 30, 2023. Spartanburg County School District Four's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Spartanburg County School District Four 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, 2023.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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



***Responsibilities of Management for Compliance***

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

***Auditor’s Responsibility for the Audit of Compliance***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Spartanburg County School District Four’s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Spartanburg County School District Four’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Spartanburg County School District Four’s internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control over Compliance**

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

### Report on Internal Control over Compliance

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

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

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



Greenville, South Carolina  
November 22, 2023

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

LEA Subfund Code	Federal Grantor Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass- Through Grantor's Number	Total Expenditures
<b>U.S. Department of Education</b>				
Pass-Through S.C. Department of Education				
Title I Program:				
202	* Title I Grants to Local Educational Agencies	84.010	21 Title I Carryover	\$ 2,513
202	* Title I Grants to Local Educational Agencies	84.010	22 Title I Carryover	275,850
202	* Title I Grants to Local Educational Agencies	84.010	23 Title I	523,569
Total 84.010				<u>801,932</u>
Special Education Cluster (IDEA):				
203	* Special Education - Grants to States	84.027	ESY	427
204	* Special Education - Grants to States	84.027	21 IDEA Carryover	798
204	* Special Education - Grants to States	84.027	22 IDEA Carryover	45,006
204	* Special Education - Grants to States	84.027	23 IDEA	729,229
206	* Special Education - Preschool Grants	84.173	22 IDEA Preschool Carryover	6,875
206	* Special Education - Preschool Grants	84.173	22 IDEA Preschool	30,867
230	* COVID-19 - Special Education - Grants to States	84.027X	21 IDEA/ARP	48,558
233	* COVID-19 - Special Education - Preschool Grants	84.173X	21 IDEA/ARP Preschool	14,795
Total Special Education Cluster (IDEA)				<u>876,555</u>
207	Career and Technical Education - Basic Grants to States	84.048	23 CATE	60,985
Total 84.048				<u>60,985</u>
210	Student Support & Academic Enrichment Program	84.424	22 Title IV SSAE Carryover	22,629
210	Student Support & Academic Enrichment Program	84.424	23 Title IV SSAE	43,461
Total 84.424				<u>66,090</u>
218	* COVID-19 - Education Stabilization Fund	84.425U	21 ESSER III ARP	637,741
225	* COVID-19 - Education Stabilization Fund	84.425D	21 ESSER II	1,095,333
263	* COVID-19 - Education Stabilization Fund	84.425W	22 Homeless ARP	2,655
Total 84.425				<u>1,735,729</u>
264	English Language Acquisition State Grants	84.365	22 Title III Carryover	1,489
264	English Language Acquisition State Grants	84.365	23 Title III	6,025
Total 84.365				<u>7,514</u>
267	Supporting Effective Instruction	84.367	21 Title II Carryover	3,942
267	Supporting Effective Instruction	84.367	22 Title II Carryover	86,255
267	Supporting Effective Instruction	84.367	23 Title III	41,409
Total 84.367				<u>131,606</u>
Total Pass-Through S.C. Department of Education				<u>3,680,411</u>
<b>Total U.S. Department of Education</b>				<u>3,680,411</u>
<b>U.S. Department of Agriculture - Food and Nutrition Services</b>				
Child Nutrition Cluster:				
Pass-Through S.C. Department of Agriculture				
Non-Cash Assistance (Commodities):				
600	* Commodity Supplemental Food Program	10.555	Commodities - LFS	5,309
Pass-Through S.C. Department of Education				
Non-Cash Assistance (Commodities):				
600	* Commodity Supplemental Food Program	10.555	Commodities	139,375
Cash Assistance:				
600	* School Breakfast Program	10.553	School Breakfast	390,405
600	* National School Lunch Program	10.555	School Lunch	1,244,265
600	* COVID-19 - National School Lunch Program	10.555	Supply Chain Assistance	148,178
600	* Fresh Fruit and Vegetable Program	10.582	FFVP	81,363
Total Child Nutrition Cluster				<u>2,008,895</u>
600	State Administrative Expenses for Child Nutrition	10.560	Food Dist. Transport. Rebate	6,787
<b>Total U.S. Department of Agriculture - Food and Nutrition Services</b>				<u>2,015,682</u>
<b>U.S. Department of Health and Human Services</b>				
Pass through S.C. Department of Health and Human Services				
809	ELC Reopening of Schools	93.323	N/A	51,467
<b>Total U.S. Department of Health and Human Services</b>				<u>51,467</u>
<b>Total Federal Awards Expended</b>				<u>\$ 5,747,560</u>

\*Denotes Major Program

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

**1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity for the District under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

**2. INDIRECT COST RATE**

The District has elected not to use the *de minimis* ten percent (10%) indirect cost rate as allowed under the Uniform Guidance.

**3. SUBRECIPIENTS**

Federal grant money received is sometimes passed through to subrecipients. During the year ended June 30, 2023, there were no subrecipients.



**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Part I Summary of Auditors' Results:**

**Financial Statements**

Type of Auditors' Report Issued: Unmodified

Internal Control Over Financial Reporting:

Material Weakness(es) Identified? \_\_\_ Yes  X  None Reported

Significant Deficiencies Identified That Are Not  
Considered To Be Material Weaknesses \_\_\_ Yes  X  None Reported

Noncompliance Material to Financial Statements Noted \_\_\_ Yes  X  None Reported

**Federal Awards**

Internal Control Over Major Federal Programs:

Material Weakness(es) Identified? \_\_\_ Yes  X  None Reported

Significant Deficiencies Identified That Are Not  
Considered To Be Material Weaknesses \_\_\_ Yes  X  None Reported

Type of Auditors' Report Issued on Compliance for Major  
Federal Programs: Unmodified

Programs Tested as Major Programs:

<u>Program:</u>	<u>Federal Assistance Listing #:</u>
Child Nutrition Cluster	
Commodity Supplemental Food Program	10.555
School Breakfast Program	10.553
National School Lunch Program	10.555
COVID-19 - National School Lunch Program	10.555
Fresh Fruit and Vegetable Program	10.582
COVID-19 - Education Stabilization Fund	
Elementary & Secondary School Education Relief (ESSER)	84.425D
American Rescue Plan	
Elementary & Secondary School Education Relief (ARP ESSER)	84.425U
Elementary & Secondary School Education Relief	
Homeless Children and Youth	84.425W
Special Education Cluster (IDEA):	
Special Education - Grants to States	84.027
Special Education - Preschool Grants	84.173
COVID-19 - Special Education - Grants to States	84.027X
COVID-19 - Special Education - Preschool Grants	84.173X
Title I Grants to Local Educational Agencies	84.010

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

Auditee Qualify as Low-Risk Auditee?  X  Yes \_\_\_ No

Any Audit Findings Disclosed That are Required To Be  
Reported in Accordance With Government Auditing Standards  
2 CFR 200.516(a) \_\_\_ Yes  X  No

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**Part II Findings Related to the Financial Statements**

None Reported

**Part III Findings Related to Federal Awards**

None Reported

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
PREPARED BY SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

**Findings Related to the Financial Statements**

None Reported

**Findings Related to Federal Awards**

None Reported

**SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
CORRECTIVE ACTION PLAN  
PREPARED BY SPARTANBURG COUNTY SCHOOL DISTRICT FOUR  
FOR FISCAL YEAR ENDED JUNE 30, 2023**

NONE NOTED