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**Comprehensive  
Annual  
Financial  
Report**

Fiscal Year Ended  
June 30, 2014  
Spartanburg,  
South Carolina

**SPARTANBURG COUNTY SCHOOL DISTRICT 7**

**Comprehensive  
Annual Financial Report**  
Fiscal Year Ended June 30, 2014

**Dr. Russell W. Booker**  
Superintendent

**Spartanburg School District 7**  
610 Dupre Drive  
Spartanburg, South Carolina 29307  
864-594-4400  
[www.spartanburg7.org](http://www.spartanburg7.org)

Prepared by:  
Office of the Chief Financial Officer



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SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
FINANCIAL STATEMENTS  
AND SUPPLEMENTAL INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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## Our Board of Trustees & Superintendent



**Rick Gray**  
Chairman



**Laura Bouknight**  
Vice Chairman



**Andy Oberg**  
Secretary



**Vernon Beatty**



**Andy Hayes**



**Sanders Lee**



**Julie Lenoir**



**Sharon Porter**



**Dr. Ernest White, Jr.**



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**Dr. Russell W. Booker**  
Superintendent



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**October 15, 2014**

**To the Board of Trustees and Citizens of Spartanburg County School District 7**

State law requires that all school districts publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby submit to you the comprehensive annual financial report of Spartanburg School District 7 for the fiscal year ended June 30, 2014.

Our CAFR is divided into four sections: introductory, financial, statistical, and single audit. The introductory section includes the letter of transmittal, a list of the Spartanburg School District 7 School Board members and principal officials, and the organizational chart. The financial section includes the independent auditors' report, management's discussion and analysis, and basic financial statements including the notes. In addition, the financial section provides supplemental data on the combining of individual funds. The statistical section provides selected financial and demographic information, generally presented on a multi-year basis.

The report consists of management's representations concerning the finances of SD7. Consequently, management assumes full responsibility for the completeness and reliability of all the information present in this report. To provide a reasonable basis for making these representations, management of SD7 has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of SD7's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, SD7's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Spartanburg School District 7's financial statements have been audited by McAbee, Schwartz, Halliday & Co. The role of the independent auditor is to audit the financial statements to determine if the basic financial statements are free of material misstatements and to assess the accounting principles used. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Spartanburg School District 7's financial statements for the fiscal year ended June 30, 2014, are fairly presented in conformity with accounting principles generally accepted in the United States of America (GAAP). The Independent auditor's report is presented as the first component of the financial



section of this report.

The independent audit of the financial statements of Spartanburg School District 7 was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing the Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The Single Audit is presented following the statistical section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Spartanburg School District No. 7's MD&A can be found immediately following the report of the independent auditors.

## **ORGANIZATIONAL STRUCTURE**

Spartanburg School District 7 is one of seven districts in Spartanburg County. The district is a consolidated unified system formed in 1950 when six smaller local districts were formed into one district. Similar consolidations were done throughout the county to form the other six districts. SD7 operates a system of schools primarily for grades kindergarten through twelve. SD7 has one blended component unit, which is a legally separate organization for which SD7 is financially accountable. The component unit is the Education Foundation Corporation for Spartanburg County School District No. 7 which is a not-for-profit 501(c) (3) incorporated for the specific purpose of serving as a "support organization" for capital projects of the district.

Spartanburg School District 7 is governed by a nine-member Board of Trustees. Programs and policies are established by the publicly elected Board that serve 4-year terms and meet on the first Tuesday of each month except in July and December.

Spartanburg School District 7 operates 10 schools. SD7 each day challenges and inspires over 7,000 young people in grades K-12. In addition to 6 elementary schools, 2 middle schools, 1 high school/freshman academy, and 1 K-8 school, the district is financially accountable for the McCarthy Teszler School, a countywide school for special education students, and the Spartanburg County Alternative Education School. SD7 shares Daniel Morgan Technology Center with Spartanburg School District No. 3, a jointly governed organization. SD7 offers several other educational programs including Spartanburg County Adult Education, an Early Learning Center for 3 and 4 year old kindergarteners, and Family Connections.

## **ECONOMIC CONDITIONS AND OUTLOOK**

Spartanburg County is an international melting pot with a history of Scotch-Irish, German and Indian traders of the mid-1700s to its international growth of German, Swiss, Japanese, Indian, Asian, and British companies of today. Spartanburg continues

to be a model in world class economic diversification. Spartanburg County is shifting from a county with a high concentration of textiles to one with international firms from diverse industries to sustain economic growth and development. The high concentration of international firms in Spartanburg County has provided national and international exposure to the area as well as a new foundation for economic growth.

The unemployment rate in the county for July 2014 was 6.3%, while statewide in South Carolina it was 6.4% and in the United States 6.5%. Job creation in the City of Spartanburg has risen over the last decade especially with the continuation of downtown redevelopment. Spartanburg's location, access to the interstate system, investment in the high-end technology industry, educational institutions, and the redevelopment of the City of Spartanburg will create economic growth and opportunities for its citizens.

In prior years the district has seen a significant reduction in student enrollment. However, the last several years we have seen a trend of stable enrollment and student population. This decline in previous years was expected based on housing trends within the area and was also budgeted for accordingly. Even with the stable trend data recently, the district still cautiously budgets student enrollment. The district projects a stable enrollment again in 2015 with over 7,000 students entering our learning environments.

The majority of the district's elementary schools, including the high school, were built in the 1950's to 1960's with renovations in the 2000's. Information on the specific age of each facility can be found within the Statistical Section of this document.

## **MAJOR INITIATIVES**

The vision of Spartanburg School District 7 focuses on providing a teaming environment which gives all students an opportunity to acquire the knowledge and skills necessary to meet present and future challenges in their lives.

The District continues to focus on student needs, curriculum, instruction, assessment and evaluations, and creating a positive school climate conducive to teaching and learning.

Recent efforts to meet the needs of our students are all within the vision and the goals of the District

- The integration of technology into classroom instruction continues and the district spent the 2013-2014 school year implementing a 1 to 1 mobile device initiative, 7ignites. School faculties and staff were provided professional development throughout the year in order to support the integration of the technology into the curriculum. Students in grades 3-5 were issued tablets (iPads) and students in grades 6-12 were issued MacBook Airs. Teachers received the same device as their students. The teachers received their devices in May of 2013 to have the ability to participate in professional development during the summer.
- E. P. Todd School fully implemented Montessori through grade six. The first public school Montessori program in the county continues to be a popular option

- for students and parents. In addition, the school continues to grow as the District's first K-8 school.
- Assessment tools through existing and new technologies are being used to give teachers, principals, and District administrator's timely assessment information to improve student achievement. Continuation of the District's Benchmark assessments aligned to the South Carolina Curriculum Standards, the new Common Core State Standards (CCSS) in grades K-8, and End-of-Course courses at the high school provide formative data to assist teachers with planning instruction. The computer-assisted instructional program, Classworks, continues to serve as a tool to provide personalized learning. With the implementation of our 1 to 1 mobile device initiative, 7Ignites, usage has significantly increased at all grade-levels. Classworks also continues to assist teachers with differentiating instruction
  - With the restructuring of the district during the 2011 – 2012 school year, District 7's first middle schools were organized. During the 2013 – 2014 school year there continued to be a strong focus on the middle school model and appropriate professional development at all three middle schools was provided. McCracken Middle School began the School to Watch initiative and plans to make application during the 2014-2015 school year. Carver Middle School set a goal to become an AVID Demonstration site and was recognized for the first time as a highly certified AVID school.
  - The District Seven Early Learning Center at Park Hills served over 200 students from birth to four years old. Partnerships with First Steps, ReGenesis, Adult Ed., the Mary Black Foundation and a Full Service Community Schools grant continued to grow as the District continued to create a learning environment specifically designed for early learners. The school staff with assistance from the district began training for accreditation through The National Association for the Education of Young Children (NAEYC). The first needs assessment using the Early Childhood Environmental Ratings Scale (ECERS) as the assessment tool was conducted in the spring of 2013. Training based on the needs assessment was held throughout the 2013-2014 school. The Early Learning Center has officially applied for NAEYC accreditation and anticipates a site visit in the spring of 2015.
  - The Cleveland Academy of Leadership continued to implement The Leader in Me program using the 7Habits of Highly Effective People as a foundation for teaching responsibility and leadership. In the spring of 2013, the school established the goal of becoming a Lighthouse School with the Leader in Me Franklin Covey Foundation and anticipates a site visit in November of 2014. For the second year, the extended year was implemented by adding twenty five additional days to the school year for all Cleveland students. Students now attend school 205 days and teachers work 215 days. The Cleveland Academy of Leadership's administration along with District administration partnered with the recently organized community organization named the Northside Development Corporation (NDC) to apply to become a Purpose Built Neighborhood. The Northside of Spartanburg where Cleveland is located was named the eighth Purpose Built Neighborhood in the country.
  - 7Reads, the districts literacy focus community celebration expanded to include elementary through high school students and included all schools in the district.

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## **LONG-TERM FINANCIAL PLANNING**

Spartanburg School District 7 remains financially sound and has managed its educational programs within its available resources. The district, with the passage of Act 388 by the state legislature, a property tax relief law on owner occupied property, must maintain its fund balance since the district will become more dependent on more volatile state revenue funds generated by sales tax as a replacement for those property taxes. The district has taken the approach that all funds available for important programs must be considered in not only providing the programs, but assuming that sustainability for future funding is present. The district continues to monitor staff levels to be proportionate to the student population levels and program needs. As the district continues to assess its current and future resources, there is a continuing review of programs and resources that can support them.

The district continues to do projections of resources, especially local taxes. The City of Spartanburg, with its efforts to revitalize downtown, has provided for economic growth which, in turn, will benefit the district's revenue base. This growth is spreading from the district tax increment and positively affecting development in the City of Spartanburg, both in residential and commercial projects.

## **CAPITAL IMPROVEMENT PROGRAM**

The Capital Improvement Program remains a main focus area of SD7's financial planning. The comprehensive facilities study began in FY13 and was completed in FY14. Results of the facility study will drive capital planning for the next year, 3-year, 5-year, and 10-year periods. One of the major projects was the renovation of the gymnasium at Spartanburg High School, which began in FY12. The final Office of School Facilities inspection was completed and approved in August 2014. This comprehensive renovation included additional seating, improved restroom facilities to meet code, improved fire protection, more efficient lighting, improved flooring, and importantly, obtained Americans with Disabilities Act compliance. Additional gym renovations occurred in the athletic locker room areas in FY14 and were completed in FY15. These renovations included varsity lockers and equipment room modifications. Some of the other projects that took place during FY14 were as follows:

- Renovations to the Duncan Park Stadium begin in FY13 and were ongoing in FY14. Some of the improvements included installation of retaining walls, infrastructure improvements, siding, netting, seating, painting, scoreboard, batting cages, and safety items.
- Playground and site improvements begin in FY14 at both Boyd Elementary School and Pine Street Elementary School. New equipment and improved fall zones began and will be completed at these particular schools in early FY15.
- In an effort to obtain NAYCE accreditation, additional work began in FY14 at the Early Learning Center at Park Hills. Renovations to the entrance and to certain classrooms were started and are to be completed in FY15.
- Several major pieces of kitchen equipment were procured and installed in FY14. These improvements impacted every school.
- An additional section of roof repairs were completed at Houston Elementary school in FY14.

- Security upgrades for every school office area and entrance began in FY14 and will be completed in FY15. These upgrades included cameras that record sound and video 24/7/365 and are accessible by Internet access for assigned personnel. Additionally, visitor entrances into the school property are now controlled by the secretary at the front desk, thus preventing visitors from entering the building without specific permission. Finally, a "panic" button system was installed to alert emergency personnel in case of a crisis.
- The multipurpose room at EP Todd School received an audio/video system in FY14.
- Grease traps for Spartanburg High School, Houston Elementary School, Boyd Elementary School, and the Madden Center were installed beginning in FY13 and completed in FY14.
- A portable classroom to house additions to the Montessori program began in FY13 and was completed in FY14.

## **BUDGETARY CONTROLS**

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Activities of the general fund and debt service fund are included in the annual appropriated budget. Capital projects funds are budgeted on a project basis. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and to provide the means by which spending activities are controlled. SD7 also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, SD7 continues to meet its responsibility of sound financial management.

Text

## **CASH MANAGEMENT POLICIES AND PRACTICES**

Spartanburg School District 7 has an aggressive cash management program that consists of expediting the receipt of revenues and prudently investing available cash in obligations collateralized by instruments issued or guaranteed by the United States Government or State of South Carolina. Total interest earned in 2013-2014 was \$13,303 in the General Fund. The interest earned in 2012-2013 was \$21,894 in the general fund. Given the extremely low investment rate environment, the district is as aggressive as possible with investments, and within State law, yet gives consideration for liquidity in the event of short or late payments from other entities.

## **RISK MANAGEMENT**

Spartanburg County School District 7 monitors its risk exposure through the office of the Assistant Superintendent for Planning. SD7 carries property, casualty, and workers compensation insurance with Surry Insurance and the South Carolina School Boards Association Insurance Trust, respectively, which maintains a self insurance pool subscribed to by the majority of districts in South Carolina.



## PENSION/RETIREMENT PLAN

Substantially all SD7 employees are members of a pension plan. The South Carolina Public Employee Benefit Authority administers five public pension plans; four are defined benefit plans and one is a defined contribution plan. The Public Employee Benefit Authority is a division of the South Carolina State Budget and Control Board.

The Systems' defined contribution plan offers retirement and disability benefits, cost of living adjustments, life insurances and survivor benefits. The plan's provisions are established under Title 9 of the SC Code of Laws. Comprehensive Annual Financial Reports containing financial statements and required supplementary information for the system is issued and publicly available by writing the SC Public Employee Benefit Authority, P.O. Box 11960, Columbia, SC 29211-1960.

## AWARDS AND ACKNOWLEDGEMENTS

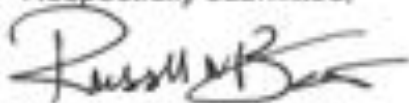
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Spartanburg County School District Number 7 for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2013. In order to be awarded a Certificate of Achievement, the District published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the current CAFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

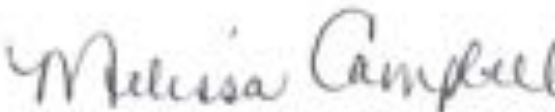
In addition, the District was also awarded The Association of School Business Officials International Certificate of Excellence in Financial Reporting for the comprehensive annual financial report for the fiscal year ended June 30, 2013. This award is the highest form of recognition in school financial reporting issued by the Association of School Business Officials International (ASBO). We believe our current CAFR continues to meet the Certificate of Excellence in Financial Reporting program's requirements and we are submitting it to the ASBO to determine its eligibility for the award.

We would like to express our sincere gratitude to the Director of Finance and the entire staff of the Finance Division who participated in the preparation of this report and to our independent auditors, McAbee, Schwartz, Halliday & Co. Appreciation is extended to the Board of Trustees and the administration, whose continuing support is vital to the financial health of the school system.

Respectfully submitted,



Russell W. Booker, Ph.D.  
Superintendent



Melissa Campbell, CGFO  
Chief Financial Officer



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SPARTANBURG COUNTY SCHOOL DISTRICT 7  
PRINCIPAL OFFICERS  
YEAR ENDED JUNE 30, 2014

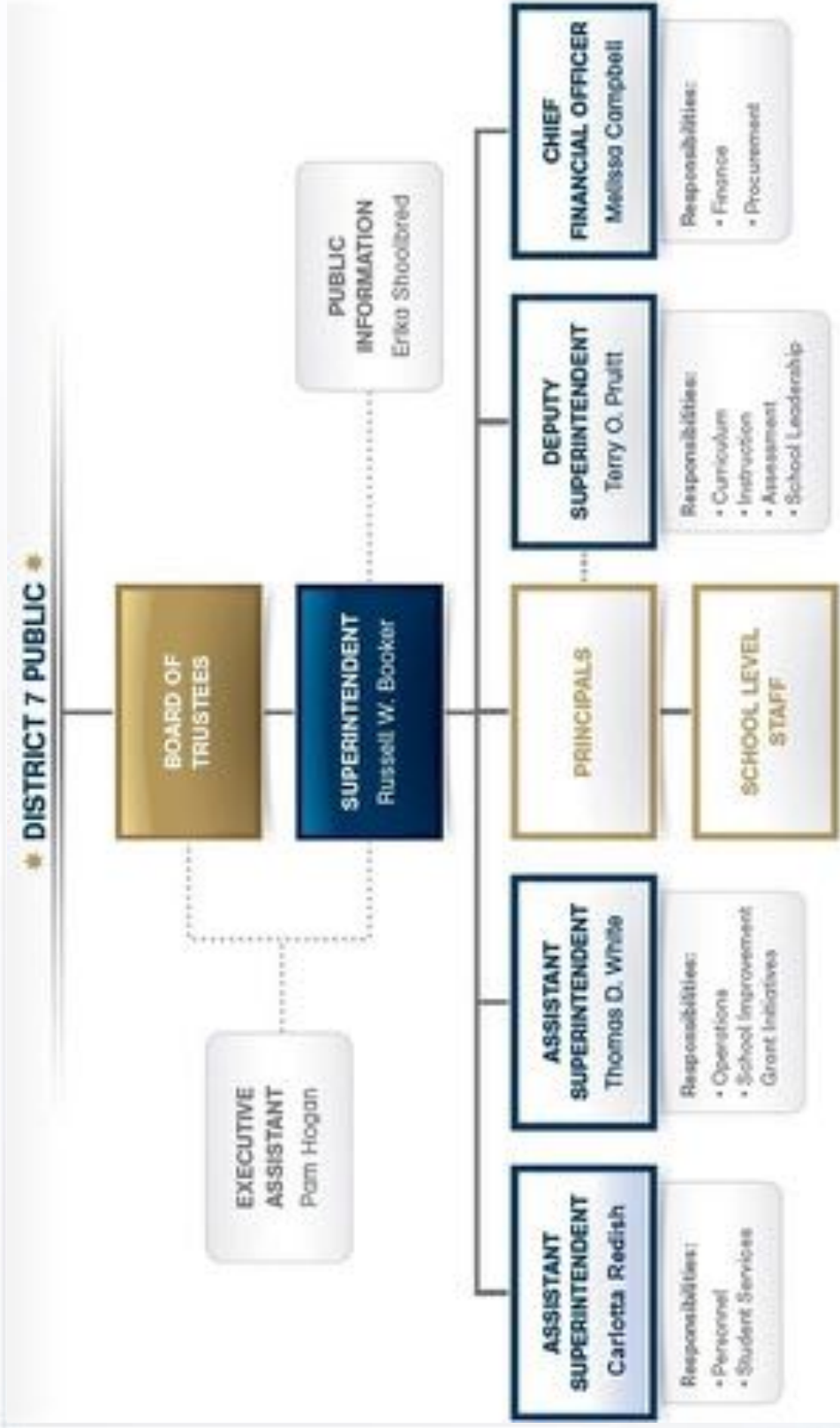
**The Board of Trustees**

Mr. Rick L. Gray	Chair
Mrs. Laura Bauknight	Vice-Chair
Mr. Andy Oberg	Secretary
Mr. Vernon Beatty	Member
Mr. Andy Hayes	Member
Mr. Sanders Lee	Member
Mrs. Julie Lonon	Member
Mrs. Sharon Porter	Member
Dr. Ernest H. White, Jr.	Member

**Administration Officials**

Dr. Russell W. Booker	Superintendent
Dr. Terry O. Pruitt	Deputy Superintendent
Dr. Thomas D. White, Jr.	Assistant Superintendent for Planning and Operations
Dr. Carlotta Redish	Assistant Superintendent for Personnel and Student Services
Mrs. Melissa C. Campbell	Chief Financial Officer
Mrs. Erika L. Shoolbred	Director of Information Services
Mr. Garry Baxley	Director of Federal Programs
Dr. Albert L. Jeter	Director of Instructional Testing
Mr. Isaac V. McKissick	Director of School and District Partnerships
Mr. R. Linton Carpenter	Director of Transportation
Mrs. Sandra H. Grubbs	Director of Finance
Mr. Terry Gilmer	Director of Maintenance and Operations
Mrs. Karen B. Yarborough	Director of Technology
Ms. Tammy Cooley	Director of Adult Education
Mrs. Cheryl Revels	Director of Special Education

# District 7 Organizational Chart



# Association of School Business Officials International



*The Certificate of Excellence in Financial Reporting Award  
is presented to*

## **Spartanburg School District Seven**

*For Its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2013*

The CAFR has been reviewed and met or exceeded  
ASBO International's Certificate of Excellence standards



Terrie S. Simmons, RSBA, CSBO  
President

John D. Musso, CAE, RSBA  
Executive Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**Spartanburg County  
School District 7  
South Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO





*Tradition.*  
*Excellence.*  
*Innovation.*

Jesse Boyd Elementary  
W. Herbert Chapman Elementary  
Cleveland Academy of Leadership  
Houston Elementary  
Pine Street Elementary  
Mary H. Wright Elementary  
Edwin P. Todd School

George Washington Carver Middle  
Joseph G. McCracken Middle

Freshman Academy  
Spartanburg High School

Early Learning Center at Park Hills  
Daniel Morgan Technology Center  
McCarthy/Teszler School  
Whitlock Flexible Learning Center  
ZL Madden Learning Center

To the Board of Trustees of  
Spartanburg County School District No. 7  
Spartanburg, South Carolina

## INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District No. 7 ("the District"), Spartanburg, South Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District No. 7, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Spartanburg County School District No. 7's basic financial statements. The introductory section, combining and individual fund financial schedules, other schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2014, on our consideration of Spartanburg County School District No. 7's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Spartanburg County School District No. 7's internal control over financial reporting and compliance.

*McAbee, Schwartz, Halliday & Co.*

Spartanburg, South Carolina  
October 15, 2014

## **SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**

### **Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014**

#### **Introduction**

It is a pleasure to present the financial information of Spartanburg County School District No. 7 (SD7). This section presents management's discussion and analysis of the overall financial information of SD7 during the fiscal year ended June 30, 2014. We encourage the reader to consider this information in conjunction with SD7's transmittal letter, financial statements, and notes to the financial statements to enhance their understanding and use of the financial statements.

#### **Financial Highlights**

On the government-wide financial statements:

- SD7's total assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources on June 30, 2014 by \$85.8 million.
- Governmental activities have an unrestricted net position balance of \$22.1 million.
- The District's net position increased by \$4,454,785 or 5.4%. Program revenues accounted for \$45,435,219 or 42% of total revenues and general revenues accounted for \$62,014,346 or 58%.
- Total expenses decreased \$1,382,970 from \$104,377,750 in fiscal year 2013 to \$102,994,780 in fiscal year 2014.

On the fund financial statements:

- SD7's governmental fund expenditures and other financing uses exceeded revenues and other financing sources by \$1,536,553.
- SD7's general fund revenues and other financing sources exceeded expenditures and other uses by \$558,245. The General Fund total fund balance, inclusive of McCarthy-Teszler School, was reported as \$14,156,732, an increase of 4.1% from June 30, 2013.

#### **Using the Basic Financial Statements**

The financial section of this annual report consists of three parts: (1) management's discussion and analysis, (2) basic financial statements, and (3) other supplementary information.

SD7's basic financial statements consist of two types of statements, the government-wide financial statements and the fund financial statements, each with a different perspective of SD7's financial condition.

- Government-wide financial statements, including the Statement of Net Position and the Statement of Activities, provide a broad, long-term overview of SD7 finances.

## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

### Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

- Fund financial statements, including the balance sheet, provides a great level of detail of revenues and expenditures and focuses on how well SD7 has performed in the short term in the most significant funds, and
- The notes to the financial statements explain some of the information in the financial statements and provide more detailed data.

This report contains other supplementary information in addition to the basic financial statement themselves.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the readers with a broad overview of the SD7's finances, in a manner similar to private sector business. The Statement of Net Position and the Statement of Activities provide information about the activities of the school district as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. The basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The **Statement of Net Position** presents information on all of SD7's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between these items as *net position*. Increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The **Statement of Activities** presents information showing how net position changed during the year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in the future fiscal period (e.g., uncollected taxes and earned but not used vacation leave).

To assess SD7's overall health, other nonfinancial factors such as the property tax base, current property tax laws, stability of state revenues and facility conditions should be used in arriving at their conclusion regarding the overall health of the District.

## **SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**

### **Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014**

#### **Fund Financial Statements**

The fund financial statements provide more detailed information about SD7's funds, focusing on its most significant or *major* funds – not the School District as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

- Some funds are required by State Law and by other regulations.
- The School District established other funds to control and manage money for particular purposes (such as repaying its long term debt) or to show that it is properly using revenues (such as capital projects).

The School District has two kinds of funds: Governmental and Fiduciary Funds.

#### **Governmental Funds**

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Such information may be useful in the evaluation of government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

SD7 maintains seven significant governmental funds: General Fund, Special Revenue-Special Projects, Special Revenue-Spartanburg County Alternative School, Special Revenue-Education Improvement Act, Special Revenue-Food Service, Capital Projects, and the District's Debt Service Fund.

## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

### Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

#### Financial Analysis as a Whole

All of SD7's services are reported in the government-wide financial statements, excluding agency funds. Instruction, support services, community services, intergovernmental, and interest and other charges are reported in the government-wide statements. Property taxes, state grants, operating grants and contributions, and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

#### Net Position

The following table provides a summary of SD7's net position as of June 30, 2014 and 2013.

Summary of Net Position As of June 30				
Governmental Activities				
	2014	2013*	Difference	%Change
Current assets	\$ 37,821,369	\$ 38,578,082	\$ (756,713)	-2.0%
Capital assets, net	112,687,867	113,924,641	(1,236,774)	-1.1%
Total Assets	150,509,236	152,502,723	(1,993,487)	-1.3%
Deferred Outflow of Resources	2,802,342	-	2,802,342	100.0%
Current liabilities	6,488,478	6,225,555	262,923	4.2%
Long-term liabilities	57,135,181	61,684,680	(4,549,499)	-7.4%
Total Liabilities	63,623,659	67,910,235	(4,286,576)	-6.3%
Deferred Inflow of Resources	3,838,907	3,198,261	640,646	20.0%
Net Position:				
Net investment in capital assets	58,950,668	55,537,769	3,412,899	6.1%
Restricted For				
General - nonexpendable	494,015	415,352	78,663	18.9%
Technology	169,979	410,470	(240,491)	-58.6%
Food Service	973,613	892,905	80,708	9.0%
Alternative School	464,681	589,428	(124,747)	-21.2%
Debt Service	2,674,908	3,873,116	(1,198,208)	-30.9%
Unrestricted	22,121,148	19,675,187	2,445,961	12.4%
Total Net Position	\$ 85,849,012	\$ 81,394,227	\$ 4,454,785	5.5%

\*as restated

**Total assets** at year-end decreased \$1,993,487 or 1.3% below June 30, 2013 primarily due to a decrease in capital assets net of accumulated depreciation. A transfer of \$5 million was made from construction in progress to building during the fiscal year. At year end for governmental activities, net capital assets represented 75% of total assets. Current Assets decreased \$756,713 primarily due to a decrease in cash and cash equivalents that was offset by an increase in accounts receivables.

**Capital assets, net of accumulated depreciation** decreased \$1,236,774 or 1.1% below June 30, 2013. This decrease was due to equipment and buildings being added to the District's fixed assets with a corresponding reduction to Construction in Progress. There was also an additional \$4.2 million addition of accumulated depreciation.

# SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

## Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

**Current liabilities** increased \$262,923 or 4.2% as a result of an increase in accrued interest payable and an increase in amounts due to fiduciary fund.

**Long-term liabilities** comprise of mainly two components: general obligation bonds and capitalized leases. Long-term liabilities decreased \$4,549,499, or 7.4% primarily due to a refunding bond being issued for the defeasance of General Obligation Bond Series 2001. The refunding GO Bond was issued at \$21.6 million to reduce the 2001 Bond Series. Readers who desire more detailed information on the long-term debt activity and capital asset activity are directed to the notes to the financial statements for further information.

### Operating Results

The following table provides a summary of the changes in net position for SD7 for the years ended June 30, 2014 and June 30, 2013.

SUMMARY OF CHANGES IN NET POSITION				
For the Year Ended June 30				
Governmental Activities				
	2014	2013	Difference	%Change
Revenues:				
Program Revenues:				
Charges for services	\$ 2,544,636	\$ 3,460,818	\$ (916,182)	-26.5%
Operating grants and contributions	42,890,583	44,871,237	(1,980,654)	-4.4%
Total Program Revenues	45,435,219	48,332,055	(2,896,836)	-6.0%
General Revenues				
Property Taxes (general purposes)	34,471,183	32,930,837	1,540,346	4.7%
Property taxes (debt services)	10,835,795	10,532,089	303,706	2.9%
Unrestricted state grants	15,338,724	15,123,910	214,814	1.4%
Contributions	111,228	323,826	(212,598)	-65.7%
Miscellaneous	1,205,013	895,252	309,761	34.6%
Unrestricted investment earnings	52,403	63,175	(10,772)	-17.1%
Transfer to fiduciary fund	-	(1,933)	1,933	-100.0%
Total General Revenues	62,014,346	59,867,156	2,147,190	3.6%
Total Revenues	107,449,565	108,199,211	(749,646)	-0.7%
Expenses:				
Instruction	54,793,412	55,087,734	(294,322)	-0.5%
Support Services	44,146,649	45,069,001	(922,352)	-2.0%
Community services	131,671	133,232	(1,561)	-1.2%
Intergovernmental	1,446,356	1,667,652	(221,296)	-13.3%
Interest and other charges	2,476,692	2,420,131	56,561	2.3%
Total Expenses	102,994,780	104,377,750	(1,382,970)	-1.3%
Change in Net Position	\$ 4,454,785	\$ 3,821,461	\$ 633,324	16.6%
*Net Position - Beginning of Year	\$ 81,394,227	\$ 77,609,760	\$ 3,784,467	4.9%
Net Position - End of Year	\$ 85,849,012	\$ 81,431,221	\$ 4,417,791	5.4%

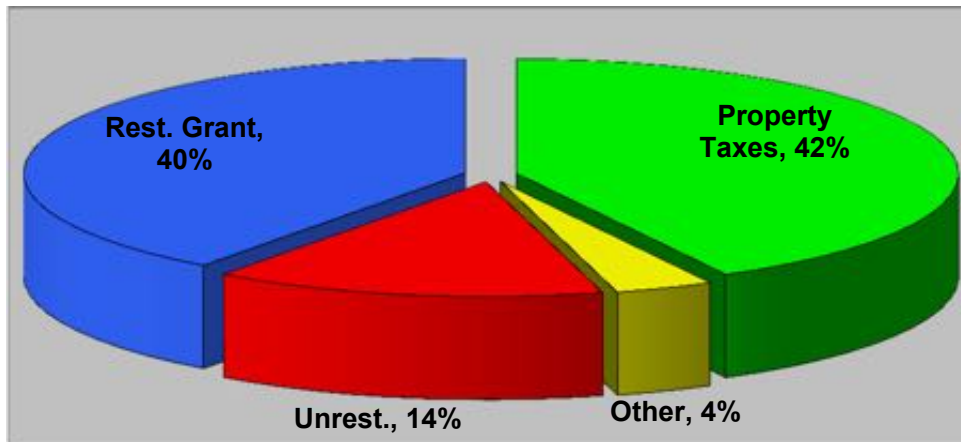
\*As restated

## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

### Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

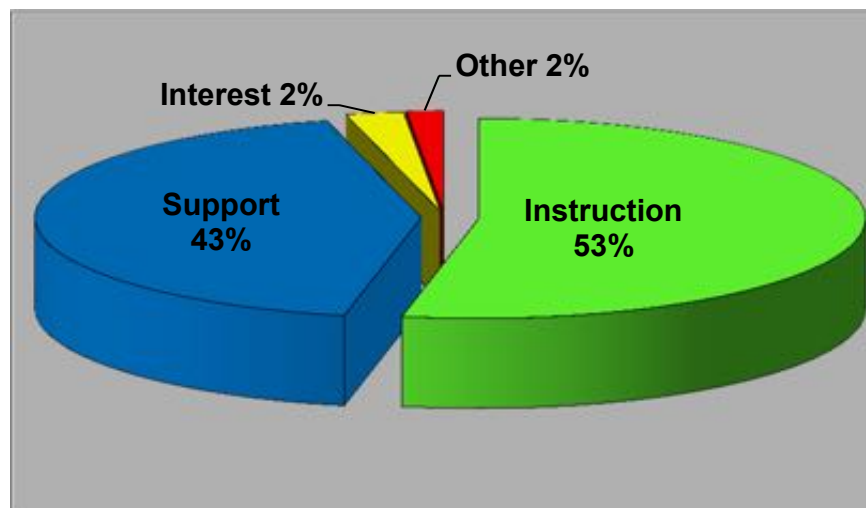
**Total revenues** decreased \$749,646 or .7% from prior year primarily due to the decrease in funding from IDEA and Title I Funds, which was partially offset by an allocation of CDEPP funds from the state.

#### Revenues by Source: Governmental Activities



**Total expenses** decreased by \$1,382,970 from prior year as a result of reduction in Title I support services expenditures, as well as IDEA instructional expenditures.

#### Expenses by Category: Governmental Activities



# SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

## Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

### Capital Assets

At June 30, 2014 SD7 had \$112,687,867 invested in a broad range of capital assets, including land, buildings, building improvements, and equipment. The amount represents a decrease (including additions, deductions and depreciation) of \$1,236,774 or a 1.1% from fiscal year 2013.

CAPITAL ASSETS For the Year Ended June 30							
Governmental Activities							
	2013*	Additions	Deductions	Transfers	2014	Difference	%Change
Land	\$ 1,575,283	\$ -	\$ -	\$ -	\$ 1,575,283	\$ -	0.0%
Buildings	152,825,649	987,587	-	5,074,141	158,887,377	6,061,728	4.0%
Improvements	11,013,914	-	-	-	11,013,914	-	0.0%
Equipment	7,981,148	721,609	179,531	-	8,523,226	542,078	6.8%
Construction in progress	7,513,257	1,360,686	-	(5,074,141)	3,799,802	(3,713,455)	-49.4%
Total Capital Assets	180,909,251	3,069,882	179,531	-	183,799,602	2,890,351	1.6%
Less							
Accumulated depreciation	(66,984,610)	(4,298,838)	171,713	-	(71,111,735)	(4,127,125)	6.2%
Total Capital Assets, net.	\$ 113,924,641	\$ (1,228,956)	\$ 7,818	\$ -	\$ 112,687,867	\$ (1,236,774)	-1.1%

\*as restated

**Capital assets** experienced a marginal decrease of \$1.2 million due to equipment and buildings being added to the District's fixed assets with a corresponding reduction to Construction in Progress. This increase was offset by an increase in accumulated depreciation. If more information is desired about capital assets, detailed information is available in Note 3 to the Financial Statements.

### Long term Debt and Capitalized Lease Obligations

As of June 30, 2014, SD7 had \$53,707,802 in total debt versus \$61,150,260 last fiscal year, a decrease of 12.2%. This reduction was due to the defeasance of the 2001 General Obligation Bond Series and the retirement of debt coupled with small new offerings. A summary of the long term debt and capitalized lease obligations are listed in the following table. See Note 5 to the Financial Statements for additional information.

For the Year Ended June 30					
Governmental Activities					
	2013	Additions	Deductions	Defeased	2014
General Obligation Bonds					
2001 GO Bond Series	\$ 37,320,000	\$ -	\$ 3,620,000	\$ 21,690,000	\$ 12,010,000
2010 GO Bond Series	940,000	-	465,000	-	475,000
2010 GO Bond Series	2,480,000	-	1,220,000	-	1,260,000
2011 GO Bond Series	6,482,000	-	612,000	-	5,870,000
2012 GO Bond Series	3,275,000	-	2,875,000	-	400,000
2013 GO Bond Series	4,300,000	-	955,000	-	3,345,000
2014 GO Bond Series	-	3,900,000	-	-	3,900,000
2014 GO Bond Series	-	21,695,000	-	-	21,695,000
SubTotal	54,797,000	25,595,000	9,747,000	21,690,000	48,955,000
Capital Leases	6,353,260	-	1,600,458	-	4,752,802
Total Debt	\$ 61,150,260	\$ 25,595,000	\$ 11,347,458	\$ 21,690,000	\$ 53,707,802



## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

### Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

SD7 maintains an Aa2 rating from Moody's for general obligation debt and an AA- rating from Standard and Poor's this year. State statutes limit the amount of general obligation debt a governmental entity may issue up to 8% of its total assessed valuation. Bonded indebtedness authorized by a majority vote of the qualified electors of the school district voting in a referendum is not considered in the computation of the 8% limitation. \$33,700,000 exists in outstanding debt authorized through a referendum. The current debt limitation for SD7 exceeds \$15.7 million. Debt Service Millage for FY14 was 59.0 mills.

#### Governmental Funds - Revenues and Other Financing Sources

REVENUES AND OTHER FINANCING SOURCES For the Year Ended June 30 Governmental Funds					
	2014	2013	2014 Percent of Total	Increase (Decrease) from 2013	Percent Increase (Decrease) from 2013
Local property taxes	\$ 45,256,766	\$ 43,395,343	40.5%	\$ 1,861,423	4.3%
Other local	4,106,965	4,743,069	3.7%	(636,104)	-13.4%
Intergovernmental	3,263,525	3,364,413	2.9%	(100,888)	-3.0%
State	43,668,136	43,783,407	39.1%	(115,271)	-0.3%
Federal	11,101,771	12,847,330	9.9%	(1,745,559)	-13.6%
Subtotal	107,397,163	108,133,562	96.2%	(736,399)	-0.7%
Other financing sources	4,275,448	10,580,898	3.8%	(6,305,450)	-59.6%
Total	<u>\$ 111,672,611</u>	<u>\$ 118,714,460</u>	<u>100%</u>	<u>\$ (7,041,849)</u>	<u>-5.9%</u>

- **Local property taxes** increased by \$1,861,423 primarily due to an increase in assessed values and a healthy increase in the collection rate.
- **Other local** decreased by \$636,104 primarily due to a reduction in capital project contributions and a reduction in Medicaid funding.
- **Intergovernmental** decreased by \$100,888 which is negligible but due to reduced receipts from other districts.
- **State revenue** decreased by \$115,271 due to a decrease in EIA state funding that was offset by an increase in Special Revenue-Special Projects state funding.
- **Federal revenue** decreased by \$1,745,559 primarily due to a decrease in Title I and IDEA funding.
- **Other financing sources** decreased by \$6,305,450 which is primarily due to a decrease in lease purchases in the Capital Projects Fund.

# SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

## Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

### Governmental Funds - Expenditures

EXPENDITURES For the Year Ended June 30 Governmental Funds					
	2014	2013	2014 Percent of Total	Increase (Decrease) from 2013	Percent Increase (Decrease) from 2013
Current:					
Instruction	\$ 54,741,744	\$ 54,410,925	48.3%	\$ 330,819	0.6%
Support Services	40,696,959	42,457,520	35.9%	(1,760,561)	-4.1%
Community Services	131,671	133,231	0.1%	(1,560)	-1.2%
Intergovernmental	1,446,356	1,667,653	1.3%	(221,297)	-13.3%
Debt Service					
Legal Services	67,696	-	0.1%	67,696	100.0%
Other Professional	60,661	-	0.1%	60,661	100.0%
Principal	11,347,458	12,703,370	10.0%	(1,355,912)	-10.7%
Interest	2,411,121	2,692,584	2.1%	(281,463)	-10.5%
Other	40,914	2,650	0.0%	38,264	1443.9%
Capital Outlay	2,264,584	3,600,021	2.0%	(1,335,437)	-37.1%
Total	<u>\$ 113,209,164</u>	<u>\$ 117,667,954</u>	<u>100.0%</u>	<u>\$ (4,458,790)</u>	<u>-3.8%</u>

**Instruction** increased \$330,819 due to additional personnel costs related to salary and associated employee benefits such as retirement, FICA, and insurance.

**Support Services** decreased \$1.7 million primarily in IDEA and Title I expenditures, which relates to the decrease in funding. Other funds had to absorb some of the losses. There was also lesser reliance on carryover funds.

**Intergovernmental** decreased by \$221,297 due to a reduction in payments due to other governmental entities.

**Capital Outlay** decreased approximately \$1.3 million primarily due to a decrease of \$1.7 million in construction services with an offset of \$357,198 increase in improvements other than buildings and equipment.

## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

### Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

#### General Fund

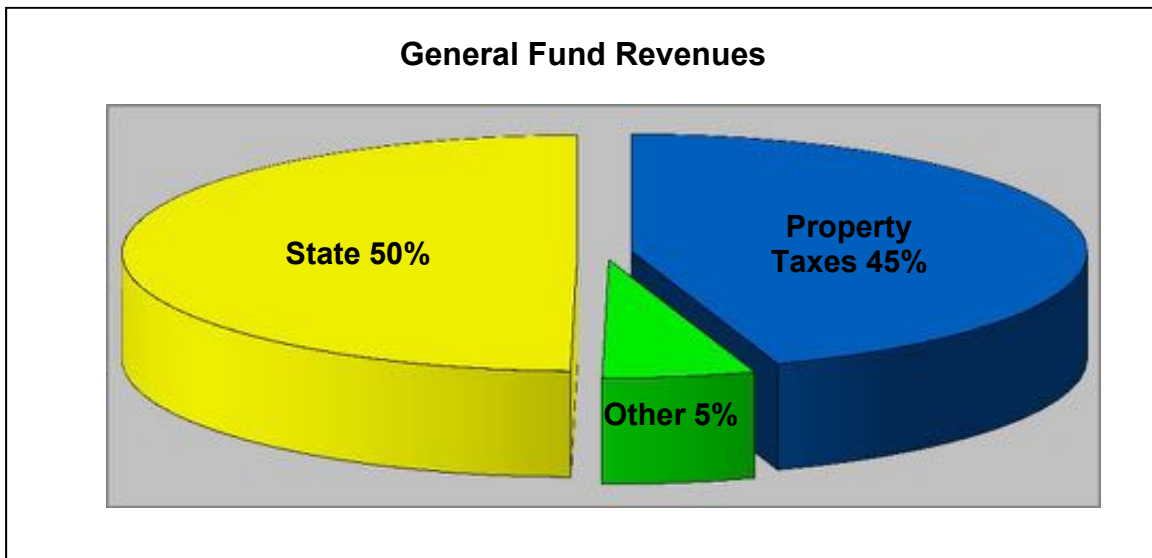
The General Fund is the chief operating fund of SD7. At the end of the fiscal year 2014, unassigned fund balance of SD7's general fund was \$13,246,978 while the total fund balance was \$14,156,732, including McCarthy-Teszler. Unassigned fund balance represents 19% of the total current year general fund expenditures.

The fund balance of the General Fund, inclusive of McCarthy-Teszler, increased by \$558,245 in fiscal year 2014 primarily due to purposeful, conservative budgeting, given continued economic concerns. The receipt of additional state funding, an increase in tax collections, and assessed value growth also contributed to the increase in the fund balance.

GENERAL FUND REVENUES For the Year Ended June 30						
	2014	2013	2014 Percent of Total	Increase (Decrease) from 2013	Percent Increase (Decrease) from 2013	
Local property taxes	\$ 32,124,240	\$ 30,684,552	45.3%	\$ 1,439,688	4.7%	
Other local	1,234,353	1,294,217	1.7%	(59,864)	-4.6%	
Intergovernmental	1,888,636	1,875,873	2.7%	12,763	0.7%	
State	35,660,823	35,235,073	50.3%	425,750	1.2%	
Federal	47,972	76,775	0.1%	(28,803)	-37.5%	
Total	<u>\$ 70,956,024</u>	<u>\$ 69,166,490</u>	<u>100.0%</u>	<u>\$ 1,789,534</u>	<u>2.6%</u>	

#### General Fund Revenues

Revenues for the general fund totaled \$70,956,024 an increase of \$1,789,534 from fiscal year 2013 due to the continued conservative budgeting of state revenues coupled with conservative pupil counts as they related to funding, and increased tax collections.



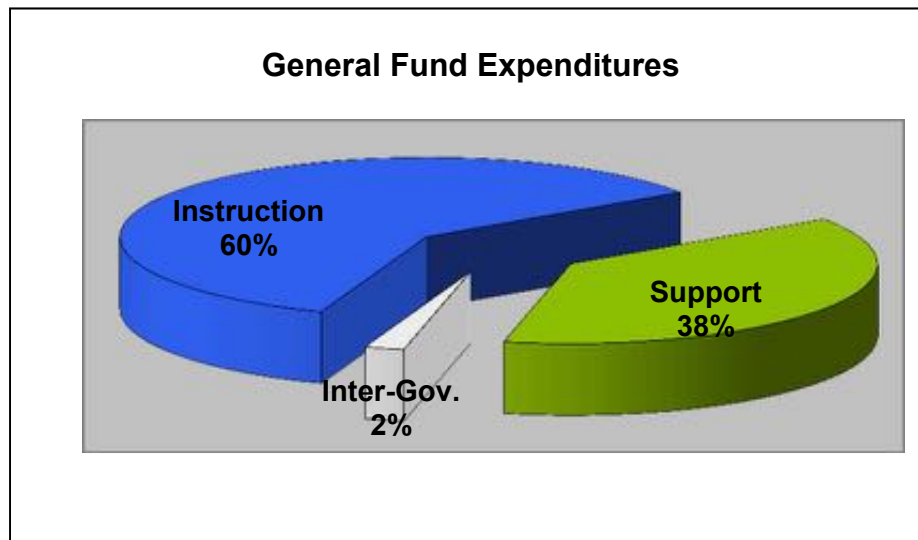
## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

### Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

GENERAL FUND EXPENDITURES For the Year Ended June 30					
	2014	2013	2014 Percent of Total	Increase (Decrease) from 2013	Percent Increase (Decrease) from 2013
Current:					
Instruction	\$ 41,803,621	\$ 39,879,512	59.9%	\$ 1,924,109	4.8%
Support Services	26,487,699	25,578,291	38.0%	909,408	3.6%
Intergovernmental	1,444,112	1,654,355	2.1%	(210,243)	-12.7%
Total	<u>\$ 69,735,432</u>	<u>\$ 67,112,158</u>	<u>100.0%</u>	<u>\$ 2,623,274</u>	<u>3.9%</u>

#### General Fund Expenditures

Expenditures for the general fund totaled \$69,735,432 an increase of \$2.6 million over fiscal year 2013. Instructional expenditures increased 4.8% primarily due to personnel associated costs of staff raises, salary step increases, and additional positions for class size maintenance. General instruction accounts for 60% of general fund expenditures while support cost is 38%, which includes district support, school administrators, nursing, guidance, school media, transportation, curriculum, school psychologist, and professional development. Supporting services increased as well due to costs associated with staff salary increases and an increase in costs of operations and transportation.



## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

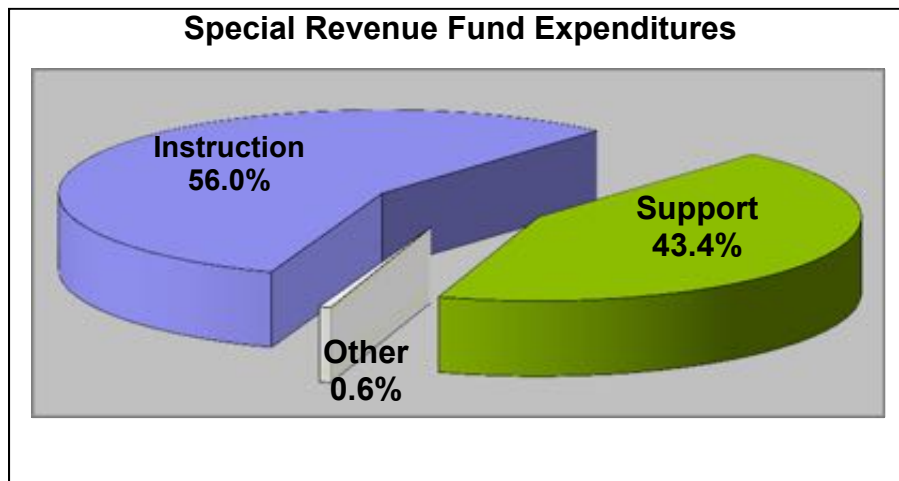
### Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014

#### Special Revenue Funds (Including Special Project, EIA, Alternative School, and Food Service)

SPECIAL REVENUE EXPENDITURES For the Year Ended June 30					
	2014	2013	2014 Percent of Total	Increase (Decrease) from 2013	Percent Increase (Decrease) from 2013
Current:					
Instruction	\$ 12,938,123	\$ 14,531,413	56.0%	\$ (1,593,290)	-11.0%
Support Services	10,025,916	10,804,911	43.4%	(778,995)	-7.2%
Community Services	131,671	133,231	0.6%	(1,560)	-1.2%
Intergovernmental	2,244	13,298	0.0%	(11,054)	-83.1%
Total	<u>\$ 23,097,954</u>	<u>\$ 25,482,853</u>	<u>100.0%</u>	<u>\$ (2,384,899)</u>	<u>-9.4%</u>

#### Special Revenue Fund Expenditures

Expenditures for the special revenue fund were \$23,097,954, a decrease of \$2,384,899 from fiscal year 2013. This net decrease is primarily due to decreased funding in Title I and IDEA funding.



#### Fiduciary Funds

The school district is the trustee, or fiduciary, for assets that belong to others, such as student activity funds. SD7 is responsible for ensuring that the assets reported in these funds are used only for their intended purpose and by those to whom the assets belong. The school district excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operations.

#### Other Funds

The Debt Service fund decreased by approximately \$1.1 million due to increased payments on debt as a result of an aggressive debt repayment schedule. The EIA fund balance did not change in 2014. The food service fund showed good improvement with a 2014 surplus of \$126,712. The Capital Projects fund ended with a \$8.5 million fund balance to support increased outlays in 2015 and 2016.

## **SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**

### **Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014**

#### **Notes to the 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.

#### **Economic Factors**

Spartanburg County is located in the Northwestern Piedmont section of South Carolina. It is located at the "Crossroads of the New South": the intersection of interstates 85 and 26, two of the most traveled interstate highways in the United States. Spartanburg County has a land area of 808 square miles and population of 290,969 in 2013 (US Census Bureau estimate). The estimated population as of 2015 is 312,382 (City of Spartanburg Community Profile Fact Sheet). Between 2000 and 2010, the population grew by 12% (City of Spartanburg Community Profile Fact Sheet). It is important to note that the largest area of Spartanburg School District 7 is comprised of the City of Spartanburg. The City of Spartanburg's estimated population in 2013 was 37,647 (US Census Bureau estimate) and a projected population of 39,673 in 2015 (City of Spartanburg Community Profile Fact Sheet). Between 2000 and 2010, the population in the City of Spartanburg increased 9.8%. The City of Spartanburg's increase in population is directly correlated to the increase in student enrollment within SD7. The district recognized this correlation and developed the budget ensuring efficient use of the district's resources while focusing on student achievement. Between 2005 and 2009, over \$1.6 billion in capital investments had been made in the county, a direct impact on county population growth. Spartanburg County has recognized the change from an agricultural and textile base to a new economic base, a community with more than 90 international firms, representing 15 countries, are a part of its industrial community including BMW. Spartanburg County has the highest per capita diversified foreign investment of any area in the country. The New York Times reports Spartanburg, South Carolina as having the highest per capita international investment in the nation. With the capital investments, the county and city's community outreach programs to increase the quality of life for the citizens of Spartanburg have increased proportionately. The district is using this growth as an opportunity to compliment public education.

Economic development in the city is equally important to the school district impacting growth in the school district's tax base and stabilization of the district's student enrollment. The district has begun developing community partnerships throughout the city utilizing their programs and economic strengths to increase student achievement. In 2012, the city recorded approximately \$2.2 billion in gross business sales and \$86 million in building permits were issued in 2010.

This level of commerce among local businesses and not-for-profits has opened up recreational activities, mentoring, after-school programs, and adopt-a-school programs that continue to be essential to the success of SD7. Construction was completed on the \$43 million Chapman Cultural Arts Center in late 2007. The district is extensively using the center to enhance its related arts programs. Construction was completed in 2010 on the George Dean Johnson College of Business and Economics of the University of South Carolina Upstate System. This \$30 million facility is located adjacent to the Chapman Cultural Center and serves over a thousand students each year. A variety of economic and business programs are continually held at this complex which affords great exposure to the City and the School District.

## **SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**

### **Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2014**

#### **Budgetary Highlights**

Annual budgets are prepared on a basis consistent with U.S. generally accepted accounting principles for the general operating funds. All annual unencumbered appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, account, and location.

In June 2013, the Board adopted a balanced budget for fiscal year 2014 that reflected total resources and annual appropriations of \$61.6 million. This budget excludes McCarthy Teszler, which is adopted separately by all seven boards in Spartanburg County. Actual general operating fund revenues/transfers in for fiscal year 2014 were \$59.9 million and actual general operating fund expenditures/transfers out were \$59.9 million. Actual revenues were higher than budgeted revenues primarily due to conservative budgeting, growth in tax base, increase in collection rate, and additional unanticipated funding from the state. Actual expenditures and transfers came in below budgeted expenses and budgeted transfers excluding McCarthy Teszler.

In June 2014, the Board adopted a balanced general fund budget for fiscal year 2014-2015 that reflected total resources of \$64 million (excludes McCarthy Teszler).

#### **Contacting the District's Financial Management**

The financial report is designed to provide a general overview of Spartanburg County School District No. 7 finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Chief Financial Officer, Spartanburg County School District No. 7, 610 Dupre Dr, Spartanburg, SC 29307.



*Tradition. Excellence. Innovation.*

## Basic Financial Statements





*Tradition. Excellence. Innovation.*

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SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
STATEMENT OF NET POSITION  
JUNE 30, 2014

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 16,931,678
Investments	3,458,787
Taxes receivable	4,290,350
Less allowance for uncollectibles	(3,003,246)
Accounts receivable	2,844,951
Due from County Government	4,732,660
Due from State Department of Education	7,371,387
Due from other state agencies	75,912
Due from Federal Government	624,875
Commodities	46,005
Inventories	448,010
	<u>37,821,369</u>
Capital Assets:	
Land	1,575,283
Improvements other than building	11,013,914
Buildings	158,887,377
Equipment	8,523,226
Construction in progress	3,799,802
Less: accumulated depreciation	(71,111,735)
	<u>112,687,867</u>
<b>Total Assets</b>	<u>150,509,236</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred loss on refunding	<u>2,802,342</u>
<b>Total Deferred Outflows of Resources</b>	<u>2,802,342</u>
<b>LIABILITIES</b>	
Accounts payable	2,108,484
Retainage payable	34,986
Due to fiduciary fund	732,405
Health, life insurance and other deductions	2,305,360
Accrued salaries	356,084
Accrued interest payable	951,159
Noncurrent liabilities:	
Due within one year	10,405,000
Due in more than one year	46,730,181
	<u>63,623,659</u>
<b>Total Liabilities</b>	<u>63,623,659</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Revenues received in advance	<u>3,838,907</u>
<b>Total Deferred Inflows of Resources</b>	<u>3,838,907</u>
<b>NET POSITION</b>	
Net investment in capital assets	58,950,668
Restricted for:	
General	
Nonexpendable	494,015
Technology	169,979
Food service	973,613
Spartanburg County Alternative School	464,681
Debt service	2,674,908
Unrestricted	22,121,148
<b>Total Net Position</b>	<u>\$ 85,849,012</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		Charges for Services and Sales	Operating Grants and Contributions	Primary Governmental Activities
<b>PRIMARY GOVERNMENT:</b>				
Governmental activities:				
Instruction	\$ 54,793,412	\$ 2,242,078	\$ 33,512,974	\$ (19,038,360)
Support services	44,146,649	302,558	9,229,873	(34,614,218)
Community services	131,671	-	15,241	(116,430)
Intergovernmental	1,446,356	-	132,495	(1,313,861)
Interest and other charges	2,476,692	-	-	(2,476,692)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 102,994,780</b>	<b>\$ 2,544,636</b>	<b>\$ 42,890,583</b>	<b>(57,559,561)</b>
<b>GENERAL REVENUES:</b>				
Property taxes levied for general purposes				34,471,183
Property taxes levied for debt service				10,835,795
Unrestricted state grants				15,338,724
Contributions				111,228
Miscellaneous				1,205,013
Unrestricted investment earnings				52,403
Total general revenues				62,014,346
<b>CHANGE IN NET POSITION</b>				4,454,785
<b>NET POSITION - AS ADJUSTED - JULY 1, 2013</b>				81,394,227
<b>NET POSITION - JUNE 30, 2014</b>				<u>\$ 85,849,012</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2014

	General Fund	Special Revenue Fund - Projects	Special Revenue Fund - EIA	Special Revenue Fund - Food Service	Special Revenue Fund - Spartanburg County Alternative School	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>								
Cash and cash equivalents	\$ 16,671,985	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,693	\$ 16,931,678
Investments	3,458,787	-	-	-	-	-	-	3,458,787
Taxes receivable	3,223,801	-	-	-	220,902	845,647	-	4,290,350
Less allowance for uncollectibles	(2,256,661)	-	-	-	(154,632)	(591,953)	-	(3,003,246)
Accounts receivable	1,444,828	844,435	739	17,716	512,233	25,000	-	2,844,951
Due from other funds	2,715,040	1,093,978	319,982	597,179	95,938	250,011	8,698,592	13,770,720
Due from County Government	1,149,041	-	-	-	42,820	3,540,799	-	4,732,660
Due from State Department of Education	2,405,634	3,832,201	1,133,552	-	-	-	-	7,371,387
Due from other state agencies	-	75,912	-	-	-	-	-	75,912
Due from Federal Government	-	189,480	-	435,394	-	-	-	624,874
Commodities	-	-	-	46,005	-	-	-	46,005
Inventories	448,010	-	-	-	-	-	-	448,010
Total Assets	\$ 29,260,465	\$ 6,036,006	\$ 1,454,273	\$ 1,096,294	\$ 717,261	\$ 4,069,504	\$ 8,958,285	\$ 51,592,088
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 1,359,292	\$ 97,608	\$ 22,824	\$ 60,769	\$ 186,309	\$ -	\$ 381,682	\$ 2,108,484
Retainage payable	-	-	-	-	-	-	34,986	34,986
Due to other funds	10,115,857	3,246,366	-	-	-	1,140,902	-	14,503,125
Health, life insurance and other deductions	2,305,360	-	-	-	-	-	-	2,305,360
Accrued salaries	356,084	-	-	-	-	-	-	356,084
Unearned revenue	967,140	-	-	-	66,271	253,694	-	1,287,105
Total Liabilities	15,103,733	3,343,974	22,824	60,769	252,580	1,394,596	416,668	20,595,144
Deferred Inflows of Resources:								
Revenues received in advance	-	2,391,551	1,431,449	15,907	-	-	-	3,838,907
<b>Fund Balances:</b>								
Nonspendable:								
Inventory	448,010	-	-	46,005	-	-	-	494,015
Restricted:								
Technology	-	169,979	-	-	-	-	-	169,979
Food service	-	-	-	973,613	-	-	-	973,613
Spartanburg County Alternative School	-	-	-	-	464,681	-	-	464,681
Debt service	-	-	-	-	-	2,674,908	-	2,674,908
Assigned:								
Technology	-	130,502	-	-	-	-	-	130,502
Capital projects	-	-	-	-	-	-	8,541,617	8,541,617
Workers compensation contingency	461,744	-	-	-	-	-	-	461,744
Unassigned:								
General	13,246,978	-	-	-	-	-	-	13,246,978
Total Fund Balances	14,156,732	300,481	-	1,019,618	464,681	2,674,908	8,541,617	27,158,037
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 29,260,465	\$ 6,036,006	\$ 1,454,273	\$ 1,096,294	\$ 717,261	\$ 4,069,504	\$ 8,958,285	\$ 51,592,088

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES  
TO NET POSITION OF GOVERNMENTAL ACTIVITIES  
JUNE 30, 2014

Total Governmental Fund Balances		\$ 27,158,037
Amounts reported for governmental activities on the statement of net position is different because of the following:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		112,687,867
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:		
Taxes receivable		1,287,106
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Accrued interest payable	(951,159)	
Bond premium, net of amortization	(3,427,379)	
Deferred loss on refunding, net of amortization	2,802,342	
Bonds payable	(48,955,000)	
Lease payable	(4,752,802)	(55,283,998)
Net Position of Governmental Activities		<u>\$ 85,849,012</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund - Projects	Special Revenue Fund - EIA	Special Revenue Fund - Food Service	Special Revenue Fund - Spartanburg County Alternative School	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
<b>REVENUES</b>								
Local property taxes	\$ 32,124,240	\$ -	\$ -	\$ -	\$ 2,296,731	\$ 10,835,795	\$ -	\$ 45,256,766
Other local	1,234,353	2,466,985	-	331,499	27	64,101	10,000	4,106,965
Total local	33,358,593	2,466,985	-	331,499	2,296,758	10,899,896	10,000	49,363,731
Intergovernmental								
State	1,888,636	210,058	-	-	1,164,831	-	-	3,263,525
Federal	35,660,823	1,445,950	5,733,676	-	33,874	793,813	-	43,668,136
	47,972	7,229,026	-	3,824,773	-	-	-	11,101,771
Total Revenues	70,956,024	11,352,019	5,733,676	4,156,272	3,495,463	11,693,709	10,000	107,397,163
<b>EXPENDITURES</b>								
Current:								
Instruction	41,803,621	7,637,258	3,063,207	-	2,237,658	-	-	54,741,744
Support services	26,487,699	3,715,488	869,152	4,029,560	1,411,716	-	4,183,344	40,696,959
Community services	-	18,825	112,846	-	-	-	-	131,671
Intergovernmental	1,444,112	-	2,244	-	-	-	-	1,446,356
Debt service	-	-	-	-	-	-	-	-
Legal Services	-	-	-	-	-	67,696	-	67,696
Other professional & technical services	-	-	-	-	-	60,661	-	60,661
Principal	-	-	-	-	-	11,347,458	-	11,347,458
Interest	-	-	-	-	-	2,411,121	-	2,411,121
Other objects	-	-	-	-	-	40,914	-	40,914
Capital outlay	-	-	-	-	-	-	2,264,584	2,264,584
Total Expenditures	69,735,432	11,371,571	4,047,449	4,029,560	3,649,374	13,927,850	6,447,928	113,209,164
Excess (Deficiency) of Revenues over Expenditures	1,220,592	(19,552)	1,686,227	126,712	(153,911)	(2,234,141)	(6,437,928)	(5,812,001)
<b>OTHER FINANCING SOURCES (USES)</b>								
Premium on bonds sold	-	-	-	-	-	2,989,735	211,325	3,201,060
Proceeds of general obligation bonds	-	-	-	-	-	-	3,900,000	3,900,000
Proceeds of refunding debt	-	-	-	-	-	21,695,000	-	21,695,000
Payments to refunded debt escrow agent	-	-	-	-	-	(24,522,802)	-	(24,522,802)
Transfers in	1,824,688	-	-	-	86,166	874,000	1,613,035	4,397,889
Transfers out	(2,487,035)	(165,437)	(1,686,227)	-	(57,000)	-	-	(4,395,699)
Total Other Financing Sources (Uses)	(662,347)	(165,437)	(1,686,227)	-	29,166	1,035,933	5,724,360	4,275,448
Total net change in fund balances	558,245	(184,989)	-	126,712	(124,745)	(1,198,208)	(713,568)	(1,536,553)
Fund Balances - July 1, 2013	13,598,487	485,470	-	892,906	589,426	3,873,116	9,255,185	28,694,590
Fund Balances - June 30, 2014	\$ 14,156,732	\$ 300,481	\$ -	\$ 1,019,618	\$ 464,681	\$ 2,674,908	\$ 8,541,617	\$ 27,158,037

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Total Net Change in Fund Balances - Governmental Funds	\$ (1,536,553)
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Amounts reported for governmental activities in the statements of activities are different because of the following:

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.	(173,940)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized over the term of the long-term debt in the statement of activities.

Principal payments on long-term debt	11,347,458
Payments to refunded debt escrow agent	24,522,802
Bond premium	(3,201,059)
Amortization of deferred loss on refunding	(30,460)
Amortization of bond premium	308,099

Governmental funds report capital outlay as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which depreciation expense of \$4,298,838 exceeded capital outlay of \$3,069,882 in the current year.	(1,228,956)
--	-------------

Gains (losses) in the statement of activities that do not provide current financial resources and, therefore, are not reported as revenue in governmental funds.	(7,818)
--	---------

Long - term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	(25,595,000)
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Revenues reported on the statement of activities do not provide current financial resources and, therefore, are not reported as revenue in governmental funds.	50,212
--	--------

Changes in Net Position of Governmental Activities	\$ 4,454,785
--	--------------

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2014

	<u>Agency Fund</u>
<b>ASSETS</b>	
Accounts receivable	\$ 195
Due from general fund	<u>732,405</u>
Total Assets	<u><u>\$ 732,600</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 28,112
Due to student organizations	<u>704,488</u>
Total Liabilities	<u><u>\$ 732,600</u></u>

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



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**A. Reporting Entity**

Spartanburg County School District No. 7 ("the District") is one of seven school districts in Spartanburg County. The District is governed by a nine member Board of Trustees and it has oversight responsibility and control over all activities related to public education within the District's boundaries.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

**B. Basic Financial Statements - 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, except for fiduciary funds.

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

The government-wide 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 clearly identifiable to a particular function. Program revenues include amounts paid by the recipient for the goods or services offered by the program, 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 business segment or governmental function is self-financing or draws from the general revenues of the District.

**C. Basic Financial Statements – Fund Financial Statements**

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

The accounting and financial reporting 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 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.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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.

The District reports the following major governmental funds:

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

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

- 1) Special Projects Fund - is used to account for financial resources provided by federal and state grants.
- 2) Education Improvement Act (EIA) Fund - is used to account for the proceeds of the additional one percent sales and use tax revenues that are legally restricted to expenditures for the South Carolina Education Improvement Act of 1984 standards.
- 3) Food Service Fund - is used to account for cafeteria operations at school locations. The fund is financed by user charges and subsidized by USDA school lunch and breakfast programs.
- 4) Spartanburg County Alternative School Fund – is designed to accommodate students in grades 6-12 within Spartanburg County who have experienced difficulty in the regular school settings. The goal of the alternative school is to assist the student in obtaining a high school diploma or G.E.D. The fund is financed by local property taxes and payments from other LEAs. The school serves students from each of the seven districts of Spartanburg County.

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

**Capital Projects Fund** - Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the District reports the following fund type:

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

- 1) Pupil Activity Fund - is used to account for student admissions, organization memberships, bookstore sales and other related receipts and disbursements held by the school in a trustee capacity on behalf of the students and/or District employees.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

Basis of accounting refers to when revenues and expenditures 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 either modified accrual basis of accounting for the governmental fund types or the accrual basis of accounting for fiduciary funds.

**Revenue – 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 days after year-end.

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

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

**Unearned Revenue**

The District reports unearned revenue on its statement of net position and governmental funds balance sheet. In both the government-wide and governmental fund statements, taxes received that are “intended to finance” a future period are reported as unearned revenue. In subsequent periods, the liability for 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 flow of current financial resources. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred except for (1) principal and interest on general long-term debt, which is recorded when due, and (2) the costs of accumulated unpaid vacation and sick leave, which are reported as fund liabilities in the period in which they will be liquidated with available financial resources rather than in the period earned by employees.

**E. Budget**

The District adopts an annual budget for the General Fund, Spartanburg County Alternative School Fund, Debt Service Fund and Capital Projects 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.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**F. Deposits and Investments**

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

Investments are stated at fair value. The fair value of the District's investments approximated cost.

**G. 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 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.

**H. Taxes Receivable**

Taxes receivable represents delinquent taxes being processed for collection by the Spartanburg County Delinquent Tax Office, originally assessed for District No. 7. Thirty percent of the delinquent taxes delivered each year to the Delinquent Tax Office are estimated to be collectible; the remainder is considered to be uncollectible and, accordingly, an allowance for the uncollectible amounts has been recorded.

**I. Ad Valorem Taxes**

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

The assessed valuation of property in Spartanburg County for District No. 7 for 2013 was \$198,652,034. In addition, the District billed fees in lieu of taxes on assessed value of \$1,637,152. The millage rate charged for the School District was 184.8 for current operations, and 59.0 for debt service.

The millage rate charged for the McCarthy-Teszler schools (operated at the Charles Lea Center, a facility for disabled and special need persons), based on countywide assessed valuation of \$1,007,714,976 was 10.5 mills. Also, the millage rate charged for the Spartanburg County Alternative School (which the District is the fiscal agent) is 3.4 mills. In addition, McCarthy Teszler and Spartanburg County Alternative School billed fees in lieu of taxes on assessed value of \$68,836,674.

**J. Inventory and Prepaid Items**

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**K. Capital Assets and Depreciation**

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated 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 District does not possess any infrastructure.

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

Description	Useful Life
Land	not depreciated
Buildings and improvements	20-40 years
Furniture and equipment	3-12 years

**L. Interfund Activity**

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

**M. Vacation and Sick Pay**

In accordance with state law, the District allows employees to accumulate a maximum of ninety 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 of vacation is given to all 12-month employees. Vacation is noncumulative and employees are not paid for unused vacation days. Therefore no provision for liability has been made.

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

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

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

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

**O. Governmental Fund Balance Classifications**

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

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

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

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

**Assigned:** This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or an official to which the Board delegates authority. By a majority vote, the Board of Trustees has delegated this authority to the Superintendent. The authorization to assign fund balance can be found in the District's fund balance policy. This classification also includes the remaining positive fund balance for all governmental funds, except for the General Fund, as governed by the State Department of Education.

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**Spending Policy**

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

**Minimum Unassigned Fund Balance**

The District will construct its budget so as to provide for an adequate general fund reserve. The purpose of such a fund is to have reserves adequate to avoid excessive borrowing, prevent cash flow disruptions and demonstrate financial responsibility. The district will maintain a minimum unassigned fund balance in its general fund of 12 percent of current year budgeted expenditures, including transfers. Any excess over the 12 percent reserve calculation using the prior year audited reserve as a base may be transferred to the district building fund for facility needs or the debt service fund for payment of debt. Such a transfer to either or both funds will be estimated and budgeted in each year's current operating budget.

**P. Net Position**

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

**Q. 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.

**R. 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.

**S. 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 purchases its general liability, property, and employee health and accident, and workmen's compensation insurance from various commercial insurance carriers.

The District has elected to be "self-insured" for unemployment taxes, whereby it would reimburse the South Carolina Employment Security Commission for actual claims paid attributable to service in the employ of the District. No separate liability for unemployment claims has been established due to the insignificant amounts of the expenditures.

There have been no significant reductions in insurance coverage from the prior year. There were no settlements of claims have not exceeded insurance coverage for each of the past three years.



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

**T. Expenditures Exceeding Budget**

The following funds and functions had an excess of actual expenditures over budgeted amounts for the year ended June 30, 2014:

Fund	Function	Amount
Debt Service Fund	Debt Service	\$ 103,495
Special Revenue Fund - Spartanburg County Alternative School	Instruction	\$ 88,229

NOTE 2 - DEPOSITS AND INVESTMENTS

**Deposits**

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

As of June 30, 2014, the District's cash deposits were as follows:

	Carrying Amount	Bank Balance
Demand deposits	\$ 16,931,678	\$ 18,776,684

Of the District's bank balance, \$509,082 was covered by FDIC insurance and \$18,136,651 was collateralized by securities held by the pledging bank's trust department or agent in the District's name. The remaining \$130,951 of the District's bank balance was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**

As of June 30, 2014, the District has the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Rating</u>
State Treasurer's Investment Pool	\$ 3,458,787	<60 days	Not Rated

South Carolina Pooled Investment Fund ("SC Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The Pool is a 2a 7-like pool which is not registered with the securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a & of the Investment Company Act of 1940. In accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Pools", investments are carried at fair value determined annually based upon quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 2 - DEPOSITS AND INVESTMENTS - CONTINUED

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

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

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

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2014 is as follows:

	Balance 6/30/2013	Prior Period Adjustments	Restated Balance 6/30/2013	Additions	Deductions	Transfers	Balance 6/30/2014
<b>Governmental Activities</b>							
Capital Assets - Not Being Depreciated							
Land	\$ 1,575,283	\$ -	\$ 1,575,283	\$ -	\$ -	\$ -	\$ 1,575,283
Construction in progress	7,513,257	-	7,513,257	1,360,686	-	(5,074,141)	3,799,802
Total Capital Assets - Not Being Depreciated	9,088,540	-	9,088,540	1,360,686	-	(5,074,141)	5,375,085
Capital Assets, Being Depreciated							
Buildings	152,825,649	-	152,825,649	987,587	-	5,074,141	158,887,377
Improvements other than building	11,013,914	-	11,013,914	-	-	-	11,013,914
Equipment	7,728,719	252,429	7,981,148	721,609	179,531	-	8,523,226
Total Capital Assets - Being Depreciated	171,568,282	252,429	171,820,711	1,709,196	179,531	5,074,141	178,424,517
Less Accumulated Depreciation							
Buildings	58,150,865	-	58,150,865	3,391,146	-	-	61,542,011
Improvements other than building	2,357,252	-	2,357,252	549,896	-	-	2,907,148
Equipment	6,461,173	15,320	6,476,493	357,796	171,713	-	6,662,576
Total Accumulated Depreciation	66,969,290	15,320	66,984,610	4,298,838	171,713	-	71,111,735
Capital Assets - Being Depreciated, Net	104,598,992	237,109	104,836,101	(2,589,642)	7,818	5,074,141	107,312,782
Governmental Activities Capital Assets, Net	\$ 113,687,532	\$ 237,109	\$ 113,924,641	\$ (1,228,956)	\$ 7,818	\$ -	\$ 112,687,867

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 3 - CAPITAL ASSETS - CONTINUED

Depreciation expense was charged to governmental functions as follows:

<b>Instruction</b>	
Regular	\$ 48,143
Special	3,536
<b>Support Services</b>	
Pupil Activity	3,458
Fiscal Services	3,554
Building/Construction	4,153,850
Operations and Maint.	40,126
Pupil Transportation	21,276
Food Service	21,874
Internal Services	<u>3,021</u>
<b>Total</b>	<u><u>\$ 4,298,838</u></u>

NOTE 4 - SHORT-TERM OBLIGATIONS

The following is a summary of changes in the District's short-term obligations for the year ended June 30, 2014:

	Amount Outstanding June 30, 2013	Additions	Deductions	Amount Outstanding June 30, 2014
SCAGO GO Bond, Series 2013D	<u>\$ -</u>	<u>\$ 1,598,000</u>	<u>\$ 1,598,000</u>	<u>\$ -</u>

On September 19, 2013, the District issued \$1,598,000 in SCAGO GO Bonds, Series 2013D to pay for the principal and interest due on the 2013 Acquisition Lease Purchase Agreement. At June 30, 2014, these bonds were paid in full, including interest of \$7,280.

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of long-term obligations of the District for the year ended June 30, 2014:

	Amount Outstanding June 30, 2013	Additions	Deductions	Amount Outstanding June 30, 2014	Amounts Due in One Year
GO Bonds	\$ 54,797,000	\$25,595,000	\$31,437,000	\$48,955,000	\$ 8,851,000
Capital Leases	6,353,260	-	1,600,458	4,752,802	1,554,000
	61,150,260	25,595,000	33,037,458	53,707,802	10,405,000
Deferred Amounts: Bond Premium	<u>534,420</u>	<u>3,201,059</u>	<u>308,099</u>	<u>3,427,380</u>	<u>-</u>
	<u><u>\$ 61,684,680</u></u>	<u><u>\$28,796,059</u></u>	<u><u>\$33,345,557</u></u>	<u><u>\$57,135,182</u></u>	<u><u>\$10,405,000</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 5 - LONG-TERM OBLIGATIONS - CONTINUED

Long-term obligations at June 30, 2014 are comprised of the following individual issues:

	General Obligation Bond	Capital Leases	Total
\$58,000,000 General Obligation Bonds, Series 2001, issued October 1, 2001, due in annual installments commencing March 1, 2004 of \$765,000 to \$5,140,000 through March 1, 2022, with interest rates from 3.00% to 5.00%.	\$ 12,010,000	\$ -	\$ 12,010,000
\$1,141,000 Lease Purchase Agreement, structured as to qualify as a Qualified Zone Academy Bond (QZAB) for technology equipment, with an interest rate of 0.00% due on December 8, 2021.	-	266,802	266,802
\$9,000,000 General Obligation Bonds, Series 2010, issued March 11, 2010, due in annual installments commencing March 1, 2011 of \$1,105,000 to \$4,250,000 through March 1, 2015, with interest rates from 3.00% to 5.00%.	1,260,000	-	1,260,000
\$2,475,000 General Obligation Bonds, Series 2010B, issued September 15, 2010, due in annual installments commencing March 1, 2011 of \$445,000 to \$635,000 through March 1, 2015, with an interest rate of 2.00%.	475,000	-	475,000
\$7,640,000 Lease Refunding Revenue Bonds, Series 2011, issued March 1, 2011 for McCarthy-Teszler, due in annual installments commencing March 1, 2012 of \$570,000 to \$839,000 through March 1, 2022, with an interest rate of 4.03%.	5,870,000	-	5,870,000
\$10,300,000 General Obligation Bonds, Series 2012, issued March 28, 2012, due in annual installments commencing September 1, 2012 of \$400,000 to \$3,800,000 through March 1, 2015, with interest rates from 1.50% to 4.00%.	400,000	-	400,000
\$4,300,000 General Obligation Bonds, Series 2013, issued March 6, 2013, due in annual installments commencing March 1, 2014 of \$925,000 to \$1,230,000 through March 1, 2017, with interest rates from 2.00% to 3.00%.	3,345,000	-	3,345,000

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 5 - LONG-TERM OBLIGATIONS - CONTINUED

	General Obligation Bond	Capital Leases	Total
\$6,055,000 Lease Purchase Agreement, issued June 7, 2013 for technology equipment, due in annual installments commencing December 1, 2013 of \$1,364,000 to \$1,569,000 through December 1, 2016, with an interest rate of 0.878%.	\$ -	\$ 4,486,000	\$ 4,486,000
\$3,900,000 General Obligation Bonds, Series 2014A, issued March 6, 2014, due in annual installments commencing March 1, 2015 of \$325,000 to \$2,115,000 through March 1, 2018, with interest rates from 1.50% to 4.00%.	3,900,000	-	3,900,000
\$21,695,000 General Obligation Refunding Bonds, Series 2014B, issued June 4, 2014, due in annual installments commencing March 1, 2015 of \$260,000 to \$5,025,000 through March 1, 2022, with interest rates from 2.00% to 4.00%.	21,695,000	-	21,695,000
	<u>\$ 48,955,000</u>	<u>\$ 4,752,802</u>	<u>\$ 53,707,802</u>

The annual requirements to amortize all long-term debt outstanding as of June 30, 2014, including interest payments are as follows:

Year Ending June 30	General Obligation Bonds		Capital Leases		
	Principal	Interest	Principal	Interest	Total
2015	\$ 8,851,000	\$ 2,907,821	\$ 1,554,000	\$ 39,387	\$ 13,352,208
2016	8,277,000	2,814,655	1,568,000	25,743	12,685,398
2017	6,994,000	2,455,277	1,364,000	11,976	10,825,253
2018	5,027,000	1,070,660	-	-	6,097,660
2019	5,270,000	837,640	-	-	6,107,640
2020-2022	14,536,000	978,111	266,802	-	15,780,913
	<u>\$ 48,955,000</u>	<u>\$ 11,064,164</u>	<u>\$ 4,752,802</u>	<u>\$ 77,106</u>	<u>\$ 64,849,072</u>

Arbitrage is the difference between the yield on an issuer's tax exempt bonds and the investment income earned on the proceeds. Arbitrage restrictions imposed by the federal government prohibit an issuer from retaining arbitrage profits when investing bond proceeds at a yield that exceeds the yield on the bonds. Any excess arbitrage must be rebated to the U.S. Treasury.

The District is required to have an arbitrage rebate calculation performed every five years and to rebate any arbitrage earnings in excess of the bond yield to the federal government. As of June 30, 2014, the District had no arbitrage rebate liability.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 5 - LONG-TERM OBLIGATIONS – CONTINUED

There are a number of 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.

Notes and bonds in the governmental funds will be retired by future property tax levies accumulated by the Debt Service Fund. As of June 30, 2014, \$2,674,908 was available in the Debt Service Fund to service the general long-term debt.

**Capital Leases**

The District entered into a lease purchase agreement structured as to qualify as a Qualified Zone Academy Bond (QZAB) for renovations and technology projects, at 0% interest, due on December 8, 2021. Under terms of the agreements the District is required to irrevocably place cash into a trust that will be used solely for the retirement of the QZAB. The District's required sinking fund payments along with the trusts' accumulated earnings ultimately liquidate the liabilities at the QZABs' respective maturities. As the District makes trust sinking fund payments and as the trust accrues earnings, the QZAB liabilities are considered in-substance defeased, and the liabilities are removed from the District's books.

The District's required sinking fund payments and accrued earnings defeased at June 30, 2014 are as follows:

<u>Sinking Fund Requirements as of June 30,</u>	<u>QZAB</u>
2005	\$ 300,000
2006	116,747
2007	116,747
2008	116,747
	<u>650,241</u>
Trust accumulated earnings as of June 30, 2014	<u>223,957</u>
Debt in-substance defeased as of June 30, 2014	874,198
Original liability	<u>1,141,000</u>
Remaining liability as of June 30, 2014	<u><u>\$ 266,802</u></u>

On June 7, 2013, the District entered into a lease purchase agreement structured as an acquisition, use and security agreement for technology equipment, at 0.878% interest. Under terms of the agreement, the District is required to make annual lease payments through 2017.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 5 - LONG-TERM OBLIGATIONS – CONTINUED

The future minimum lease obligation and net present value of the acquisition, use and security agreement as of June 30, 2014 is as follows:

Year Ended June 30,	
2015	\$ 1,593,387
2016	1,593,743
2017	<u>1,375,976</u>
Total minimum lease payments	4,563,106
Less amount representing interest	<u>(77,106)</u>
Present value of minimum lease payments	<u>\$ 4,486,000</u>

Equipment totaling \$6,936,307 have been purchased with the proceeds from these two capital leases and are being depreciated over their estimated useful lives. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds.

NOTE 6 – DEFEASED DEBT

On June 4, 2014, the District issued \$21,695,000 of General Obligation Refunding Bonds, Series 2014B with interest rates ranging from 2.00% to 5.00%. These bonds were issued to advance refund \$21,690,000 of the General Obligation Bonds, Series 2001 with an interest rate of 5.00% and a total outstanding indebtedness of \$33,700,000. The General Obligation Bonds, Series 2001 mature on March 1, 2022, and are callable on March 1, 2017. The General Obligation Refunding Bonds, Series 2014B were issued at a net bid premium of \$2,983,630 and, after paying issuance costs of \$155,828, the net proceeds were \$24,522,802. The net proceeds from the issuance of the General Obligation Refunding Bonds, Series 2014B were used to purchase U.S. government securities, and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the General Obligation Bonds, Series 2001 are called on March 1, 2017. The advance refunding met the requirements of an in-substance defeasance and the refunded bonds were removed from the District's Statement of Net Position.

As a result of the advanced refunding, the District reduced its total debt service requirements over the next eight years by \$1,378,931. This resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt of \$1,258,012.

NOTE 7 - RETIREMENT PLANS

**South Carolina Retirement System Plans**

**Plan Description** – Eligible employee of the District are participants in the South Carolina Retirement System (SCRS) and the South Carolina Police Officers Retirement System (PORS), both of which are cost-sharing, multi-employer defined benefit pension plans administered by the South Carolina Retirement System, a division of the South Carolina Budget and Control Board. The system provides retirement and disability benefits, life insurance benefits and survivor benefits. The Plan's provisions are established under Title 9 of the SC Code of Laws. Only the South Carolina State Budget and Control Board has the authority to establish and amend benefits. Comprehensive Annual Financial Report containing basic financial statements and required supplementary information for the System are issued and publicly available by writing the South Carolina Retirement System, Post Office Box 11960, Columbia, South Carolina 29211-1960.



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 7 - RETIREMENT PLANS - CONTINUED

**Funding and Benefit Policies** – SCRS and PORS members are required to contribute 7.50% of their annual covered salaries, and the District is required to contribute at an actuarially determined rate. For the year ended June 30, 2014, these rates were 10.45% and 12.44%. In addition to the above rates, participating employers of the SCRS contribute .15% of payroll to provide a group life insurance benefit for their participants; and employers of the PORS contribute .20% of payroll to provide a group life insurance benefit and .20% of payroll to provide an accidental death benefit for their participants. An additional employer contribution surcharge of 4.92% of covered payroll was added to the contribution rate to State and Public school entities covered by the State Health Insurance Program. This assessment is for the purpose of providing retiree health insurance coverage and is not a part of the actuarially established contribution rates.

The District's contributions (which equaled the required contributions) to SCRS and PORS for the last three fiscal years were as follows:

SCRS					
Year Ended June 30	Employee Contributions	Percentage of Covered Payroll	Employer Contributions	Percentage of Covered Payroll	Total Contributions
2014	\$ 3,791,320	7.50%	\$ 7,845,505	15.520%	\$ 11,636,825
2013	\$ 3,532,332	7.00%	\$ 7,644,976	15.150%	11,177,308
2012	3,229,172	6.50%	6,873,168	13.835%	10,102,340

PORS					
Year Ended June 30	Employee Contributions	Percentage of Covered Payroll	Employer Contributions	Percentage of Covered Payroll	Total Contributions
2014	\$ 7,065	7.84%	\$ 16,004	17.760%	\$ 23,069
2013	\$ 3,484	7.00%	\$ 8,387	16.850%	\$ 11,871
2012	1,270	6.50%	3,137	16.063%	4,407

The State of South Carolina also provides an optional retirement plan (State ORP). It is a governmental plan administered as a qualified plan pursuant to Section 401(a) of the IRC. The State ORP is a defined contribution plan that provides retirement and survivor benefits as an alternative to the SCRS. Employees may choose between the State ORP plan and the SCRS plan. Both employees and employers are required to contribute to the State ORP. Employees contribute 7.84% and employers contribute 10.45% of salary, of which 5% is directed to an approved investment provider to the employee's accounts and 5.45 % to the SCRS. In addition, 4.92% is contributed to provide retiree health and dental insurance and group life insurance for active participants. In addition to the above rates, participating employers contribute .15% of payroll to provide a group life insurance benefit for their participants. For the year ended June 30, 2014, the employee and employer contributions to the State ORP were \$262,840 and \$368,677, respectively.

NOTE 8 - POST RETIREMENT BENEFITS

In addition to providing retirement plan benefits, the state currently provides its retired employees with health care benefits. All post-retirement benefits paid to the District's retired members are made from the SCRS and from South Carolina's General Fund (Health Care). The District has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The SCRS provides death benefits to retirees through the group life insurance program for members of the SCRS.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 9 - DEFERRED COMPENSATION PLANS

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

NOTE 10 - INTERFUND TRANSACTIONS

**A. Interfund Receivables and Payables**

The following is a summary of interfund balances as of June 30, 2014:

	Interfund Receivables	Interfund Payables
General Fund	\$ 2,715,040	\$ 10,115,857
Special Revenue Fund - Special Projects	1,093,978	3,246,366
Special Revenue Fund - EIA	319,982	-
Special Revenue Fund - Food Service	597,179	-
Special Revenue Fund - Alternative School	95,938	-
Debt Service	250,011	1,140,902
Capital Projects	8,698,592	-
Pupil Activity	732,405	-
	<u>\$ 14,503,125</u>	<u>\$ 14,503,125</u>

Interfund receivables and payables are used to account for loans between funds and are reported as due to/from other funds.

Transfer from	Transfer to	Amount
Special Revenue Fund - Special Projects	General Fund	\$ 165,437
Special Revenue Fund - EIA	General Fund	1,600,061
Special Revenue - Spartanburg County Alternative School	General Fund	57,000
Pupil Activity Fund	General Fund	2,190
General Fund	Capital Projects Fund	1,613,035
	Special Revenue - Spartanburg County	
Special Revenue - EIA	Alternative School	86,166
General Fund	Debt Service Fund	874,000
		<u>\$ 4,397,889</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 11 - SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

Total contractual commitments of the Capital Projects Fund at June 30, 2014 are as follows:

Project	Contract Amount	Job to Date Expenditures	Outstanding Committments
Duncan Park Baseball Stadium	\$ 886,586	\$ 807,581	\$ 79,005
Jesse Boyd School Playground	395,000	78,019	316,981
Pine Street School Playground	325,000	114,002	210,998
	<u>\$ 1,606,586</u>	<u>\$ 999,602</u>	<u>\$ 606,984</u>

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 counsel that resolution of these matters will not have a material adverse effect on the financial condition 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.

NOTE 12 - RELATED ORGANIZATION

These financial statements exclude Daniel Morgan Technology Center. The Center operates a technology school which is jointly governed by Spartanburg County School District No. 3 and Spartanburg County School District No. 7. Three members of District Seven's Board of Trustees serve as board members of the Center. District Three serves as the fiscal agent of the Center, therefore the superintendent of District Three is an ex-officer non-voting member of the Board of Daniel Morgan Technology Center. District Seven remits a portion of their Education Finance Act monies to the Center to cover the educational costs of the District's students attending the Center. For the year ended June 30, 2014, \$139,040 was recorded as General Fund expenditures.

NOTE 13 - CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) No. 65, *Items Previously Reported as Assets and Liabilities*. GASB No. 65 established accounting and financial reporting standards that reclassify, as deferred outflows of resource or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Additionally, GASB No. 65 limits the use of the term "deferred" to items reported as deferred outflows of resources or deferred inflows of resources.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
NOTES TO BASIC FINANCIAL STATEMENTS - CONTINUED  
JUNE 30, 2014

NOTE 14 - RESTATEMENT OF BEGINNING NET POSITION

The accompanying government-wide financial statements reflect adjustments resulting from a restatement of beginning net position as of June 30, 2013. A net increase to net position of \$237,109 was to reflect adjustments to capital assets. Capital assets in the amount of \$252,429, with accumulated depreciation of \$15,320, were acquired in prior years and not included in capital assets resulting in an understatement of capital assets of \$237,109.

Accounting changes, as described in the previous note, are to be applied retroactively by restating financial statements for all periods presented. The impact to the District of implementing GASB No. 65 was removing bond costs previously being amortized over the life of the debt. Under GASB No. 65, these costs are now expensed as incurred.

The following summarizes the effect of the adjustment to capital assets and the effect of restating the financial statements due to the implementation of GASB No. 65:

	<u><b>Governmental Activities</b></u>
Net position at beginning of year, as previously reported	\$ 81,431,221
Increase due to understatement of capital assets	237,109
Decrease due to GASB 65 expense of bond issuance costs	<u>(274,103)</u>
Net position at beginning of year, as adjusted	<u><u>\$ 81,394,227</u></u>

NOTE 15 - SUBSEQUENT EVENT

On September 17, 2014, the District participated in the SCAGO General Obligation Debt Program, Series 2014C and issued a \$1,594,000 General Obligation Bond, Series 2014C at an interest rate of 1.25%, maturing on March 2, 2015.

Management has evaluated subsequent events through October 15, 2014, the date on which the financial statements were available to be issued.



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## Required Supplementary Information

REQUIRED SUPPLEMENTARY INFORMATION  
SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Local	\$ 31,813,926	\$ 31,813,926	\$ 33,358,593	\$ 1,544,667
Intergovernmental	85,000	85,000	1,888,636	1,803,636
State	37,061,550	37,061,550	35,660,823	(1,400,727)
Federal	80,000	80,000	47,972	(32,028)
Total Revenue	69,040,476	69,040,476	70,956,024	1,915,548
<b>EXPENDITURES</b>				
Current:				
Instruction	42,436,970	42,436,970	41,803,621	633,349
Support services	27,436,838	27,436,838	26,487,699	949,139
Intergovernmental expenditures	1,750,000	1,750,000	1,444,112	305,888
Total Expenditures	71,623,808	71,623,808	69,735,432	1,888,376
Excess (Deficiency) of Revenues over Expenditures	(2,583,332)	(2,583,332)	1,220,592	3,803,924
Other Financing Sources (Uses)				
Transfers in	2,546,794	2,546,794	1,824,688	(722,106)
Transfers out	(1,312,196)	(1,312,196)	(2,487,035)	(1,174,839)
Net change in fund balance	\$ (1,348,734)	\$ (1,348,734)	558,245	\$ 1,906,979
Fund Balance - July 1, 2013			13,598,487	
Fund Balance - June 30, 2014			\$ 14,156,732	

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

REQUIRED SUPPLEMENTARY INFORMATION  
 SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND - SPARTANBURG COUNTY ALTERNATIVE SCHOOL  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget- Positive (Negative)
	Original	Final		
<b>REVENUE</b>				
Local	\$ 2,192,486	\$ 2,192,486	\$ 2,296,758	\$ 104,272
Intergovernmental	-	-	1,164,831	1,164,831
State	880,826	880,826	33,874	(846,952)
Total Revenue	3,073,312	3,073,312	3,495,463	422,151
<b>EXPENDITURES</b>				
Current:				
Instruction	2,149,429	2,149,429	2,237,658	(88,229)
Support services	1,462,735	1,462,735	1,411,716	51,019
Total Expenditures	3,612,164	3,612,164	3,649,374	(37,210)
Excess (Deficiency) of Revenues over Expenditures	(538,852)	(538,852)	(153,911)	384,941
Other Financing Sources (Uses)				
Transfers in	595,852	595,852	86,166	(509,686)
Transfers out	(57,000)	(57,000)	(57,000)	-
Net change in fund balance	-	-	(124,745)	(124,745)
Fund Balance - July 1, 2013			589,426	
Fund Balance - June 30, 2014			\$ 464,681	

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





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## Combining and Individual Fund Schedules

# General Fund

## *General Fund*

*To account for all financial resources except 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 for which the District collects other funds in a fiduciary capacity. Operational expenditures for general education, support services, and other departments of the District are paid through the General Fund.*

*The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The South Carolina Department of Education mandates the account numbers shown on the statements.*

*The State Department of Education mandates that all revenues and expenditures for McCarthy Teszler School be separated from the general fund of the school district in financial reporting.*

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	General Fund	McCarthy-Teszler	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 16,671,985	\$ -	\$ 16,671,985
Investments	3,458,787	-	3,458,787
Taxes receivable	2,563,771	660,030	3,223,801
Less allowance for uncollectibles	(1,794,640)	(462,021)	(2,256,661)
Accounts receivable	180,169	1,264,659	1,444,828
Due from other funds	-	2,715,040	2,715,040
Due from State Department of Education	2,320,255	85,379	2,405,634
Due from County Government	1,015,107	133,934	1,149,041
Inventories	448,010	-	448,010
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 24,863,444</u>	<u>\$ 4,397,021</u>	<u>\$ 29,260,465</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 647,263	\$ 712,029	\$ 1,359,292
Due to other funds	10,115,857	-	10,115,857
Health, life insurance and other deductions	2,305,360	-	2,305,360
Accrued salaries	356,084	-	356,084
Unearned revenue	769,131	198,009	967,140
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>14,193,695</u>	<u>910,038</u>	<u>15,103,733</u>
Fund Balances:			
Nonspendable:			
Inventory	448,010	-	448,010
Assigned:			
Workers compensation contingency	461,744	-	461,744
Unassigned	9,759,995	3,486,983	13,246,978
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>10,669,749</u>	<u>3,486,983</u>	<u>14,156,732</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$ 24,863,444</u>	<u>\$ 4,397,021</u>	<u>\$ 29,260,465</u>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
<b>REVENUES</b>							
1000 Revenue from Local Sources							
1100 Taxes							
1110 Ad Valorem Taxes - Including Delinquent	\$ 23,695,926	\$ 24,752,179	\$ 6,212,000	\$ 6,480,220	\$ 29,907,926	\$ 31,232,399	\$ 1,324,473
1200 Revenue from Local Governmental Units Other Than LEA's							
1280 Revenue in Lieu of Taxes	260,000	193,492	600,000	698,349	860,000	891,841	31,841
1300 Tuition							
1310 From Patrons for Regular Day School	90,000	99,300	-	-	90,000	99,300	9,300
1320 From Other LEAs for Regular Day School	-	-	785,000	692,134	785,000	692,134	(92,866)
1350 From Patrons for Summer School	-	16,999	-	-	-	16,999	16,999
1500 Earnings on Investments							
1510 Interest on Investments	25,000	13,303	1,000	-	26,000	13,303	(12,697)
1900 Other Revenue from Local Sources							
1910 Rentals	65,000	98,355	-	-	65,000	98,355	33,355
1930 Medicaid	80,000	-	-	-	80,000	-	(80,000)
1990 Miscellaneous Local Revenue							
1993 Receipt of Insurance Proceeds	-	1,181	-	-	-	1,181	1,181
1999 Revenue from Other Local Sources	-	313,081	-	-	-	313,081	313,081
Total Local Sources	24,215,926	25,487,890	7,598,000	7,870,703	31,813,926	33,358,593	1,544,667
2000 Intergovernmental Revenue							
2100 Payments from Other Governmental Units	-	-	85,000	1,888,636	85,000	1,888,636	1,803,636
Total Intergovernmental Revenue	-	-	85,000	1,888,636	85,000	1,888,636	1,803,636
3000 Revenue from State Sources							
3100 Restricted State Funding							
3130 Special Programs							
3131 Handicapped Transportation	-	5,342	-	-	-	5,342	5,342
3160 School Bus Driver Salary	250,000	270,925	100,000	131,041	350,000	401,966	51,966
3161 EAA Bus Driver Salary and Fringe	-	1,563	-	756	-	2,319	2,319
3162 Transportation Workers' Compensation	25,000	25,906	13,000	12,530	38,000	38,436	436

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual
3180 Fringe Benefits Employer Contributions	5,367,394	5,423,463	270,000	283,043	5,637,394	5,706,506
3181 Retiree Insurance	1,702,309	1,896,196	200,000	225,303	1,902,309	2,121,499
3199 Other Restricted State Grants	-	937	-	-	-	937
	7,344,703	7,624,332	583,000	652,673	7,927,703	8,277,005
3300 Education Finance Act						
3310 Full-Time Programs						
3311 Kindergarten	923,633	1,080,348	-	-	923,633	1,080,348
3312 Primary	2,476,822	2,761,817	-	-	2,476,822	2,761,817
3313 Elementary	3,262,911	3,278,416	-	-	3,262,911	3,278,416
3314 High School	1,623,642	1,535,651	-	-	1,623,642	1,535,651
3315 Trainable Mentally Handicapped	16,246	46,158	265,400	248,688	281,646	294,846
3316 Speech Handicapped (Part-Time Program)	852,520	792,897	12,300	7,758	864,820	800,655
3317 Homebound	48,141	56,325	14,500	21,210	62,641	77,535
	9,203,915	9,551,612	292,200	277,656	9,496,115	9,829,268
3320 Part-Time Programs						
3321 Emotionally Handicapped	202,716	123,019	99,400	42,661	302,116	165,680
3322 Educable Mentally Handicapped	105,724	95,198	5,852	1,769	111,576	96,967
3323 Learning Disabilities	1,052,177	970,417	2,600	1,430	1,054,777	971,847
3324 Hearing Handicapped	28,032	19,897	-	2,795	28,032	22,692
3325 Visually Handicapped	20,334	16,322	3,100	40,256	23,434	56,578
3326 Orthopedically Handicapped	13,474	10,747	12,853	11,017	26,327	21,764
3327 Vocational	1,534,137	1,374,231	-	-	1,534,137	1,374,231
	2,956,594	2,609,831	123,805	99,928	3,080,399	2,709,759
3330 Other EFA Programs						
3331 Autism	101,082	140,142	157,000	193,045	258,082	333,187
	101,082	140,142	157,000	193,045	258,082	333,187
3800 State Revenue in Lieu of Taxes						
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	5,067,432	5,067,433	-	-	5,067,432	5,067,433
3820 Homestead Exemption (Tier 2)	1,591,761	1,591,761	257,301	-	1,849,062	1,591,761
3825 Reimbursement for Property Tax Relief (Tier 3)	6,652,727	6,643,135	1,532,195	-	8,184,922	6,643,135
3830 Merchant's Inventory Tax	851,478	851,478	87,000	86,876	938,478	938,354
3840 Manufacturers Depreciation Reimbursement	164,357	165,742	95,000	104,612	259,357	270,354
	14,327,755	14,319,549	1,971,496	191,488	16,299,251	14,511,037
3900 Other State Revenue						
3999 Revenue from Other State Sources	-	567	-	-	-	567
	-	567	-	-	-	567
Total State Sources	33,934,049	34,246,033	3,127,501	1,414,790	37,061,550	35,660,823
						(1,400,727)

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual
4000 Revenue from Federal Sources						
4900 Other Federal Sources	80,000	47,972	-	-	80,000	47,972
4999 Revenue from Other Federal Sources	80,000	47,972	-	-	80,000	47,972
Total Federal Sources	58,229,975	59,781,895	10,810,501	11,174,129	69,040,476	70,956,024
<b>TOTAL REVENUE ALL SOURCES</b>						1,915,548
<b>EXPENDITURES</b>						
<b>100 INSTRUCTION</b>						
110 General Instruction						
111 Kindergarten Programs						
100 Salaries	1,935,661	1,884,227	-	-	1,935,661	1,884,227
200 Employee Benefits	766,642	765,887	-	-	766,642	765,887
400 Supplies and Materials	24,375	23,579	-	-	24,375	23,579
	2,726,678	2,673,693	-	-	2,726,678	2,673,693
112 Primary Programs						
100 Salaries	5,007,356	4,971,851	-	-	5,007,356	4,971,851
200 Employee Benefits	1,818,927	1,807,979	-	-	1,818,927	1,807,979
300 Purchased Services	105,001	92,978	-	-	105,001	92,978
400 Supplies and Materials	69,191	40,079	-	-	69,191	40,079
	7,000,475	6,912,887	-	-	7,000,475	6,912,887
113 Elementary Programs						
100 Salaries	8,906,996	8,853,764	-	-	8,906,996	8,853,764
200 Employee Benefits	3,120,462	3,117,018	-	-	3,120,462	3,117,018
300 Purchased Services	83,209	74,962	-	-	83,209	74,962
400 Supplies and Materials	148,136	124,049	-	-	148,136	124,049
600 Other Objects	7,790	7,790	-	-	7,790	7,790
	12,266,593	12,177,583	-	-	12,266,593	12,177,583
114 High School Programs						
100 Salaries	6,953,728	6,884,733	-	-	6,953,728	6,884,733
200 Employee Benefits	2,313,309	2,316,020	-	-	2,313,309	2,316,020
300 Purchased Services	399,917	320,575	-	-	399,917	320,575
400 Supplies and Materials	254,479	237,422	-	-	254,479	237,422
600 Other Objects	11,132	10,958	-	-	11,132	10,958
	9,932,565	9,769,708	-	-	9,932,565	9,769,708
						162,857

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SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total		Variance
	Budget	Actual	Budget	Actual	Budget	Actual	Favorable (Unfavorable)
126 Speech Handicapped							
100 Salaries	227,962	227,962	-	-	227,962	227,962	-
200 Employee Benefits	69,129	69,134	-	-	69,129	69,134	(5)
300 Instructional Services	-	-	153,000	128,710	153,000	128,710	24,290
400 Supplies and Materials	-	-	6,053	5,382	6,053	5,382	671
	297,091	297,096	159,053	134,092	456,144	431,188	24,956
127 Learning Disabilities							
100 Salaries	1,128,624	1,172,013	-	-	1,128,624	1,172,013	(43,389)
200 Employee Benefits	339,716	363,974	-	-	339,716	363,974	(24,258)
300 Purchased Services	11,505	6,185	-	-	11,505	6,185	5,320
400 Supplies and Materials	532	531	-	-	532	531	1
	1,480,377	1,542,703	-	-	1,480,377	1,542,703	(62,326)
128 Emotionally Handicapped							
100 Salaries	317,374	277,486	622,755	626,072	940,129	903,558	36,571
200 Employee Benefits	111,506	93,921	217,160	217,869	328,666	311,790	16,876
300 Purchased Services	10,000	24,203	209,982	183,569	219,982	207,772	12,210
400 Supplies and Materials	553	520	7,286	5,698	7,839	6,218	1,621
	439,433	396,130	1,057,183	1,033,208	1,496,616	1,429,338	67,278
129 Coordinated Early Intervening Services							
100 Salaries	131,936	128,672	2,000	538	133,936	129,210	4,726
200 Employee Benefits	49,300	48,014	988	129	50,288	48,143	2,145
300 Purchased Services	-	-	4,100	2,574	4,100	2,574	1,526
	181,236	176,686	7,088	3,241	188,324	179,927	8,397
Total Exceptional Programs	2,787,897	2,816,951	5,913,581	5,882,023	8,701,478	8,698,974	2,504
130 Pre-School Programs							
137 Pre-School Handicapped-Self Contained (3 & 4 year olds)							
100 Salaries	73,766	74,555	174,329	144,751	248,095	219,306	28,789
200 Employee Benefits	33,201	32,410	59,034	50,686	92,235	83,096	9,139
300 Purchased Services	-	-	93,599	73,599	93,599	73,599	20,000
400 Supplies and Materials	-	-	12,914	6,963	12,914	6,963	5,951
	106,967	106,965	339,876	275,999	446,843	382,964	63,879
139 Early Childhood Programs							
100 Salaries	38,415	45,347	-	-	38,415	45,347	(6,932)
200 Employee Benefits	10,708	12,699	-	-	10,708	12,699	(1,991)
	49,123	58,046	-	-	49,123	58,046	(8,923)
Total Pre-school Programs	156,090	165,011	339,876	275,999	495,966	441,010	54,956



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual
140 Special Programs						
141 Gifted and Talented - Academic						
100 Salaries	57,435	57,435	-	-	57,435	57,435
200 Employee Benefits	17,656	17,656	-	-	17,656	17,656
	75,091	75,091	-	-	75,091	75,091
145 Homebound						
100 Salaries	29,000	71,221	-	-	29,000	71,221
200 Employee Benefits	7,320	15,308	-	-	7,320	15,308
300 Purchased Services	2,305	1,790	-	-	2,305	1,790
	38,625	88,319	-	-	38,625	88,319
147 CDEPP						
100 Salaries	3,600	7,090	-	-	3,600	7,090
200 Employee Benefits	871	1,149	-	-	871	1,149
	4,471	8,239	-	-	4,471	8,239
148 Gifted and Talented - Artistic						
100 Salaries	22,679	19,971	-	-	22,679	19,971
200 Employee Benefits	7,088	6,302	-	-	7,088	6,302
300 Purchased Services	745	150	-	-	745	150
600 Other Objects	120	120	-	-	120	120
	30,632	26,543	-	-	30,632	26,543
Total Special Programs	148,819	198,192	-	-	148,819	198,192
160 Other Exceptional Programs						
161 Autism						
100 Salaries	35,656	35,045	11,648	11,395	47,304	46,440
200 Employee Benefits	12,207	11,818	3,771	3,770	15,978	15,588
300 Purchased Services	-	-	92,000	79,596	92,000	79,596
	47,863	46,863	107,419	94,761	155,282	141,624
Total Other Exceptional Programs	47,863	46,863	107,419	94,761	155,282	141,624
170 Summer School Program						
173 High School Summer School	-	3,752	-	-	-	3,752
400 Supplies and Materials	-	3,752	-	-	-	3,752

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual
175 Instructional Programs Beyond Regular School Day						
100 Salaries	1,488	1,488	-	-	1,488	1,488
200 Employee Benefits	330	329	-	-	330	329
	1,818	1,817	-	-	1,818	1,817
Total Summer School Programs	1,818	5,569	-	-	1,818	5,569
						(3,751)
<b>TOTAL INSTRUCTION</b>	35,495,520	35,165,992	6,941,450	6,637,629	42,436,970	41,803,621
						633,349
<b>200 SUPPORT SERVICES</b>						
210 Pupil Services						
211 Attendance and Social Work Services						
100 Salaries	299,783	297,802	-	-	299,783	297,802
200 Employee Benefits	88,158	88,781	-	-	88,158	88,781
300 Purchased Services	18,307	16,964	-	-	18,307	16,964
400 Supplies and Materials	1,002	501	-	-	1,002	501
600 Other Objects	350	350	-	-	350	350
	407,600	404,398	-	-	407,600	404,398
						3,202
212 Guidance Services						
100 Salaries	1,229,267	1,237,244	92,503	92,303	1,321,770	1,329,547
200 Employee Benefits	397,892	393,272	36,502	35,906	434,394	429,178
300 Purchased Services	70,910	52,247	-	-	70,910	52,247
400 Supplies and Materials	9,835	9,760	200	171	10,035	9,931
	1,707,904	1,692,523	129,205	128,380	1,837,109	1,820,903
						16,206
213 Health Services						
100 Salaries	347,742	313,663	478,184	470,555	825,926	784,218
200 Employee Benefits	109,084	109,064	181,348	181,590	290,432	290,654
300 Purchased Services	10,825	4,051	114,625	95,693	125,450	99,744
400 Supplies and Materials	47,807	15,011	12,229	11,385	60,036	26,396
	515,458	441,789	786,386	759,223	1,301,844	1,201,012
						100,832
214 Psychological Services						
100 Salaries	-	-	48,714	50,975	48,714	50,975
200 Employee Benefits	-	-	17,928	17,808	17,928	17,808
400 Supplies and Materials	-	-	4,300	4,300	4,300	4,300
	-	-	70,942	73,083	70,942	73,083
						(2,141)
215 Exceptional Program Services						
100 Salaries	-	-	12,540	16,800	12,540	16,800
200 Employee Benefits	-	-	1,600	2,032	1,600	2,032
300 Purchased Services	-	-	36,718	21,243	36,718	21,243
400 Supplies and Materials	-	-	222	221	222	221
	-	-	51,080	40,296	51,080	40,296
Total Pupil Services	2,630,962	2,538,710	1,037,613	1,000,982	3,668,575	3,539,692
						128,883

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SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total		Variance
	Budget	Actual	Budget	Actual	Budget	Actual	Favorable (Unfavorable)
600 Other Objects	45,805	44,718	-	-	45,805	44,718	1,087
	412,259	408,308	-	-	412,259	408,308	3,951
233 School Administration	3,807,535	3,798,579	318,608	313,659	4,126,143	4,112,238	13,905
100 Salaries	1,296,555	1,292,049	117,172	115,550	1,413,727	1,407,599	6,128
200 Employee Benefits	60,744	30,310	42,811	32,049	103,555	62,359	41,196
300 Purchased Services	51,916	46,524	15,565	11,213	67,481	57,737	9,744
400 Supplies and Materials	187	187	730	745	917	932	(15)
600 Other Objects	5,216,937	5,167,649	494,886	473,216	5,711,823	5,640,865	70,958
	5,918,640	5,827,314	529,516	480,251	6,448,156	6,307,565	140,591
Total General Administration Services							
250 Finance and Operations Services							
251 Student Transportation (Federal/District Mandated)	407	79	-	-	407	79	328
300 Purchased Services	407	79	-	-	407	79	328
252 Fiscal Services							
100 Salaries	484,235	483,697	27,816	27,816	512,051	511,513	538
200 Employee Benefits	144,874	140,285	16,536	14,816	161,410	155,101	6,309
300 Purchased Services	51,800	33,102	-	-	51,800	33,102	18,698
400 Supplies and Materials	9,610	3,715	-	-	9,610	3,715	5,895
600 Other Objects	9,550	4,330	-	-	9,550	4,330	5,220
	700,069	665,129	44,352	42,632	744,421	707,761	36,660
254 Operation and Maintenance of Plant							
100 Salaries	2,711,159	2,744,580	174,292	170,370	2,885,451	2,914,950	(29,499)
200 Employee Benefits	1,058,902	1,028,661	75,818	66,694	1,134,720	1,095,355	39,365
300 Purchased Services	1,784,842	1,596,531	71,898	45,279	1,856,740	1,641,810	214,930
321 Public Utilities	356,066	347,431	34,676	35,429	390,742	382,860	7,882
400 Supplies and Materials	645,728	588,667	47,771	32,517	693,499	621,184	72,315
470 Energy	1,654,496	1,670,852	131,190	135,017	1,785,686	1,805,869	(20,183)
500 Capital Outlay	26,384	26,383	9,900	12,386	36,284	38,769	(2,485)
600 Other Objects	6,241	150	-	-	6,241	150	6,091
	8,243,818	8,003,255	545,545	497,692	8,789,363	8,500,947	288,416
255 Student Transportation (State Mandated)							
100 Salaries	1,498,364	1,461,662	552,550	517,854	2,050,914	1,979,516	71,398
200 Employee Benefits	578,173	577,959	228,887	207,321	807,060	785,280	21,780
300 Purchased Services	84,895	132,131	55,577	49,695	140,472	181,826	(41,354)
400 Supplies and Materials	7,712	78,064	2,149	2,149	9,861	80,213	(70,352)
600 Other Objects	6,525	5,166	-	-	6,525	5,166	1,359
	2,175,669	2,254,982	839,163	777,019	3,014,832	3,032,001	(17,169)

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual
257 Internal Services						
300 Purchased Services	37,189	32,136	200	-	37,389	32,136
400 Supplies and Materials	23,937	3,578	-	-	23,937	3,578
	61,126	35,714	200	-	61,326	35,714
258 Security						
100 Salaries	110,445	119,724	10,301	10,301	120,746	130,025
200 Employee Benefits	27,047	28,986	2,500	2,500	29,547	31,486
300 Purchased Services	599,250	412,914	39,537	39,537	638,787	452,451
	736,742	561,624	52,338	52,338	789,080	613,962
Total Finance and Operations Services	11,917,831	11,520,783	1,481,598	1,369,681	13,399,429	12,890,464
260 Central Support Services						
262 Planning, Research, Development & Evaluation						
300 Purchased Services	1,000	374	-	-	1,000	374
400 Supplies and Materials	300	74	-	-	300	74
	1,300	448	-	-	1,300	448
263 Information Services						
100 Salaries	97,711	97,936	-	-	97,711	97,936
200 Employee Benefits	38,208	37,927	-	-	38,208	37,927
300 Purchased Services	74,825	52,585	-	-	74,825	52,585
400 Supplies and Materials	29,950	25,581	-	-	29,950	25,581
600 Other Objects	2,400	450	-	-	2,400	450
	243,094	214,479	-	-	243,094	214,479
264 Staff Services						
100 Salaries	328,085	327,443	-	-	328,085	327,443
200 Employee Benefits	103,464	101,967	-	-	103,464	101,967
300 Purchased Services	48,629	42,289	1,171	148	49,800	42,437
400 Supplies and Materials	5,596	4,787	-	-	5,596	4,787
600 Other Objects	975	975	-	-	975	975
	486,749	477,461	1,171	148	487,920	477,609
266 Technology and Data Processing Services						
100 Salaries	353,347	353,347	-	-	353,347	353,347
200 Employee Benefits	125,408	122,971	-	-	125,408	122,971
300 Purchased Services	108,373	96,495	-	-	108,373	96,495
400 Supplies and Materials	22,271	19,219	-	-	22,271	19,219
	609,399	592,032	-	-	609,399	592,032
Total Central Support Services	1,340,542	1,284,420	1,171	148	1,341,713	1,284,568
						57,145

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund		McCarthy-Teszler		Total	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual
270 Support Services Pupil Activity	-	-	700	700	700	-
271 Pupil Services Activities	137,518	113,372	-	-	137,518	24,146
300 Purchased Services	12,000	201	-	-	12,000	201
600 Other Objects	149,518	113,573	700	700	150,218	114,273
660 Pupil Activity	149,518	113,573	700	700	150,218	114,273
Total Support Services Pupil Activity	24,239,591	23,511,066	3,197,247	2,976,633	27,436,838	26,487,699
<b>TOTAL SUPPORT SERVICES</b>						949,139
<b>410 INTERGOVERNMENTAL EXPENDITURES</b>						
412 Payments to Other Governmental Units	1,500,000	1,319,451	250,000	124,661	1,750,000	1,444,112
720 Transits	1,500,000	1,319,451	250,000	124,661	1,750,000	1,444,112
<b>TOTAL INTERGOVERNMENTAL EXPENDITURES</b>						305,888
<b>TOTAL EXPENDITURES</b>	61,235,111	59,996,509	10,388,697	9,738,923	71,623,808	69,735,432
<b>OTHER FINANCING SOURCES (USES)</b>						1,888,376
Interfund Transfers, From (To) Other Funds						
5210 Transfer from General Fund	150,000	150,000	253,352	(150,000)	403,352	-
5230 Transfer from Special Revenue Fund - EIA	1,751,409	1,453,022	198,844	147,039	1,950,253	1,600,061
5270 Transfer from Pupil Activity Fund	(13,811)	2,190	-	-	(13,811)	2,190
5280 Transfer from Other Funds Indirect Costs	207,000	222,437	-	-	207,000	222,437
421-710 Transfer to Special Revenue Fund	(438,196)	-	-	-	(438,196)	-
423-710 Transfer to Debt Service Fund	-	-	(874,000)	(874,000)	(874,000)	(874,000)
424-710 Transfer to Capital Projects Fund	-	(1,613,035)	-	-	-	(1,613,035)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	1,656,402	214,614	(421,804)	(876,961)	1,234,598	(662,347)
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (1,348,734)</u>	<u>-</u>	<u>\$ -</u>	<u>558,245</u>	<u>\$ (1,348,734)</u>	<u>558,245</u>
<b>FUND BALANCE - JULY 1, 2013</b>		10,669,749		2,928,738		13,598,487
<b>FUND BALANCE - JUNE 30, 2014</b>		<u>\$ 10,669,749</u>		<u>\$ 3,486,983</u>		<u>\$ 14,156,732</u>



*Tradition. Excellence. Innovation.*

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# Special Revenue Fund

## *Special Revenue Fund*

*To account for the operations of federal and state projects that are required to be accounted for in separate funds by the South Carolina State Department of Education.*

*Special Revenue – used to account for legally restricted federal, state, and local revenues with specific educational mandates.*

*Education Improvement Act – used to account for legally restricted state revenues appropriated by the State of South Carolina under the SC Education Improvement Act of 1984.*

*Food Service – accounts for all activities necessary to provide food services to the students of the district.*

*Alternative School – accounts for activities at the Spartanburg County Alternative School which District 7 is the fiscal agent.*

*The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The South Carolina Department of Education mandates the account numbers shown on the statements.*



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	201/202	203/204	205/206	207/208	Adult Education	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
<b>ASSETS</b>								
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,650	\$ 815,785	\$ 844,435
Due from other funds	-	-	-	-	-	320,248	773,730	1,093,978
Due From State Dept of Education	1,260,758	1,620,528	64,992	120,154	265,696	226,909	273,164	3,832,201
Due from Federal Government	-	-	-	-	-	-	189,480	189,480
Due from other state agencies	-	-	-	-	-	-	75,912	75,912
Total Assets	\$ 1,260,758	\$ 1,620,528	\$ 64,992	\$ 120,154	\$ 265,696	\$ 575,807	\$ 2,128,071	\$ 6,036,006
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 1,258	\$ 38,782	\$ 34	\$ -	\$ 2,602	\$ 1,337	\$ 53,595	\$ 97,608
Due to other funds	1,259,500	1,581,746	64,958	120,154	220,008	-	-	3,246,366
Total Liabilities	1,260,758	1,620,528	64,992	120,154	222,610	1,337	53,595	3,343,974
Deferred Inflows of Resources:								
Revenues received in advance	-	-	-	-	43,086	574,470	1,773,995	2,391,551
Fund Balances:								
Restricted:								
Technology	-	-	-	-	-	-	169,979	169,979
Assigned:								
Technology	-	-	-	-	-	-	130,502	130,502
Total Fund Balances	-	-	-	-	-	-	300,481	300,481
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,260,758	\$ 1,620,528	\$ 64,992	\$ 120,154	\$ 265,696	\$ 575,807	\$ 2,128,071	\$ 6,036,006

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
REVENUES	Title I	IDEA	Preschool Handicapped	CATE	Adult Education		
1000 Revenue from Local Sources							
1300 Tuition	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ 100
1330 From Patrons for Adult/Continuing Education							
1900 Other Revenue from Local Sources							
1910 Rentals	-	-	-	-	-	14,704	14,704
1920 Contributions and Donations Private Sources	-	-	-	-	36,534	89,973	126,507
1930 Medicaid	-	-	-	-	-	1,433,546	1,433,546
1999 Revenue from Other Local Sources	-	-	-	-	14,592	877,536	892,128
Total Local Sources	-	-	-	-	51,126	2,415,859	2,466,985
2000 Intergovernmental Revenue							
2100 Payments from Other Governmental Units	-	-	-	-	11,088	198,970	210,058
Total Intergovernmental Revenue	-	-	-	-	11,088	198,970	210,058
3000 Revenue from State Sources							
3100 Restricted State Funding							
3110 Occupational Education	-	-	-	-	290,736	-	290,736
3118 EEDA Career Specialist							
3120 General Education	-	-	-	-	56,942	-	56,942
3127 Student Health and Fitness - PE Teachers							
3130 Special Programs	-	-	-	-	805,999	-	805,999
3134 CDEPP							
3190 Miscellaneous Restricted State Grants	-	-	-	-	2,101	-	2,101
3193 Education License Plates	-	-	-	-	6,483	-	6,514
3199 Other Restricted State Grants				31			
3600 Education Lottery Act Revenue							
3607 6-8 Enhancement	-	-	-	-	5,354	-	5,354
3610 K-5 Enhancement	-	-	-	-	270,292	-	270,292

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	Adult Education	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
3900 Other State Revenue								
3999 Revenue from Other State Sources	-	-	-	-	-	8,012	-	8,012
Total State Sources	-	-	-	-	31	1,445,919	-	1,445,950
4000 Revenue from Federal Sources								
4200 Occupational Education								
4210 Perkins Aid, Title I	-	-	-	120,154	-	-	-	120,154
4300 Elementary and Secondary Education Act of 1965								
4310 Title I, Basic State Grant Programs	3,071,194	-	-	-	-	-	170,425	3,241,619
4316 School Improvement Discretionary (ARRA)	-	-	-	-	-	-	168,600	168,600
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	49,046	49,046
4343 McKinney-Vento	-	-	-	-	-	-	57,791	57,791
4351 Improving Teacher Quality	-	-	-	-	-	-	533,108	533,108
4400 Adult Education								
4410 Basic Adult Education	-	-	-	-	222,450	-	-	222,450
4430 State Literacy Resource	-	-	-	-	18,000	-	-	18,000
4500 Programs for Children with Disabilities								
4510 Individuals with Disabilities Education Act (IDEA)	-	2,034,999	-	-	-	-	-	2,034,999
4520 Preschool Grants (IDEA)	-	-	123,306	-	-	-	-	123,306
4900 Other Federal Sources								
4999 Revenue from Other Federal Sources	-	-	-	-	-	-	659,953	659,953
Total Federal Sources	3,071,194	2,034,999	123,306	120,154	240,450	-	1,638,923	7,229,026
<b>TOTAL REVENUE ALL SOURCES</b>	<b>3,071,194</b>	<b>2,034,999</b>	<b>123,306</b>	<b>120,154</b>	<b>240,481</b>	<b>1,508,133</b>	<b>4,253,752</b>	<b>11,352,019</b>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
EXPENDITURES	Title I	IDEA	Preschool Handicapped	CATE	Adult Education		
<b>100 INSTRUCTION</b>							
110 General Instruction							
111 Kindergarten Programs							
100 Salaries	46,117	-	-	-	44,617	124,086	214,820
200 Employee Benefits	15,694	-	-	-	15,679	47,078	78,451
400 Supplies and Materials	-	-	-	-	-	7,868	7,868
	61,811	-	-	-	60,296	179,032	301,139
112 Primary Programs							
100 Salaries	387,178	-	-	-	136,548	178,098	701,824
200 Employee Benefits	132,510	-	-	-	41,292	57,239	231,041
300 Purchased Services	-	-	-	-	6,000	500	6,500
400 Supplies and Materials	-	-	-	-	1,302	30,222	31,524
	519,688	-	-	-	185,142	266,059	970,889
113 Elementary Programs							
100 Salaries	341,674	-	-	-	35,173	32,717	409,564
200 Employee Benefits	130,831	-	-	-	21,769	12,683	165,283
300 Purchased Services	-	-	-	-	32,327	24,190	56,517
400 Supplies and Materials	37,902	-	-	-	9,728	103,377	151,007
500 Capital Outlay	-	-	-	-	-	479,183	479,183
600 Other Objects	-	-	-	-	-	750	750
	510,407	-	-	-	98,997	652,900	1,262,304
114 High School Programs							
100 Salaries	-	-	-	2,650	-	-	2,650
200 Employee Benefits	-	-	-	634	-	-	634
300 Purchased Services	-	-	-	-	11,700	11,304	23,004
400 Supplies and Materials	-	-	-	-	-	12,803	12,803
600 Other Objects	-	-	-	-	1,200	1,907	3,107
	-	-	-	3,284	-	26,014	42,198
115 Career and Technology Education Programs							
300 Purchased Services	-	-	-	500	-	-	500
400 Supplies and Materials	-	-	-	4,800	-	-	4,800
	-	-	-	5,300	-	-	5,300
	1,091,906	-	-	8,584	357,335	1,124,005	2,581,830
Total General Instruction							
120 Exceptional Programs							
121 Educable Mentally Handicapped							
100 Salaries	-	89,063	-	-	-	-	89,063
200 Employee Benefits	-	36,902	-	-	-	-	36,902

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	Adult Education	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
300 Purchased Services	-	513	-	-	-	-	-	513
400 Supplies and Materials	-	3,813	-	-	-	-	-	3,813
	-	130,291	-	-	-	-	-	130,291
122 Trainable Mentally Handicapped								
100 Salaries	-	2,406	-	-	-	6,006	-	8,412
200 Employee Benefits	-	10,310	-	-	-	-	-	10,310
300 Purchased Services	-	1,119	-	-	-	-	-	1,119
600 Other Objects	-	199	-	-	-	-	-	199
	-	14,034	-	-	-	6,006	-	20,040
123 Orthopedically Handicapped								
100 Salaries	-	15,608	-	-	-	-	-	15,608
200 Employee Benefits	-	7,731	-	-	-	-	-	7,731
	-	23,339	-	-	-	-	-	23,339
124 Visually Handicapped								
100 Salaries	-	11,355	-	-	-	-	-	11,355
200 Employee Benefits	-	5,634	-	-	-	-	-	5,634
300 Purchased Services	-	107	-	-	-	-	-	107
400 Supplies and Materials	-	3,000	-	-	-	-	-	3,000
	-	20,096	-	-	-	-	-	20,096
125 Hearing Handicapped								
100 Salaries	-	82,615	-	-	-	-	-	82,615
200 Employee Benefits	-	29,968	-	-	-	-	-	29,968
	-	112,583	-	-	-	-	-	112,583
126 Speech Handicapped								
100 Salaries	-	40,658	-	-	-	-	169,789	210,447
200 Employee Benefits	-	10,009	-	-	-	-	61,996	72,005
300 Purchased Services	-	46,541	-	-	-	-	70,729	117,270
400 Supplies and Materials	-	3,633	-	-	-	-	731	4,364
600 Other Objects	-	149	-	-	-	-	475	624
	-	100,990	-	-	-	-	303,720	404,710
127 Learning Disabilities								
100 Salaries	-	230,197	-	-	-	-	-	230,197
200 Employee Benefits	-	117,620	-	-	-	-	-	117,620
300 Purchased Services	-	893	-	-	-	-	-	893
400 Supplies and Materials	-	13,989	-	-	-	-	151	14,140
	-	362,699	-	-	-	-	151	362,850
128 Emotionally Handicapped								
100 Salaries	-	270,812	-	-	-	-	126,616	397,428
200 Employee Benefits	-	111,330	-	-	-	-	51,100	162,430

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
300 Purchased Services	-	-	-	-	-	413	413
400 Supplies and Materials	-	1,500	-	-	-	1,027	2,527
	-	383,642	-	-	-	179,156	562,798
129 Coordinated Early Intervening Services (CEIS)							
200 Employee Benefits	-	-	-	-	-	13	13
	-	-	-	-	-	13	13
	-	1,147,674	-	-	6,006	483,040	1,636,720
Total Exceptional Programs							
130 Preschool Programs							
131 Preschool Handicapped Speech (5-year olds)							
300 Purchased Services	-	-	20,150	-	-	-	20,150
400 Supplies and Materials	-	-	421	-	-	-	421
	-	-	20,571	-	-	-	20,571
137 Preschool Handicapped Self-Contained (3 & 4-year olds)							
100 Salaries	-	63,967	53,245	-	-	-	117,212
200 Employee Benefits	-	26,839	22,536	-	-	-	49,375
300 Purchased Services	-	-	8,680	-	-	-	8,680
400 Supplies and Materials	-	-	14,027	-	-	-	14,027
	-	90,806	98,488	-	-	-	189,294
139 Early Childhood Programs							
100 Salaries	-	-	-	-	-	205,423	205,423
200 Employee Benefits	-	-	-	-	-	78,615	78,615
300 Purchased Services	104,729	-	-	-	-	1,094	105,823
400 Supplies and Materials	11,230	-	-	-	-	11,096	22,326
	115,959	-	-	-	-	296,228	412,187
Total Preschool Programs	115,959	90,806	119,059	-	-	296,228	622,052
140 Special Programs							
141 Gifted and Talented - Academic							
400 Supplies and Materials	-	-	-	-	-	1,318	1,318
	-	-	-	-	-	1,318	1,318
142 Disadvantaged							
100 Salaries	-	-	-	-	-	30,569	30,569
200 Employee Benefits	-	-	-	-	-	7,411	7,411
300 Purchased Services	4,862	-	-	-	-	5,929	10,791
400 Supplies and Materials	-	-	-	-	-	13,882	13,882
	4,862	-	-	-	-	57,791	62,653

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
145 Homebound							
100 Salaries	-	10,000	-	-	-	-	10,000
200 Employee Benefits	-	4,197	-	-	-	-	4,197
	-	14,197	-	-	-	-	14,197
147 CDEPP							
100 Salaries	301,898	-	-	-	571,652	-	873,550
200 Employee Benefits	117,885	-	-	-	206,839	-	324,724
300 Purchased Services	-	-	-	-	5,368	-	5,368
400 Supplies and Materials	-	-	-	-	21,277	-	21,277
	419,783	-	-	-	805,136	-	1,224,919
148 Gifted and Talented - Artistic							
400 Supplies and Materials	-	-	-	-	-	1,669	1,669
	-	-	-	-	-	1,669	1,669
149 Other Special Programs							
100 Salaries	-	27,621	-	-	-	-	27,621
200 Employee Benefits	-	6,723	-	-	-	-	6,723
400 Supplies and Materials	-	54	-	-	-	-	54
	-	34,398	-	-	-	-	34,398
Total Special Programs	424,645	48,595	-	-	805,136	60,778	1,339,154
160 Other Exceptional Programs							
161 Autism							
100 Salaries	-	27,472	-	-	-	-	27,472
200 Employee Benefits	-	10,306	-	-	-	-	10,306
	-	37,778	-	-	-	-	37,778
Total Other Exceptional Programs	-	37,778	-	-	-	-	37,778
170 Summer School Programs							
175 Instructional Programs Beyond Regular School Day							
100 Salaries	279,906	-	-	-	-	81,781	361,687
200 Employee Benefits	67,965	-	-	-	-	17,291	85,256
300 Purchased Services	422,323	-	-	-	11,087	19,486	452,896
400 Supplies and Materials	1,058	-	-	-	-	-	1,058
	771,252	-	-	-	11,087	118,558	900,897
Total Summer School Programs	771,252	-	-	-	11,087	118,558	900,897
180 Adult/Continuing Educational Programs							
181 Adult Basic Education Programs							
100 Salaries	-	-	-	32,847	-	29,002	61,849
200 Employee Benefits	-	-	-	7,876	-	7,012	14,888

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
	Title I	IDEA	Preschool Handicapped	CATE	Adult Education		
300 Purchased Services	-	-	-	-	8,640	950	9,590
400 Supplies and Materials	-	-	-	-	280	971	1,251
	-	-	-	-	49,643	37,935	87,578
182 Adult Secondary Education Programs							
100 Salaries	-	-	-	-	75,375	32,562	107,937
200 Employee Benefits	-	-	-	-	18,299	7,536	25,835
300 Purchased Services	-	-	-	-	429	13,082	13,511
400 Supplies and Materials	-	-	-	-	6,577	14,703	21,280
	-	-	-	-	100,680	67,883	168,563
183 Adult English Literacy (ESL)							
100 Salaries	-	-	-	-	65,191	673	65,864
200 Employee Benefits	-	-	-	-	19,804	155	19,959
300 Purchased Services	-	-	-	-	-	590	590
400 Supplies and Materials	-	-	-	-	-	1,761	1,761
	-	-	-	-	84,995	3,179	88,174
188 Parenting/Family Literacy							
100 Salaries	70,356	-	-	-	-	33,293	103,649
200 Employee Benefits	29,003	-	-	-	-	14,071	43,074
300 Purchased Services	3,274	-	-	-	-	1,902	5,176
400 Supplies and Materials	18,879	-	-	-	-	3,734	22,613
	121,512	-	-	-	-	53,000	174,512
Total Adult/Continuing Educational Programs	121,512	-	-	-	235,318	161,997	518,827
<b>TOTAL INSTRUCTION</b>	<b>2,525,274</b>	<b>1,324,853</b>	<b>119,059</b>	<b>8,584</b>	<b>235,318</b>	<b>2,244,606</b>	<b>7,637,258</b>
<b>200 SUPPORT SERVICES</b>							
210 Pupil Services							
211 Attendance and Social Work Services							
100 Salaries	-	-	-	-	-	228,289	228,289
200 Employee Benefits	-	-	-	-	-	91,713	91,713
300 Purchased Services	-	-	-	-	-	1,782	1,782
400 Supplies and Materials	-	-	-	-	-	8,201	8,201
	-	-	-	-	-	329,985	329,985
212 Guidance Services							
100 Salaries	93,229	-	-	65,766	-	183,121	551,523
200 Employee Benefits	35,246	-	-	24,520	-	61,778	202,872
300 Purchased Services	-	-	-	3,007	-	-	3,007
	128,475	-	-	93,293	-	244,899	757,402



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	Adult Education	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
<b>213 Health Services</b>								
100 Salaries	-	34,816	-	-	-	-	143,140	177,956
200 Employee Benefits	-	14,796	-	-	-	-	46,086	60,882
300 Purchased sServices	-	27,916	1,162	-	-	-	27,366	56,444
400 Supplies and Materials	-	-	-	-	-	-	281	281
	-	77,528	1,162	-	-	-	216,873	295,563
<b>214 Psychological Services</b>								
100 Salaries	-	219,391	-	-	-	-	-	219,391
200 Employee Benefits	-	75,033	-	-	-	-	4,367	79,400
300 Purchased sServices	-	12,195	-	-	-	-	-	12,195
400 Supplies and Materials	-	3,108	-	-	-	-	-	3,108
	-	309,727	-	-	-	-	4,367	314,094
	128,475	387,255	1,162	93,293	-	290,735	796,124	1,697,044
<b>Total Pupil Services</b>								
<b>220 Instructional Staff Services</b>								
221 Improvement of Instruction - Curriculum Development								
100 Salaries	18,236	27,706	-	-	-	-	260,430	306,372
200 Employee Benefits	6,101	9,931	-	-	-	-	89,333	105,365
300 Purchased Services	-	2,444	-	-	-	-	35,678	38,122
400 Supplies and Materials	25,122	73,377	-	-	-	-	140,459	238,958
	49,459	113,458	-	-	-	-	525,900	688,817
<b>222 Library and Media</b>								
500 Capital Outlay	-	-	-	-	-	6,945	-	6,945
	-	-	-	-	-	6,945	-	6,945
<b>223 Supervision of Special Programs</b>								
100 Salaries	113,338	59,370	-	-	400	-	242,648	415,756
200 Employee Benefits	34,601	18,162	-	-	97	-	83,815	136,675
300 Purchased Services	4,110	34,002	-	33	-	-	111,979	150,124
400 Supplies and Materials	341	2,060	-	-	-	477	15,533	18,411
600 Other Objects	-	330	-	-	-	-	680	1,010
	152,390	113,924	-	33	497	477	454,655	721,976
<b>224 Improvement of Instruction - Inservice and Staff Training</b>								
100 Salaries	11,650	2,280	-	-	-	3,685	14,517	32,132
200 Employee Benefits	2,831	333	-	-	-	874	10,255	14,293
300 Purchased Services	44,457	671	-	4,981	-	431	182,828	233,368
400 Supplies and Materials	9,219	2,000	-	-	-	-	23,337	34,556
	68,157	5,284	-	4,981	-	4,990	230,937	314,349
	270,006	232,666	-	5,014	497	12,412	1,211,492	1,732,087
<b>Total Instructional Staff Services</b>								

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
<b>230 General Administrative Services</b>							
232 Office of the Superintendent							
300 Purchased Services	-	-	-	-	-	1,784	1,784
600 Other Objects	-	-	-	-	-	1,607	1,607
	-	-	-	-	-	3,391	3,391
<b>233 School Administration</b>							
100 Salaries	-	-	-	-	-	2,837	2,837
200 Employee Benefits	-	-	-	-	-	689	689
400 Supplies and Materials	-	-	-	-	-	13,856	13,856
	-	-	-	-	-	17,382	17,382
	-	-	-	-	-	20,773	20,773
<b>Total General Administrative Services</b>							
<b>250 Finance and Operations Services</b>							
251 Student Transportation (Federal/District Mandated)							
300 Purchased Services	54,520	-	-	-	-	-	54,520
	54,520	-	-	-	-	-	54,520
<b>254 Operation and Maintenance of Plant</b>							
470 Energy	-	-	-	-	-	10,204	10,204
500 Capital Outlay	-	37,907	-	-	-	-	37,907
	-	37,907	-	-	-	10,204	48,111
<b>255 Student Transportation (State Mandated)</b>							
300 Purchased Services	-	-	-	-	-	12,817	12,817
	-	-	-	-	-	12,817	12,817
<b>258 Security</b>							
100 Salaries	-	-	-	-	-	37,571	37,571
200 Employee Benefits	-	-	-	-	-	9,622	9,622
400 Supplies and Materials	-	-	-	-	5,000	-	5,000
	-	-	-	-	5,000	47,193	52,193
<b>Total Finance and Operations Services</b>	54,520	37,907	-	-	5,000	70,214	167,641
<b>260 Central Support Services</b>							
266 Technology and Data Processing Services							
300 Purchased Services	-	-	-	-	-	41,883	41,883
400 Supplies and Materials	-	-	-	-	2,101	-	2,101
	-	-	-	-	2,101	41,883	43,984
<b>Total Central Support Services</b>	-	-	-	-	2,101	41,883	43,984

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPECIAL PROJECTS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	201/202	203/204	205/206	207/208	Adult Education	900's Other Restricted State Grants	200's/800's Other Special Revenue Programs	Total
<b>270 Support Services - Pupil Activity</b>								
271 Pupil Service Activities								
100 Salaries	-	-	-	-	-	-	1,239	1,239
200 Employee Benefits	-	-	-	-	-	-	301	301
300 Purchased Services	-	-	-	10,562	-	825	10,965	22,352
400 Supplies and Materials	1,314	-	-	-	-	300	4,523	6,137
660 Pupil Activity	15,065	735	-	-	-	7,604	526	23,930
	16,379	735	-	10,562	-	8,729	17,554	53,959
	16,379	735	-	10,562	-	8,729	17,554	53,959
Total Support Services Pupil Activity								
<b>TOTAL SUPPORT SERVICES</b>	469,380	658,563	1,162	108,869	497	318,977	2,158,040	3,715,488
<b>300 COMMUNITY SERVICES</b>								
390 Other Community Services	-	-	-	-	-	9,129	9,233	18,362
300 Purchased Services	-	-	-	-	-	463	-	463
400 Supplies and Materials	-	-	-	-	-	9,592	9,233	18,825
	-	-	-	-	-	9,592	9,233	18,825
<b>TOTAL COMMUNITY SERVICES</b>								
<b>TOTAL EXPENDITURES</b>	2,994,654	1,983,416	120,221	117,453	235,815	1,508,133	4,411,879	11,371,571
<b>OTHER FINANCING SOURCES (USES)</b>								
Interfund Transfers, From (To) Other Funds								
431-791 Special Revenue Fund Indirect Costs	(76,540)	(51,583)	(3,085)	(2,701)	(4,666)	-	(26,862)	(165,437)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	(76,540)	(51,583)	(3,085)	(2,701)	(4,666)	-	(26,862)	(165,437)
Excess/Deficiency of Revenues over Expenditures	-	-	-	-	-	-	(184,989)	(184,989)
<b>FUND BALANCE - JULY 1, 2013</b>	-	-	-	-	-	-	485,470	485,470
<b>FUND BALANCE - JUNE 30, 2014</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,481	\$ 300,481

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SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS  
 SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Subfund	Revenue	Program	Revenues	Expenditures	Interfund Transfers In/(Out)	Other Fund Transfers In/(Out)	Unearned Revenue
928	3118	EEDA Career Specialist	290,736	290,736	-	-	-
937	3127	Student Health and Fitness - PE Teachers	56,942	56,942	-	-	-
924	3134	CDEPP	805,999	805,999	-	-	468,643
968	3161	EAA Bus Driver Salary and Fringe	-	-	-	-	-
919	3193	Education License Plates	2,101	2,101	-	-	-
803	3199	Profoundly Mentally Disabled	6,006	6,006	-	-	-
836	3199	Other Restricted State Grants	477	477	-	-	1,523
967	3607	6-8 Enhancement	5,354	5,354	-	-	18,992
960	3610	K-5 Enhancement	270,292	270,292	-	-	9,260
807	3999	SC Arts Grant	7,302	7,302	-	-	198
853	3999	SC Arts Commission	710	710	-	-	-
			<u>\$ 1,445,919</u>	<u>\$ 1,445,919</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 498,616</u>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**REVENUES**

## 3000 Revenue from State Sources

3500 Education Improvement Act	
3502 ADEPT	\$ 5,929
3509 Arts in Education	12,200
3511 Professional Development	34,092
3525 Career and Technology Education Equipment	68,147
3526 Refurbishment of K-8 Science Kits	18,361
3532 National Board Certification (NBC) Salary Supplement	662,395
3533 Teacher of the Year Award	1,077
3538 Students At Risk of School Failure	1,033,468
3540 Early Childhood Program	187,942
3544 High Achieving Students	407,960
3550 Teacher Salary Increase	1,488,335
3555 School Employer Contributions	197,892
3556 Adult Education	636,213
3558 Reading	32,215
3571 Palmetto Priority Technical Assistance	43,686
3577 Teacher Supplies	179,300
3578 High Schools That Work/Making Middle Grades Work	6,622
3581 Student Health and Fitness - Nurses	216,486
3585 Aid to Districts - Special Education	49,038
3592 Work-Based Learning	20,293
3594 EEDA At Risk Supplemental Programs	112,991
3597 Aid to Districts	316,936
3599 Other EIA	2,098
	<hr/>
Total State Sources	5,733,676
	<hr/>
<b>TOTAL REVENUE ALL SOURCES</b>	<b>5,733,676</b>
	<hr/>

**EXPENDITURES****100 INSTRUCTION**

110 General Instruction	
111 Kindergarten Programs	
100 Salaries	30,000
200 Employee Benefits	7,911
112 Primary Programs	
100 Salaries	405,963
200 Employee Benefits	158,963
300 Purchased Services	20,659
400 Supplies and Materials	182,705

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

113 Elementary Programs	
100 Salaries	434,791
200 Employee Benefits	136,744
300 Purchased Services	12,379
400 Supplies and Materials	12,924
114 High School Programs	
100 Salaries	221,287
200 Employee Benefits	58,320
400 Supplies and Materials	2,997
600 Other Objects	880
115 Career and Technology Education Programs	
400 Supplies and Materials	68,147
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	7,500
200 Employee Benefits	1,697
122 Trainable Mentally Handicapped	
100 Salaries	25,289
200 Employee Benefits	5,781
126 Speech Handicapped	
100 Salaries	60,562
200 Employee Benefits	25,349
127 Learning Disabilities	
100 Salaries	61,559
200 Employee Benefits	18,278
137 Preschool Handicapped - Self-Contained (3 & 4 year olds)	
100 Salaries	104,960
200 Employee Benefits	35,650
140 Special Programs	
141 Gifted and Talented - Academic	
100 Salaries	301,407
200 Employee Benefits	116,208
300 Purchased Services	3,984
400 Supplies and Materials	4,762
600 Other Objects	576
143 Advanced Placement	
300 Purchased Services	3,195
400 Supplies and Materials	9,922
600 Other Objects	325

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

148 Gifted and Talented - Artistic	
100 Salaries	17,683
200 Employee Benefits	6,068
300 Purchased Services	145
400 Supplies and Materials	896
600 Other Objects	70
170 Summer School Program	
172 Elementary Summer School	
100 Salaries	61,826
200 Employee Benefits	15,004
180 Adult/Continuing Education Programs	
181 Adult Basic Education Programs	
100 Salaries	52,150
200 Employee Benefits	12,657
400 Supplies and Materials	18,266
182 Adult Secondary Education Programs	
100 Salaries	236,373
200 Employee Benefits	66,562
400 Supplies and Materials	33,273
183 Adult English Literacy (ESL)	
400 Supplies and Materials	560
<b>TOTAL INSTRUCTION</b>	<b>3,063,207</b>
<b>200 SUPPORT SERVICES</b>	
210 Pupil Services	
212 Guidance Services	
100 Salaries	71,203
200 Employee Benefits	25,096
300 Purchased Services	56
213 Health Services	
100 Salaries	164,973
200 Employee Benefits	51,513
220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	13,241
200 Employee Benefits	7,058
400 Supplies and Materials	3,556
600 Other Objects	100
222 Library and Media	
100 Salaries	12,500
200 Employee Benefits	2,835



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

223 Supervision of Special Programs	
100 Salaries	155,693
200 Employee Benefits	54,291
300 Purchased Services	6,387
224 Improvement of Instruction - Inservice and Staff training	
100 Salaries	74,403
200 Employee Benefits	26,921
300 Purchased Services	100,849
400 Supplies and Materials	89,226
230 General Administrative Services	
233 School Administration	
300 Purchased Services	1,345
250 Finance and Operations Services	
251 Student Transportation (Federal/District Mandated)	
300 Purchased Services	471
270 Support Services Pupil Activity	
271 Pupil Services Activities	
400 Supplies and Materials	1,252
660 Pupil Activity	6,183
<b>TOTAL SUPPORT SERVICES</b>	<b>869,152</b>
<b>300 COMMUNITY SERVICES</b>	
390 Other Community Services	
100 Salaries	80,358
200 Employee Benefits	19,385
300 Purchased Services	12,029
400 Supplies and Materials	1,034
600 Other Objects	40
<b>TOTAL COMMUNITY SERVICES</b>	<b>112,846</b>
<b>410 INTERGOVERNMENTAL EXPENDITURES</b>	
412 Payments to Other Governmental Units	
720 Transits	2,244
<b>TOTAL INTERGOVERNMENTAL EXPENDITURES</b>	<b>2,244</b>
<b>TOTAL EXPENDITURES</b>	<b>4,047,449</b>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, From (To) Other Funds	
5220 Transfer from Special Revenue Fund - Alternative School	(86,166)
420-710 Transfer to General Fund	<u>(1,600,061)</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(1,686,227)</u>
Excess (Deficiency) of Revenues over Expenditures	-
<b>FUND BALANCE - JULY 1, 2013</b>	<u>-</u>
<b>FUND BALANCE - JUNE 30, 2014</b>	<u><u>\$ -</u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT  
SUMMARY SCHEDULE BY PROGRAM  
FOR FISCAL YEAR ENDED JUNE 30, 2014

Program	Revenues		Expenditures		EIA Interfund Transfers		Other fund Transfers		Unearned Revenue
	\$	5,929	\$	5,929	\$	-	\$	-	\$
3502 ADEPT									
3505 Technology Support									16,043
3509 Arts in Education		-		-		-		-	14,562
3511 Professional Development	12,200		12,200			-		-	524
3518 Formative Assessment	34,092		34,092			-		-	7,661
3525 Career and Technology Education Equipment	-		-			-		-	16,332
3526 Refurbishment of K-8 Science Kits	68,147		68,147			-		-	81,143
3532 National Board Certification (NBC) Salary Supplement	18,361		18,361			-		-	34,131
3533 Teacher of the Year Award	662,395		662,395			-		-	-
3538 Students at Risk of School Failure	1,077		1,077			-		-	-
3540 Early Childhood Program	1,033,468		1,221,410		187,942			-	918,524
3544 High Achieving Students	187,942		-		(187,942)			-	-
3550 Teacher Salary Increase	407,960		477,049		69,089			-	11,927
3555 School Employer Contributions	1,488,335		-		-		(1,488,335)		-
3556 Adult Education	197,892		-		-		(197,892)		-
3558 Reading	636,213		636,213		-			-	177,222
3571 Palmetto Priority Technical Assistance	32,215		-		(32,215)			-	-
3577 Teacher Supplies	43,686		43,686		-			-	200
3578 High Schools That Work/Making Middle Grades Work	179,300		179,300		-			-	-
3581 Student Health and Fitness - Nurses	6,622		6,622		-			-	2,792
3585 Aid to Districts - Special Education	216,486		216,486		-			-	-
3592 Work-Based Learning	49,038		49,038		-			-	-
3594 EEDA At Risk Supplemental Programs	20,293		20,293		-			-	29,095
3597 Aid to Districts	112,991		112,991		-			-	36,753
3599 Other EIA	316,936		280,062		(36,874)			-	58,521
	2,098		2,098		-			-	26,019
Total	\$ 5,733,676		\$ 4,047,449		\$ -		\$ (1,686,227)		\$ 1,431,449

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - FOOD SERVICE  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**REVENUES**

1000 Revenue from Local Sources	
1600 Food Service	
1610 Lunch Sales to Pupils	\$ 237,677
1640 Lunch Sales to Adults	64,880
1900 Other Revenue from Local Sources	
1999 Revenue from Other Local Sources	<u>28,942</u>
Total Local Sources	<u>331,499</u>
4000 Revenue from Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch and After School Snacks Program	2,294,801
4830 School Breakfast Program	994,233
4860 Fresh Fruits and Vegetables Program (FFVP)	72,551
4900 Other Federal Sources	
4991 USDA Commodities (Food Distribution Program)	199,153
4999 Revenue from Other Federal Sources	<u>264,035</u>
Total Federal Sources	<u>3,824,773</u>
<b>TOTAL REVENUE ALL SOURCES</b>	<u><b>4,156,272</b></u>

**EXPENDITURES**

256 Food Service	
100 Salaries	97,476
200 Employee Benefits	38,691
300 Purchased Services	3,376,308
400 Supplies and Materials	270,243
500 Capital Outlay	242,493
600 Other Objects	<u>4,349</u>
<b>TOTAL EXPENDITURES</b>	<u><b>4,029,560</b></u>
Excess (Deficiency) of Revenues over Expenditures	126,712
<b>FUND BALANCE - JULY 1, 2013</b>	<u><b>892,906</b></u>
<b>FUND BALANCE - JUNE 30, 2014</b>	<u><u><b>\$ 1,019,618</b></u></u>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPARTANBURG COUNTY ALTERNATIVE SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
1000 Revenue from Local Sources			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent	\$ 1,984,486	\$ 2,070,599	\$ 86,113
1200 Revenue from Local Governmental Units Other Than LEAs			
1280 Revenue in Lieu of Taxes	208,000	226,132	18,132
1900 Other Revenue from Local Sources			
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	-	27	27
Total Local Sources	2,192,486	2,296,758	104,272
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	-	1,164,831	1,164,831
Total Intergovernmental Revenue	-	1,164,831	1,164,831
3000 Revenue from State Sources			
3800 State Revenue in Lieu of Taxes			
3820 Homestead Exemption (Tier 2)	128,432	-	(128,432)
3825 Reimbursement for Property Tax Relief (Tier 3)	715,000	-	(715,000)
3840 Manufacturers Depreciation Reimbursement	37,394	33,874	(3,520)
Total State Sources	880,826	33,874	(846,952)
<b>TOTAL REVENUE ALL SOURCES</b>	<b>3,073,312</b>	<b>3,495,463</b>	<b>422,151</b>
<b>EXPENDITURES</b>			
<b>100 INSTRUCTION</b>			
110 General Instruction			
113 Elementary Programs			
100 Salaries	603,466	672,677	(69,211)
200 Employee Benefits	250,577	249,923	654
300 Purchased Services	2,318	1,045	1,273
400 Supplies and Materials	15,682	11,640	4,042
	872,043	935,285	(63,242)
114 High School Programs			
100 Salaries	735,258	765,154	(29,896)
200 Employee Benefits	266,681	266,917	(236)
300 Purchased Services	10,011	6,591	3,420
400 Supplies and Materials	15,274	11,212	4,062
	1,027,224	1,049,874	(22,650)
Total General Instruction	1,899,267	1,985,159	(85,892)

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPARTANBURG COUNTY ALTERNATIVE SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
120 Exceptional Programs			
127 Learning Disabilities			
100 Salaries	93,131	92,135	996
200 Employee Benefits	32,031	31,791	240
	<u>125,162</u>	<u>123,926</u>	<u>1,236</u>
Total Exceptional Programs	<u>125,162</u>	<u>123,926</u>	<u>1,236</u>
170 Summer School Program			
173 High School Summer School			
100 Salaries	-	2,875	(2,875)
200 Employee Benefits	-	698	(698)
	<u>-</u>	<u>3,573</u>	<u>(3,573)</u>
Total Summer School Program	<u>-</u>	<u>3,573</u>	<u>(3,573)</u>
180 Adult/Continuing Educational Programs			
181 Adult Basic Education Programs			
300 Purchased Services	125,000	125,000	-
	<u>125,000</u>	<u>125,000</u>	<u>-</u>
Total Adult/Continuing Educational Programs	<u>125,000</u>	<u>125,000</u>	<u>-</u>
<b>TOTAL INSTRUCTION</b>	<u>2,149,429</u>	<u>2,237,658</u>	<u>(88,229)</u>
<b>200 SUPPORT SERVICES</b>			
210 Pupil Services			
211 Attendance and Social Work Services			
300 Purchased Services	117,000	121,545	(4,545)
	<u>117,000</u>	<u>121,545</u>	<u>(4,545)</u>
212 Guidance Services			
100 Salaries	204,454	203,952	502
200 Employee Benefits	75,651	74,503	1,148
300 Purchased Services	261	260	1
400 Supplies and Materials	448	434	14
	<u>280,814</u>	<u>279,149</u>	<u>1,665</u>
213 Health Services			
100 Salaries	33,793	33,781	12
200 Employee Benefits	15,961	15,070	891
400 Supplies and Materials	1,996	1,872	124
	<u>51,750</u>	<u>50,723</u>	<u>1,027</u>
Total Pupil Services	<u>449,564</u>	<u>451,417</u>	<u>(1,853)</u>
220 Instructional Staff Services			
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	1,500	1,908	(408)
200 Employee Benefits	367	293	74
300 Purchased Services	11,029	10,903	126
600 Other Objects	200	150	50
	<u>13,096</u>	<u>13,254</u>	<u>(158)</u>
Total Instructional Staff Services	<u>13,096</u>	<u>13,254</u>	<u>(158)</u>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPARTANBURG COUNTY ALTERNATIVE SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Budget	Actual	Variance Favorable (Unfavorable)
230 General Administration Services			
231 Board of Education			
318 Audit Services	6,500	6,500	-
	6,500	6,500	-
233 School Administration			
100 Salaries	312,862	312,145	717
200 Employee Benefits	120,753	117,915	2,838
300 Purchased Services	1,910	1,053	857
400 Supplies and Materials	10,973	8,526	2,447
	446,498	439,639	6,859
Total General Administration Services	452,998	446,139	6,859
250 Finance and Operations Services			
254 Operation and Maintenance of Plant			
100 Salaries	48,995	50,374	(1,379)
200 Employee Benefits	26,220	25,706	514
300 Purchased Services	157,000	144,887	12,113
400 Supplies and Materials	14,664	14,415	249
470 Energy	127,000	129,981	(2,981)
500 Capital Outlay	800	-	800
600 Other Objects	750	-	750
	375,429	365,363	10,066
255 Student Transportation (State Mandated)			
300 Purchased Services	95,000	73,600	21,400
	95,000	73,600	21,400
258 Security			
300 Purchased Services	58,515	54,155	4,360
400 Supplies and Materials	7,800	-	7,800
	66,315	54,155	12,160
Total Finance and Operations Services	536,744	493,118	43,626
260 Central Support Services			
266 Technology and Data Processing Services			
400 Supplies and Materials	9,575	7,030	2,545
	9,575	7,030	2,545
Total Central Support Services	9,575	7,030	2,545
270 Support Services Pupil Activity			
271 Pupil Services Activities			
660 Pupil Activity	758	758	-
	758	758	-
Total Support Services Pupil Activity	758	758	-
<b>TOTAL SUPPORT SERVICES</b>	1,462,735	1,411,716	51,019
<b>TOTAL EXPENDITURES</b>	3,612,164	3,649,374	(37,210)

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SPECIAL REVENUE FUND - SPARTANBURG COUNTY ALTERNATIVE SCHOOL  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>OTHER FINANCING SOURCES (USES)</b>			
Interfund Transfers, From (To) Other Funds			
5220 Transfer from General Fund	155,630	-	(155,630)
5220 Transfer from Special Revenue Fund - Special Projects	350,000	-	(350,000)
5230 Transfer from Special Revenue Fund - EIA	90,222	86,166	(4,056)
431-710 Special Revenue Fund Indirect Costs	<u>(57,000)</u>	<u>(57,000)</u>	<u>-</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>538,852</u>	<u>29,166</u>	<u>(509,686)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ -</u>	<u>(124,745)</u>	<u>\$ (124,745)</u>
<b>FUND BALANCE - JULY 1, 2013</b>		<u>589,426</u>	
<b>FUND BALANCE - JUNE 30, 2014</b>		<u>\$ 464,681</u>	





*Tradition. Excellence. Innovation.*

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# Debt Service Fund

## *Debt Service Fund*

*Fund used to account for the collection and payment of interest and principal on long term General Obligation Debt.*

*The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The South Carolina Department of Education mandates the account numbers shown on the statements.*

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
DEBT SERVICE FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	<u>Debt Service Fund</u>	<u>McCarthy-Teszler</u>	<u>Totals</u>
<b>ASSETS</b>			
Taxes receivable	\$ 845,647	\$ -	\$ 845,647
Less allowance for uncollectibles	(591,953)	-	(591,953)
Due from other funds	-	250,011	250,011
Accounts Receivable	25,000	-	25,000
Due from County Government	3,540,799	-	3,540,799
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Assets	<u>\$ 3,819,493</u>	<u>\$ 250,011</u>	<u>\$ 4,069,504</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Due to other funds	\$ 1,140,902	\$ -	\$ 1,140,902
Unearned revenue	253,694	-	253,694
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities	<u>1,394,596</u>	<u>-</u>	<u>1,394,596</u>
			.
Fund Balances:			
Restricted:			
Debt service	2,424,897	250,011	2,674,908
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Fund Balances	<u>2,424,897</u>	<u>250,011</u>	<u>2,674,908</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Balances	<u>\$ 3,819,493</u>	<u>\$ 250,011</u>	<u>\$ 4,069,504</u>

## SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

## DEBT SERVICE FUND

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Debt Service Fund		McCarthy-Teszler		Total		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual	
<b>REVENUES</b>							
1000 Revenue from Local Sources							
1100 Taxes							
1110 Ad Valorem Taxes - Including Delinquent	\$ 10,428,000	\$ 10,774,020	\$ -	\$ -	\$ 10,428,000	\$ 10,774,020	\$ 346,020
1200 Revenue from Local Governmental Units Other than LEAs							
1280 Revenue in Lieu of Taxes	60,000	61,775	-	-	60,000	61,775	1,775
1500 Earnings on Investments							
1510 Interest on Investments	40,000	39,101	-	-	40,000	39,101	(899)
1900 Other Revenue From Local Sources							
1920 Contributions and Donations Private Sources	-	25,000	-	-	-	25,000	25,000
Total Local Sources	10,528,000	10,899,896	-	-	10,528,000	10,899,896	371,896
3000 Revenue from State Sources							
3800 State Revenue in Lieu of Taxes							
3820 Homestead Exemption (Tier 2)	500,000	521,718	-	-	500,000	521,718	21,718
3830 Merchant's Inventory Tax	200,000	219,180	-	-	200,000	219,180	19,180
3840 Manufacturers Depreciation Reimbursement	50,000	52,915	-	-	50,000	52,915	2,915
Total State Sources	750,000	793,813	-	-	750,000	793,813	43,813
<b>TOTAL REVENUE ALL SOURCES</b>	11,278,000	11,693,709	-	-	11,278,000	11,693,709	415,709
<b>EXPENDITURES</b>							
500 Debt Service							
319 Legal Services	65,000	66,513	1,183	1,183	66,183	67,696	(1,513)
395 Other Professional and Technical Services	-	60,661	-	-	-	60,661	(60,661)
610 Redemption of Principal	10,735,458	10,735,458	612,000	612,000	11,347,458	11,347,458	-
620 Interest	2,149,897	2,149,897	260,817	261,224	2,410,714	2,411,121	(407)
690 Other Objects	-	40,914	-	-	-	40,914	(40,914)
<b>TOTAL EXPENDITURES</b>	12,950,355	13,053,443	874,000	874,407	13,824,355	13,927,850	(103,495)
<b>OTHER FINANCING SOURCES (USES)</b>							
5110 Premium on Bonds Sold	-	2,989,735	-	-	-	2,989,735	(2,989,735)
5130 Proceeds of Refunding Debt	-	21,695,000	-	-	-	21,695,000	(21,695,000)
441-720 Payment to Refunded Debt Escrow Agent	-	(24,522,802)	-	-	-	(24,522,802)	24,522,802
Interfund Transfers, From (To) Other Funds							
5210 Transfer From General Fund	-	-	874,000	874,000	874,000	874,000	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	-	161,933	874,000	874,000	874,000	1,035,933	(161,933)
Excess (Deficiency) of Revenues over Expenditures	\$ (1,672,355)	(1,197,801)	\$ -	(407)	\$ (1,672,355)	(1,198,208)	\$ 150,281
<b>FUND BALANCE - JULY 1, 2013</b>		3,622,698		250,418		3,873,116	
<b>FUND BALANCE - JUNE 30, 2014</b>		\$ 2,424,897		\$ 250,011		\$ 2,674,908	



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# Capital Projects Fund

## *Capital Projects Fund*

*Fund used to account for financial resources to be used for the acquisition and construction of major capital facilities.*

*The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The South Carolina Department of Education mandates the account numbers shown on the statements.*

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
CAPITAL PROJECTS FUND  
COMBINING BALANCE SHEET  
JUNE 30, 2014

	Capital Projects Fund	McCarthy- Teszler	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 259,693	\$ -	\$ 259,693
Due from other funds	8,694,434	4,158	8,698,592
Total Assets	<u>\$ 8,954,127</u>	<u>\$ 4,158</u>	<u>\$ 8,958,285</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 381,682	\$ -	\$ 381,682
Retainage payable	34,986	-	34,986
Total Liabilities	<u>416,668</u>	<u>-</u>	<u>416,668</u>
Fund Balances:			
Assigned:			
Capital projects	<u>8,537,459</u>	<u>4,158</u>	<u>8,541,617</u>
Total Fund Balances	<u>8,537,459</u>	<u>4,158</u>	<u>8,541,617</u>
Total Liabilities and Fund Balances	<u>\$ 8,954,127</u>	<u>\$ 4,158</u>	<u>\$ 8,958,285</u>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
CAPITAL PROJECTS FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - FINAL BUDGET TO ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Capital Projects Fund		McCarthy- Teszler		Total	Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	Budget	Actual
<b>REVENUES</b>						
1000 Revenue from Local Sources						
1900 Other Revenue from Local Sources						
1920 Contributions & Donations Private Sources	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000
Total Local Sources	-	10,000	-	-	-	10,000
<b>TOTAL REVENUE ALL SOURCES</b>	-	10,000	-	-	-	10,000
<b>EXPENDITURES</b>						
250 Finance and Operations						
253 Facilities Acquisition and Construction						
100 Salaries	70,000	119,903	-	-	70,000	119,903
200 Employee Benefits	20,767	34,310	-	-	20,767	34,310
300 Purchased Services	1,298,139	999,704	9,456	9,503	1,307,595	1,009,207
400 Supplies and Materials	3,279,535	2,959,975	59,962	59,949	3,339,497	3,019,924
500 Capital Outlay						
520 Construction Services	2,438,328	1,651,738	108,190	104,129	2,546,518	1,755,867
530 Improvements Other Than Buildings	761,909	209,708	-	-	761,909	209,708
540 Equipment	261,606	163,692	-	-	261,606	163,692
545 Technology, Equipment and Software	164,750	61,906	-	-	164,750	61,906
550 Vehicles	388,811	58,084	15,327	15,327	404,138	73,411
<b>TOTAL EXPENDITURES</b>	8,683,845	6,259,020	192,935	188,908	8,876,780	6,447,928
<b>OTHER FINANCING SOURCES (USES)</b>						
5110 Premium on Bonds Sold	-	211,325	-	-	-	211,325
5120 Proceeds of General Obligation Bonds	5,920,928	3,900,000	-	-	5,920,928	3,900,000
Interfund Transfers, From (To) Other Funds						
5210 Transfer from General Fund	-	1,613,035	-	-	-	1,613,035
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	5,920,928	5,724,360	-	-	5,920,928	5,724,360
Excess (Deficiency) of Revenues over Expenditures	<u>\$ (2,762,917)</u>	<u>(524,660)</u>	<u>\$ (192,935)</u>	<u>(188,908)</u>	<u>\$ (2,955,852)</u>	<u>(713,568)</u>
<b>FUND BALANCE - JULY 1, 2013</b>		9,062,119		193,066		9,255,185
<b>FUND BALANCE - JUNE 30, 2014</b>	<u>\$ 8,537,459</u>		<u>\$ 4,158</u>		<u>\$ 8,541,617</u>	





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# Fiduciary Fund

## *Fiduciary Fund*

*Fund used to account for the collection and payment of Pupil Activity receipts and disbursements from and on behalf of the School District's students.*

*The following individual fund statements and schedules have been prepared in the format mandated by the South Carolina Department of Education. The South Carolina Department of Education mandates the account numbers shown on the statements.*

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
FIDUCIARY FUND  
PUPIL ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN DUE TO STUDENT ORGANIZATIONS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

**RECEIPTS**

1000 Receipts from Local Sources	
1300 Tuition	
1350 From Patrons for Summer School	\$ 2,850
1700 Pupil Activities	
1710 Admissions	191,015
1730 Pupil Organization Membership Dues and Fees	121,241
1740 Student Fees	14,725
1790 Other	1,111,479
1900 Other Revenue from Local Sources	
1910 Rentals	141
1920 Contributions & Donations Private Sources	181,388
1999 Revenue from Other Local Sources	16,826
<b>TOTAL RECEIPTS ALL SOURCES</b>	<b>1,639,665</b>

**DISBURSEMENTS**

190 Instructional Pupil Activity	
100 Salaries	41,632
200 Employee Benefits	9,845
300 Purchased Services	36,198
400 Supplies and Materials	116,980
600 Other Objects	123
660 Pupil Activity	284,230
270 Support Services Pupil Activity	
271 Pupil Service Activities	
100 Salaries	11,125
200 Employee Benefits	2,791
300 Purchased Services	134,381
400 Supplies and Materials	616,393
600 Other Objects	58,769
660 Support Services Pupil Activity	251,915
<b>TOTAL DISBURSEMENTS</b>	<b>1,564,382</b>

**OTHER FINANCING SOURCES (USES)**

Interfund Transfers, From (To) Other Funds	
420-710 Transfer to General Fund	(2,190)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,190)</b>

Excess (Deficiency) of Receipts over Disbursements	73,093
<b>DUE TO STUDENT ORGANIZATIONS - JULY 1, 2013</b>	<b>631,395</b>
<b>DUE TO STUDENT ORGANIZATIONS - JUNE 30, 2014</b>	<b>\$ 704,488</b>

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Balance 6/30/2013	Additions	Deletions	Balance 6/30/2014
<b>ASSETS</b>				
Account receivable	\$ 150	\$ 45	\$ -	\$ 195
Due from general fund	662,440	69,965	-	732,405
	<u>662,440</u>	<u>69,965</u>	<u>-</u>	<u>732,405</u>
Total Assets	<u>\$ 662,590</u>	<u>\$ 70,010</u>	<u>\$ -</u>	<u>\$ 732,600</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 31,195	\$ 28,112	\$ (31,195)	\$ 28,112
Due to student organizations	631,395	73,093	-	704,488
	<u>631,395</u>	<u>73,093</u>	<u>-</u>	<u>704,488</u>
Total Liabilities	<u>\$ 662,590</u>	<u>\$ 101,205</u>	<u>\$ (31,195)</u>	<u>\$ 732,600</u>



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# *Other Supplementary Information*

## *Other Supplementary Information*

*The following schedules have been prepared in the format mandated by the South Carolina Department of Education. The South Carolina Department of Education mandates the account numbers shown on the statements.*

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
DETAILED SCHEDULE OF DUE TO STATE DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

<u>Program</u>	<u>Project Grant Number</u>	<u>Revenue Code</u>	<u>Description</u>	<u>Amount Due to SCDE/ Federal</u>
----------------	---------------------------------	-------------------------	--------------------	--

No Due to State Department of Education.

No Due to Federal Government.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
DETAILED SCHEDULE OF REVENUES RECEIVED IN ADVANCE  
JUNE 30, 2014

Program	Revenue Code	Amount Recorded as Unearned Revenue
<u>Federal and State Grants</u>		
Contributions and Donations Private Sources	1920	154,977
Medicaid	1930	1,429,813
Other Local Revenue	1999	212,774
CDEPP	3134	468,643
Summer Reading Camp	3177	12,708
Adult Education SNAP Program	3199	43,086
Other Restricted State Grants	3199	1,523
6-8 Enhancement	3607	18,992
K-5 Enhancement	3610	9,260
Digital Instructional Materials	3620	38,408
SC Arts Grant	3999	198
Other Federal Revenue	4999	1,169
		<u>2,391,551</u>
<u>Education Improvement Act</u>		
ADEPT	3502	16,043
Technology Support	3505	14,562
Arts in Education	3509	524
Professional Development	3511	7,661
Formative Assessment	3518	16,332
Career and Technology Education Equipment	3525	81,143
Refurbishment of K-8 Science Kits	3526	34,131
Students at Risk of School Failure	3538	918,524
High Achieving Students	3544	11,927
Adult Education	3556	177,222
Palmetto Priority Technical Assistance	3571	200
High Schools That Work/Making Middle Grades Work	3578	2,792
Work-Based Learning	3592	29,095
EEDA At Risk Supplemental Programs	3594	36,753
Aid to Districts	3597	58,521
Other EIA	3599	26,019
		<u>1,431,449</u>
<u>Food Service</u>		
USDA Commodities	4991	15,907
		<u><u>\$ 3,838,907</u></u>



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
LOCATION RECONCILIATION SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
100	Districtwide	Non-Schools	Central	\$ 30,094,524
101	All Schools	Non-Schools	Central	2,488,482
110	Student Services Center	Non-Schools	Central	1,529
141	Gifted and Talented	Other Schools	School	572,981
151	Boyd Elementary	Elementary Schools	School	3,442,227
190	District 7 Instructional Services Center	Other Schools	School	41,646
202	Carver Junior High	Middle Schools	School	5,524,537
251	Chapman Elementary	Elementary Schools	School	3,303,756
302	Whitlock Junior High	Middle Schools	School	146,636
353	Daniel Morgan Technology Center	Other Schools	School	230,000
402	McCracken Junior High	Middle Schools	School	6,142,451
451	Cleveland Elementary	Elementary Schools	School	5,023,985
501	Houston Elementary	Elementary Schools	School	3,633,098
601	Madden Elementary	Elementary Schools	School	125,691
651	Park Hills Elementary	Elementary Schools	School	2,771,751
701	Pine Street Elementary	Elementary Schools	School	5,140,956
743	Spartanburg Freshman Academy	High Schools	School	3,367,523
753	Spartanburg High School	High Schools	School	13,558,128
760	Adult Education	Other Schools	School	1,314,977
801	Todd Elementary	Elementary Schools	School	6,422,953
851	Wright Elementary	Elementary Schools	School	3,688,287
871	McCarthy/Teszler School	Other Schools	School	11,231,104
872	McCarthy Alternative Program	Other Schools	School	580,105
880	Westminister Day School	Private School	School	430
900	AV Center	Non-Schools	Central	22,229
910	Transportation Office	Non-Schools	Central	2,085,117
921	Teacher Incentive Fund Program	Non-Schools	Central	472,340
975	Duncan Park	Non-Schools	Central	905,325
976	Wofford Stadium	Non-Schools	Central	150,774
980	Instructional Materials Center	Non-Schools	Central	74,725
990	Operations/Warehouse	Non-Schools	Central	2,215,279
Total expenditures/disbursements for all funds				<u><u>\$ 114,773,546</u></u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 69,735,432
Special Revenue Fund - Special Projects	11,371,571
Special Revenue Fund - EIA	4,047,449
Special Revenue Fund - Spartanburg County Alternative School	3,649,374
Debt Service Fund	13,927,850
Capital Projects Fund	6,447,928
Special Revenue Fund - Food Service	4,029,560
Agency Fund	1,564,382
	<u><u>\$ 114,773,546</u></u>



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Spartanburg School District 7 has set the bar for public school systems across the state for decades. While we are proud of that legacy, we understand that students today need to be challenged in new ways to be prepared for the future. That is why we continually strive to develop new programs that excite students and engage their minds. By honoring our tradition while fostering a passion for learning, our students thrive in an atmosphere of excellence and innovation.



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# Statistical Section

## *Statistical Section*

This section of the Spartanburg Seven School District's comprehensive annual financial report presents detailed trend and other information as a context for understanding what the information in the basic financial statements, notes to the basic financial statements, required supplementary information and other supplementary information says about the school district's overall financial health.

	<b><u>Page Number</u></b>
<b>Financial Trends</b>	<b>100-104</b>
These schedules contain trend information to help the reader understand how the school district's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	<b>105-110</b>
These schedules contain information to help the reader assess the school district's most significant local revenue source, property tax.	
<b>Debt Capacity</b>	<b>111-113</b>
These schedules present information to help the reader assess the affordability of the school district's current level of outstanding debt and the school district's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	<b>114-115</b>
These schedules offer demographic and economic indicators to help the reader understand the environment within the school district's financial activities take place.	
<b>Operating Information</b>	<b>116-120</b>
These schedules contain service and infrastructure data to help the reader understand how the information in the school district's financial report relates to the services Spartanburg Seven school district provides and the activities it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

*The following schedules have been prepared in the format mandated by the South Carolina Department of Education. The South Carolina Department of Education mandates the account numbers shown on the statements.*



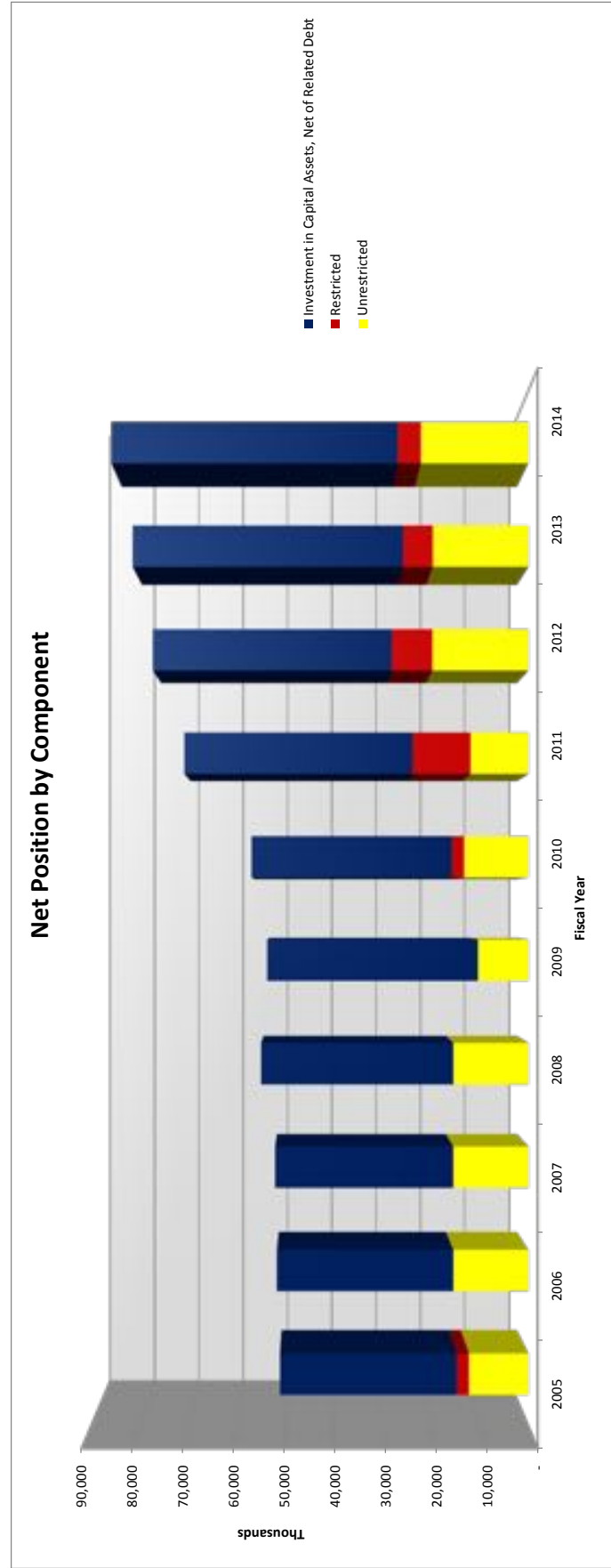
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**SPARTANBURG COUNTY SCHOOL DISTRICT 7**

**Net Position by Component  
(Last Ten Fiscal Years)  
(Unaudited)**

<b>Net Position Components</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Primary Government</b>										
Investment in Capital Assets, Net of Related Debt	\$ 36,362,056	\$ 36,292,221	\$ 36,560,879	\$ 39,539,449	\$ 43,324,332	\$ 41,204,531	\$ 47,027,940	\$ 49,087,936	\$ 55,574,763	\$ 58,950,668
Restricted	2,553,927	3,120	103,203	79,267	65,280	2,539,287	11,907,130	8,438,644	6,181,271	4,777,196
Unrestricted	12,198,823	15,431,717	15,437,845	15,401,178	10,325,751	13,233,394	11,888,584	19,748,371	19,675,187	22,121,148
<b>Total Primary Government Net Position</b>	<b>\$ 51,114,806</b>	<b>\$ 51,727,058</b>	<b>\$ 52,101,927</b>	<b>\$ 55,019,894</b>	<b>\$ 53,715,363</b>	<b>\$ 56,977,212</b>	<b>\$ 70,823,654</b>	<b>\$ 77,274,951</b>	<b>\$ 81,431,221</b>	<b>\$ 85,849,012</b>

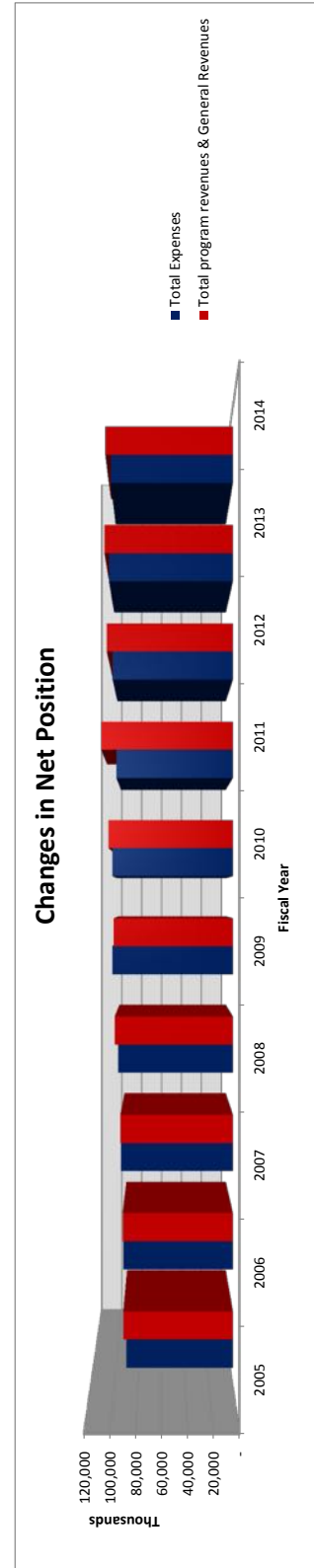


Source: District Basic Financial Statements  
Note: With the Implementation of GASB Statement No. 63 as of Fiscal Year 2013, the terminology of Net Position is used instead of Net Assets.



**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Changes in Net Position**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Primary Government Expenses</b>										
Governmental Activities:										
Instruction	\$ 51,873,439	\$ 54,849,915	\$ 56,250,960	\$ 55,469,540	\$ 52,784,532	\$ 52,832,775	\$ 50,883,215	\$ 52,800,820	\$ 55,087,734	\$ 54,793,412
Support Services	33,572,323	33,080,752	34,050,594	36,981,827	44,504,191	43,283,875	42,838,808	44,269,906	45,069,001	44,146,649
Community Services	24,147	2,417	1,514	2,320	178,936	125,926	117,513	119,429	133,232	131,671
Intergovernmental	763,006	884,151	817,322	989,897	1,135,883	2,348,828	1,516,124	1,616,591	1,667,652	1,446,356
Interest and Other Charges	3,422,524	3,475,486	3,254,988	3,181,722	2,978,095	2,936,811	2,764,381	2,498,591	2,420,131	2,476,692
Disposal of Capital Assets	13,722	23,142	6,285	-	-	-	679	-	-	-
<b>Total Expenses</b>	89,669,161	92,315,863	94,381,663	96,625,306	101,581,637	101,528,215	98,120,720	101,305,337	104,377,750	102,994,780
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services										
Instruction	3,143,046	3,930,072	4,623,922	4,322,997	4,186,738	2,534,714	2,988,768	3,588,883	3,120,778	2,242,078
Support Services	704,268	633,001	607,940	510,709	517,040	441,992	383,662	372,334	340,040	302,558
Community Services	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	43,089,205	44,409,252	44,424,076	47,031,359	45,982,461	45,365,634	47,256,961	43,826,169	44,871,237	42,890,583
Capital Grants and Contributions	1,608,733	-	-	-	-	-	571,114	-	-	-
<b>Total Program Revenues</b>	48,545,252	48,972,325	49,655,938	51,865,065	50,686,239	48,342,340	51,200,505	47,787,386	48,332,055	45,435,219
<b>General Revenues</b>	41,123,909	43,343,538	44,725,725	44,760,241	50,895,398	53,185,875	46,920,215	53,517,951	56,045,695	57,559,561
Property Taxes (General Purposes)	32,603,503	32,061,169	32,745,675	27,603,371	25,726,417	31,027,306	32,943,854	31,802,642	32,930,837	34,471,183
Property Taxes (Debt Services)	2,326,368	2,262,560	2,298,752	3,476,644	7,310,060	9,781,227	10,031,004	10,368,127	10,532,089	10,835,795
Unrestricted State Grants	7,780,024	8,022,934	8,077,497	14,856,361	15,359,330	14,519,063	14,614,152	14,835,157	15,123,910	15,338,724
Rentals	-	-	52,928	-	-	-	-	-	-	-
Contributions	161,048	154,987	156,822	174,607	446,429	237,212	856,451	370,975	323,826	111,228
Refunds Prior Year	44,105	1,881	40,018	-	-	-	-	-	-	-
Miscellaneous	410,305	540,315	579,042	795,192	515,818	731,364	1,200,636	1,005,096	895,252	1,205,013
Premium on Bonds Sold	-	-	-	1,510	53,001	-	-	-	-	-
Unrestricted Investment Earning	414,792	888,606	1,115,590	758,815	175,979	79,182	100,810	67,719	63,175	52,403
Insurance Proceeds	47,376	17,329	23,014	11,708	3,833	72,370	-	-	-	-
Federal Revenue	7,203	6,009	11,256	-	-	-	-	-	-	-
Transfer to Fiduciary Fund	-	-	-	-	-	-	-	-	(1,933)	-
<b>Total Primary Government</b>	43,794,724	43,955,790	45,100,594	47,678,208	49,590,867	56,447,724	59,746,907	58,449,716	59,867,156	62,014,346
<b>Changes in Net Position Total Primary Government</b>	\$ 2,670,815	\$ 612,252	\$ 374,869	\$ 2,917,967	\$ (1,304,531)	\$ 3,261,849	\$ 12,826,692	\$ 4,931,765	\$ 3,821,461	\$ 4,454,785

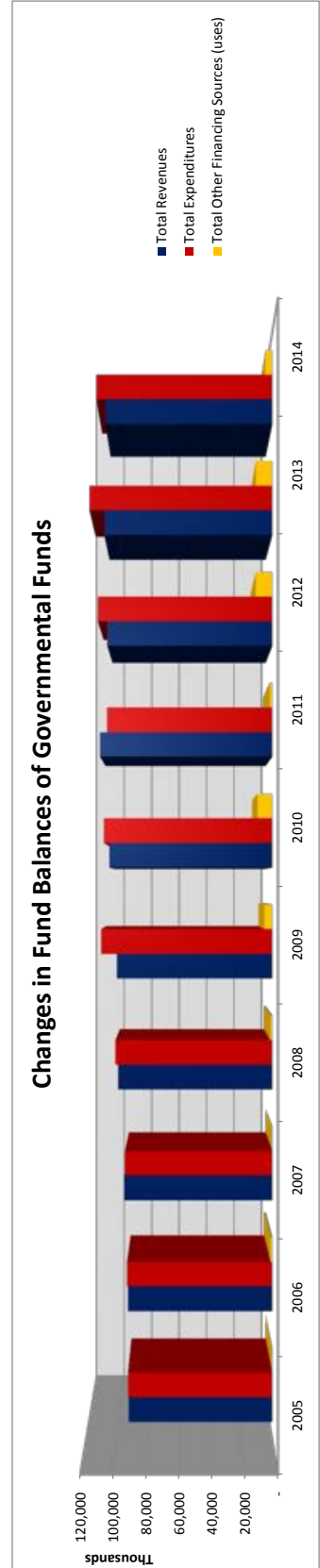


**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Fund Balances of Governmental Funds**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>General Fund</b>										
Reserved	\$ 1,993,641	\$ 1,058,926	\$ 822,988	\$ 822,988	\$ 1,699,728	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	12,126,562	13,080,323	13,927,011	13,666,361	8,208,176	7,975,941	-	-	-	-
Nonspendable	-	-	-	-	-	-	500,887	405,904	415,352	448,010
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	246,166	391,913	407,695	461,744
Unassigned	-	-	-	-	-	-	10,694,947	11,681,076	12,775,440	13,246,978
<b>Total General Fund</b>	<b>14,120,203</b>	<b>14,139,249</b>	<b>14,749,999</b>	<b>14,489,349</b>	<b>9,907,904</b>	<b>7,975,941</b>	<b>11,442,000</b>	<b>12,478,893</b>	<b>13,598,487</b>	<b>14,156,732</b>
<b>All Other Governmental Funds</b>										
Reserved	560,286	441,430	385,419	361,483	5,274,980	2,539,287	-	-	-	-
Unreserved, reported in:										
Food Service	(340,694)	(369,742)	(399,993)	(460,030)	(441,471)	(184,315)	-	-	-	-
Special Revenue/Special Projects	-	-	-	-	-	726,394	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-	-
Capital Projects	556,484	1,297,857	1,204,878	750,946	(446,400)	5,080,996	-	-	-	-
Nonspendable	-	-	-	-	-	-	-	-	-	-
Special Revenue/Food Service	-	-	-	-	-	-	-	-	-	46,005
Restricted										
Special Revenue/Special Projects	-	-	-	-	-	-	563,241	484,773	410,470	169,979
Special Revenue/Food Service	-	-	-	-	-	-	63,945	507,136	892,905	973,613
Special Revenue/Alternative School	-	-	-	-	-	-	-	-	589,428	464,681
Special Revenue/Debt Service	-	-	-	-	-	-	3,050,974	7,040,831	3,873,116	2,674,908
Assigned										
Special Revenue/Special Projects	-	-	-	-	-	-	-	-	75,000	130,502
Capital Projects	-	-	-	-	-	-	8,228,970	7,136,451	9,255,184	8,541,617
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 776,076</b>	<b>\$ 1,369,545</b>	<b>\$ 1,190,304</b>	<b>\$ 652,399</b>	<b>\$ 4,387,109</b>	<b>\$ 8,162,362</b>	<b>\$ 11,907,130</b>	<b>\$ 15,169,191</b>	<b>\$ 15,096,103</b>	<b>\$ 13,001,305</b>

**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Changes in Fund Balances of Governmental Funds**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

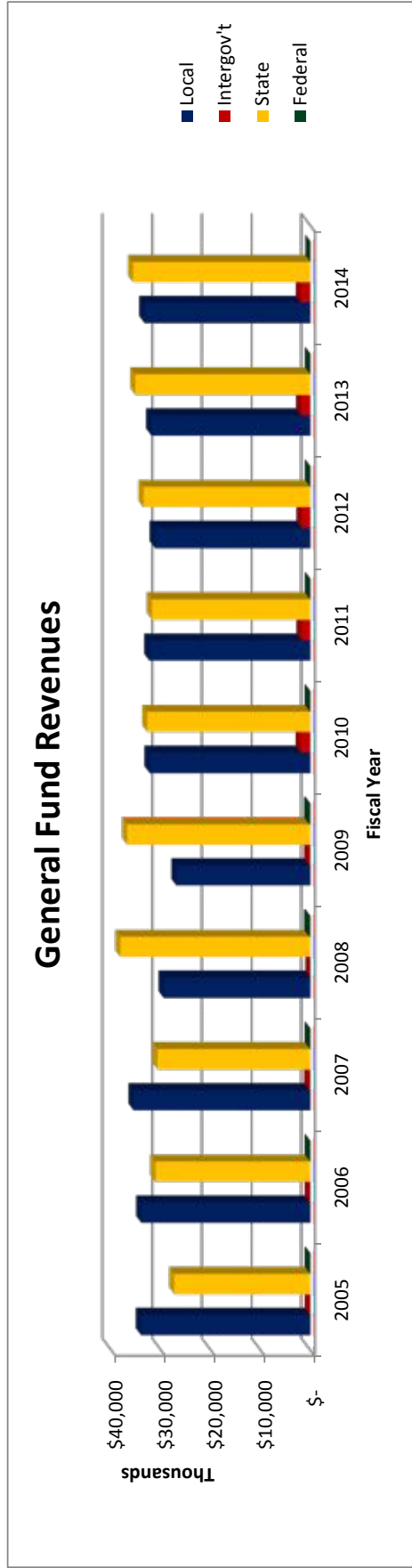
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Governmental Activities:										
Local Property Taxes	\$ 34,978,884	\$ 34,342,842	\$ 35,461,186	\$ 31,015,787	\$ 32,828,854	\$ 40,804,110	\$ 42,930,121	\$ 42,097,194	\$ 43,395,343	\$ 45,256,766
Other Local	4,894,037	6,142,925	7,195,506	6,363,132	5,847,005	4,028,829	5,475,955	5,375,007	4,743,069	4,106,965
Total Local	39,872,921	40,485,767	42,656,692	37,378,919	38,675,859	44,833,939	48,406,076	47,472,201	48,138,412	49,363,731
Intergovernmental	703,591	647,072	914,368	398,702	749,321	2,427,210	3,868,554	3,391,049	3,364,413	3,263,525
State	41,852,462	41,311,109	40,742,680	49,230,657	46,204,077	41,253,011	40,792,681	42,851,030	43,783,407	43,668,136
Federal	9,929,109	10,480,012	10,855,782	12,258,358	14,388,395	16,307,560	17,845,665	12,419,251	12,847,330	11,101,771
<b>Total Revenues</b>	<b>92,358,083</b>	<b>92,923,960</b>	<b>95,169,522</b>	<b>99,266,636</b>	<b>100,017,652</b>	<b>104,820,720</b>	<b>110,912,966</b>	<b>106,133,531</b>	<b>108,133,562</b>	<b>107,397,163</b>
<b>Expenditures</b>										
<b>Current:</b>										
Instruction	51,520,085	52,220,239	53,130,775	54,025,250	54,517,677	54,281,498	50,826,594	52,665,427	54,410,925	54,741,744
Support Services	30,473,613	32,359,411	33,604,715	36,463,313	39,809,128	38,812,711	38,622,752	40,121,736	42,457,520	40,696,959
Community Services	24,147	2,417	1,514	2,320	178,936	125,926	117,513	119,429	133,231	131,671
Intergovernmental Expenditures	763,007	884,150	817,322	989,897	1,135,883	2,348,828	1,516,124	1,616,591	1,667,653	1,446,356
<b>Debt Services</b>										
Legal Services	-	42,788	-	-	-	-	-	-	-	67,696
Principal	3,333,360	3,889,443	3,745,398	4,538,374	6,046,686	6,130,640	8,702,159	5,424,151	12,703,370	11,347,458
Interest	3,455,568	3,469,916	3,298,092	3,218,439	2,970,581	2,932,701	2,950,506	2,651,410	2,692,584	2,411,121
Other Objects	-	3,021	-	5,235	66,986	74,536	181,092	2,600	2,650	101,575
<b>Capital Outlay</b>	<b>3,325,240</b>	<b>604,323</b>	<b>143,966</b>	<b>1,740,419</b>	<b>5,541,511</b>	<b>3,772,000</b>	<b>3,482,692</b>	<b>9,682,969</b>	<b>3,600,021</b>	<b>2,264,584</b>
<b>Total Expenditures</b>	<b>92,895,020</b>	<b>93,475,708</b>	<b>94,741,782</b>	<b>100,983,247</b>	<b>110,267,388</b>	<b>108,478,840</b>	<b>106,399,432</b>	<b>112,284,313</b>	<b>117,667,954</b>	<b>113,209,164</b>
<b>Excess of Revenues over (under) Expenditures</b>	<b>(536,937)</b>	<b>(551,748)</b>	<b>427,740</b>	<b>(1,716,611)</b>	<b>(10,249,736)</b>	<b>(3,658,120)</b>	<b>4,513,534</b>	<b>(6,150,782)</b>	<b>(9,534,392)</b>	<b>(5,812,001)</b>
<b>Other Financing Sources (uses)</b>										
Sale of Capital Assets	29,905	23,263	3,769	266,546	-	-	-	-	-	-
Other Financing Sources	-	1,141,000	-	1,001,510	5,053,001	9,536,489	1,677,543	10,594,141	10,582,831	4,273,258
Transfers In	5,431,230	6,325,505	6,035,445	6,148,578	4,342,402	3,636,254	9,039,661	3,942,391	4,508,057	4,397,889
Transfers Out	(5,430,223)	(6,325,505)	(6,035,445)	(6,148,578)	(4,342,402)	(3,671,333)	(9,039,661)	(3,942,391)	(4,509,990)	(4,395,699)
<b>Total Other Financing Sources (uses)</b>	<b>30,912</b>	<b>1,164,263</b>	<b>3,769</b>	<b>1,268,056</b>	<b>5,053,001</b>	<b>9,501,410</b>	<b>1,677,543</b>	<b>10,594,141</b>	<b>10,580,898</b>	<b>4,275,448</b>
<b>Net Change in Fund Balances</b>	<b>\$ (506,025)</b>	<b>\$ 612,515</b>	<b>\$ 431,509</b>	<b>\$ (448,555)</b>	<b>\$ (5,196,735)</b>	<b>\$ 5,843,290</b>	<b>\$ 6,191,077</b>	<b>\$ 4,443,359</b>	<b>\$ 1,046,506</b>	<b>\$ (1,536,553)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>7.6%</b>	<b>8.0%</b>	<b>7.4%</b>	<b>7.8%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>11.5%</b>	<b>7.9%</b>	<b>13.5%</b>	<b>12.6%</b>





**SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**  
**General Fund Revenues by Source (Excluding Transfers From Other Funds)**  
**Last Ten Fiscal Years**  
**(Unaudited)**

Fiscal Year	Local	Intergov't	State	Federal	Total	Local	Intergov't	State	Federal	Total
2005	\$ 34,073,147	\$ 169,289	\$ 27,347,775	\$ 100,206	\$ 61,690,417	55.2%	0.3%	44.3%	0.16%	100.0%
2006	34,035,406	136,363	31,201,695	120,320	65,493,784	52.0%	0.2%	47.6%	0.18%	100.0%
2007	35,570,209	332,265	30,758,672	122,721	66,783,867	53.3%	0.5%	46.1%	0.18%	100.0%
2008	29,530,345	-	38,217,525	271,655	68,019,525	43.4%	0.0%	56.2%	0.40%	100.0%
2009	26,978,399	309,712	36,878,336	276,797	64,443,244	41.9%	0.5%	57.2%	0.43%	100.0%
2010	32,333,226	1,920,702	32,761,030	108,795	67,123,753	48.2%	2.9%	48.8%	0.16%	100.0%
2011	32,407,564	1,817,796	31,833,508	80,131	66,138,999	49.0%	2.7%	48.1%	0.12%	100.0%
2012	31,268,177	1,791,067	33,598,529	75,835	66,733,608	46.9%	2.7%	50.3%	0.11%	100.0%
2013	31,978,769	1,875,873	35,235,073	76,775	69,166,490	46.2%	2.7%	50.9%	0.11%	100.0%
2014	33,358,593	1,888,636	35,660,823	47,972	70,956,024	47.0%	2.7%	50.3%	0.07%	100.0%



**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Assessed and Estimated Actual Value of Taxable Property**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

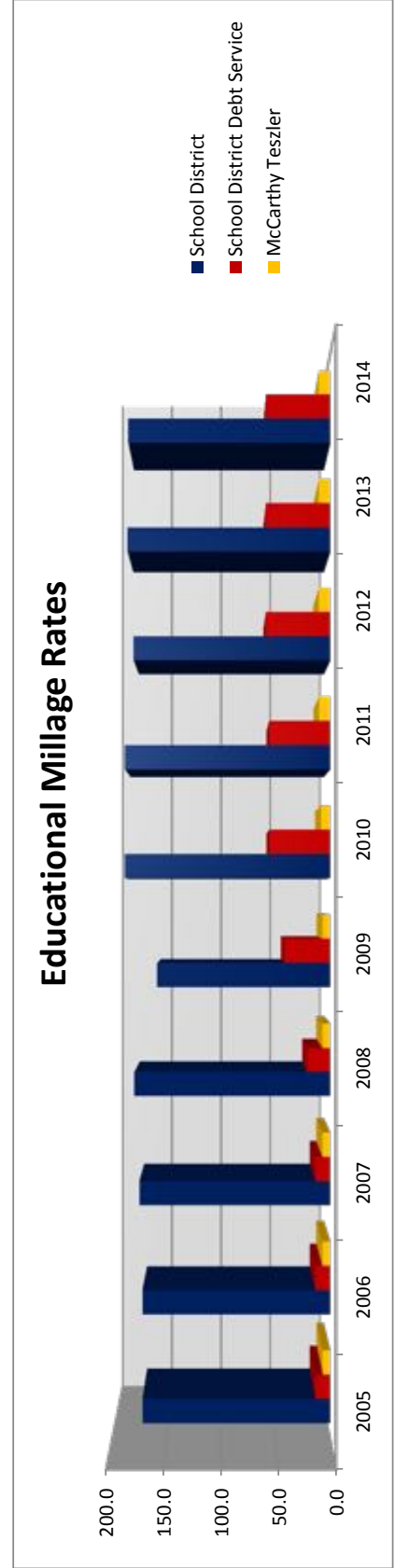
Fiscal Year Ended June 30	Personal Property										Assessed Value as a Percentage of Market Value		
	Tax Year	Entity	Assessed Real Property		Motor Vehicles		Other		Exemptions	Total Taxable		Total Estimated Market Value	Total Direct Tax Rate (Millage)
			Value		Value		Value			Assessed Value	Market Value		
2005	2004	S/D	\$ 116,077,705	\$ 24,205,700	\$ 32,716,949	\$ 2,991,692	\$ 175,992,046	\$ 2,988,413,937	185.8	5.89%			
		M/T	476,159,783	95,650,570	251,836,371	5,078,999	818,567,725	17,868,917,255	7.0	4.58%			
2006	2005	S/D	118,692,014	17,513,300	35,742,310	5,657,512	177,605,136	2,547,178,000	185.8	6.97%			
		M/T	514,588,882	97,082,340	215,987,819	7,789,379	835,448,420	18,234,862,991	7.5	4.58%			
2007	2006	S/D	120,826,230	15,350,420	34,623,714	5,646,293	176,446,657	2,637,148,765	188.6	6.69%			
		M/T	540,170,563	90,218,980	223,661,664	8,038,120	862,089,327	19,811,130,067	7.5	4.35%			
2008	2007	S/D	121,489,253	14,609,620	34,044,434	7,881,388	178,024,695	2,713,766,815	200.6	6.56%			
		M/T	544,468,547	87,822,940	228,624,558	10,020,335	870,936,380	20,858,354,450	7.5	4.18%			
2009	2008	S/D	142,839,567	15,392,580	31,286,223	9,513,459	199,031,829	3,303,772,932	200.3	6.02%			
		M/T	646,237,019	94,563,860	219,473,316	13,186,516	973,460,711	22,204,160,180	7.4	4.38%			
2010	2009	S/D	143,512,585	16,159,860	33,583,751	7,251,102	200,507,298	3,283,708,853	244.1	6.11%			
		M/T	660,078,847	100,350,101	221,650,615	11,233,346	993,312,909	22,868,122,016	8.4	4.34%			
2011	2010	S/D	140,883,014	14,362,492	30,578,141	8,171,178	193,994,825	3,303,850,689	244.1	5.87%			
		M/T-Alt	660,176,916	87,934,375	212,826,476	10,557,863	971,495,630	17,742,961,081	13.7	5.48%			
2012	2011	S/D	140,181,594	14,177,630	29,112,417	8,405,265	191,876,906	3,176,582,618	239.0	6.04%			
		M/T-Alt	662,610,582	85,473,026	207,844,111	10,286,628	966,214,347	17,393,748,863	13.9	5.55%			
2013	2012	S/D	140,548,307	14,648,682	29,249,856	8,091,818	192,538,663	3,125,381,713	244.5	6.16%			
		M/T-Alt	667,906,917	90,325,702	198,248,423	9,249,664	965,730,706	17,281,830,615	13.9	5.59%			
2014	2013	S/D	145,846,991	14,974,199	37,830,844	1,383,514	197,268,520	3,037,139,348	243.8	6.50%			
		M/T-Alt	690,717,309	96,791,472	213,231,302	1,760,767	998,979,316	16,052,071,639	13.9	6.22%			

Source: Spartanburg County Assessor and Auditor Office

(1) Exemptions are the percentage of the assessments of TIF Properties that are assigned to Spartanburg School District 7  
Note: S/D is Spartanburg County School District 7. M/T is McCarthy Teszler School. The McCarthy Teszler School provides countywide services. The State of South Carolina treats the McCarthy Teszler School as one of Spartanburg School District 7's schools. Alt represents the Spartanburg County Alternative School. District 7 is the fiscal agent for Spartanburg County Alternative School, which also serves the entire county.

**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Direct and Overlapping Property Tax Rates**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

District Direct Rates			Overlapping Rates						
Fiscal Year	School District	School District Debt Service	Total	Daniel Morgan Technology Center					
				McCarthy Teszler	University School	Countywide Equalization	Spartanburg County	City of Spartanburg	
2005	172.0	13.8	185.8	7.0	2.9	13.0	6.4	71.1	93.3
2006	172.0	13.8	185.8	7.5	2.9	13.0	6.4	71.1	103.2
2007	174.8	13.8	188.6	7.5	0.0	13.0	6.4	64.8	104.7
2008	179.3	21.3	200.6	7.5	0.0	13.0	8.0	50.0	105.0
2009	158.6	41.7	200.3	7.4	0.0	11.6	7.9	49.1	101.0
2010	188.1	56.0	244.1	8.4	0.0	13.0	8.4	52.9	101.0
2011	188.1	56.0	244.1	10.3	0.0	13.0	8.4	51.9	101.0
2012	180.0	59.0	239.0	10.5	0.0	13.0	8.4	52.3	101.0
2013	185.5	59.0	244.5	10.5	0.0	13.0	9.0	52.3	101.0
2014	184.8	59.0	243.8	10.5	0.0	13.0	9.8	53.7	103.0



**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Direct and Overlapping Property Tax Rates (Continued)**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

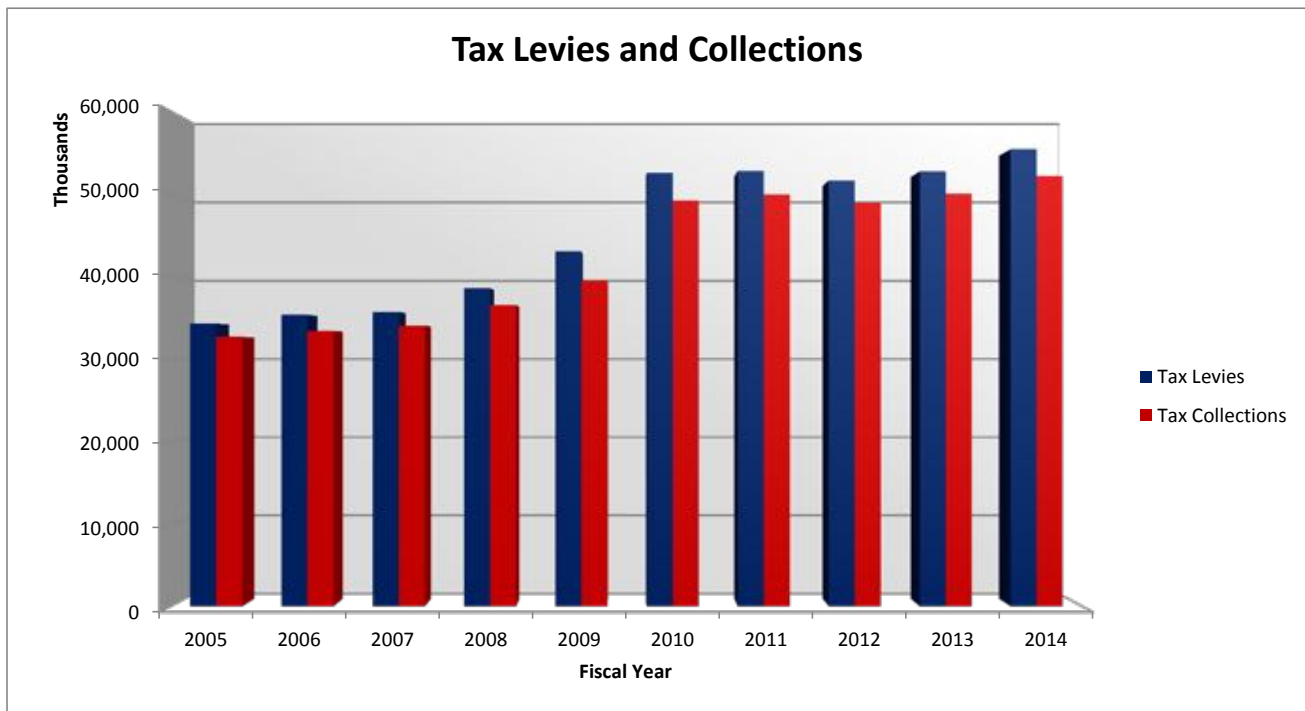
<b>Special Districts</b> <b>(Fire, Water, Sewer)</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
Arkwright Fire	20.0	20.0	20.0	20.0	18.8	18.8	18.8	0.0	0.0	0.0
Converse Fire	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0	24.0
Croft Fire	27.5	27.5	27.5	28.0	27.5	27.5	27.5	27.5	27.5	27.5
Cherokee Springs Fire	17.0	20.0	21.0	27.0	26.4	27.0	27.0	27.0	27.0	29.9
Drayton Fire	20.0	24.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0	20.0
Glendale Fire	13.9	13.9	13.9	14.0	13.1	13.4	13.4	13.4	13.4	13.4
Whitney Fire	4.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Hilltop Fire	22.0	30.0	30.0	30.0	35.2	36.7	36.9	37.0	36.9	36.2
Sanitary Sewer	8.2	8.2	8.2	8.0	7.5	7.5	7.5	7.5	7.5	7.5
Westview-Fairforest Fire	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Una Fire	19.3	19.8	20.6	21.0	20.0	21.2	21.2	20.9	21.2	21.0
Woodruff-Roeback Water	9.6	11.4	12.4	12.0	11.9	10.4	10.4	10.4	10.7	10.8
Draper Fire	13.9	13.9	13.9	14.0	11.6	12.3	12.3	12.3	12.3	12.3

**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Spartanburg County Principal Property Taxpayers**  
**Fiscal Year Ended June 30, 2014 and Nine Years Prior**  
**(Unaudited)**

	Tax Year 2013				Tax Year 2004			
Taxpayer	Assessed Value	Rank	Percentage of Total Assessed Value	County Taxes Paid	Assessed Value	Rank	Percentage of Total Assessed Value	
Duke Energy Corp	\$ 6,329,380	1	3.2%	\$ 2,358,631	\$ 4,244,030	1	2.4%	
Mary Black Health System LLC	5,304,330	2	2.7%	2,057,343	-			
Exopack LLC	2,116,480	3	1.1%	840,877	-			
Bellsouth Telecommunications	1,981,150	4	1.0%	728,154	3,079,410	2	1.7%	
Kohler Company	1,723,294	5	0.9%	684,657	-			
Colonial Pipeline Co	1,678,800	6	0.9%	665,636	-			
ERP Hillcrest LLC	1,607,020	7	0.8%	580,455	-			
J M Smith Corporation	1,340,790	8	0.7%	484,293	-			
Isomedix Operations Inc	1,138,690	9	0.6%	452,401	-			
East Main Redevelopment LLC	1,115,760	10	0.6%	403,012	-			
Piedmont Natural Gas					961,640	3	0.5%	
Walmart Real Estate Business					900,720	4	0.5%	
White Oak Manor					754,140	5	0.4%	
Ingles					500,820	6	0.3%	
Riverwind Apartment Assoc					432,000	7	0.2%	
Paul Cook					403,590	8	0.2%	
Country Club of Spartanburg					399,680	9	0.2%	
Cellco Partnership					381,670	10	0.2%	
	\$ 24,335,694		12.3%	\$ 9,255,459	\$ 12,057,700		6.9%	

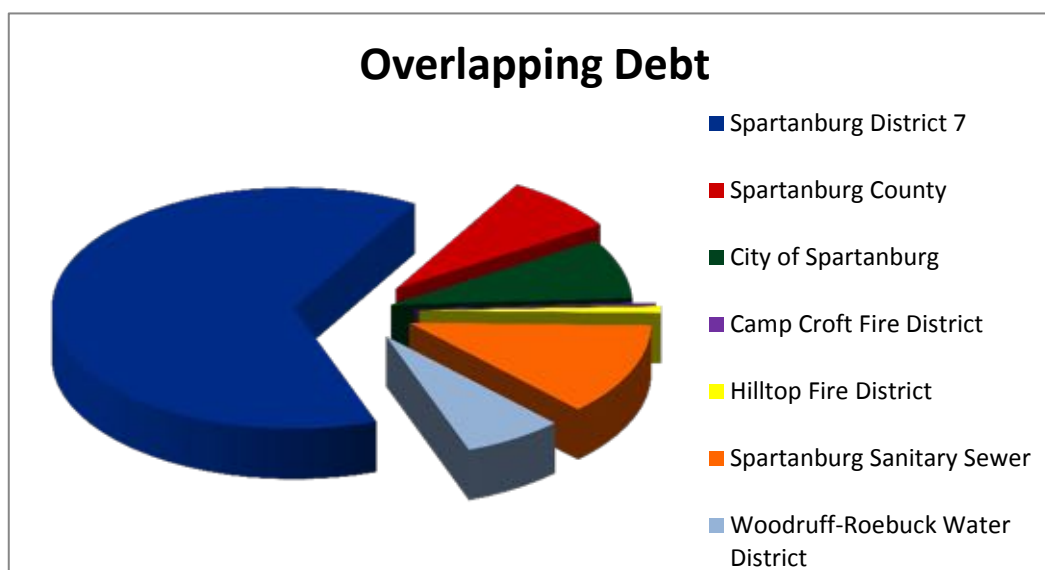
**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Property Tax Levies and Collections**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

Fiscal Year	Tax Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2005	2004	\$ 34,301,726	\$ 32,017,057	93.34%	\$ 670,323	\$ 32,687,380	95.29%
2006	2005	35,370,110	32,347,963	91.46%	1,070,584	33,418,547	94.48%
2007	2006	35,726,816	33,269,433	93.12%	792,879	34,062,312	95.34%
2008	2007	38,591,262	35,563,189	92.15%	965,820	36,529,009	94.66%
2009	2008	43,084,889	38,981,367	90.48%	547,038	39,528,405	91.75%
2010	2009	52,535,769	48,290,141	91.92%	874,202	49,164,343	93.58%
2011	2010	52,777,715	49,148,395	93.12%	793,028	49,941,423	94.63%
2012	2011	51,630,394	48,364,496	93.67%	538,360	48,902,856	94.72%
2013	2012	52,729,158	49,462,001	93.80%	604,395	50,066,396	94.95%
2014	2013	55,404,989	51,750,994	93.40%	401,440	52,152,434	94.13%



**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Computation of Direct and Overlapping Debt**  
**Fiscal Year Ended June 30, 2014**  
**(Unaudited)**

<b>Government</b>	<b>Net General Bonded Debt Outstanding</b>	<b>Estimated Percentage Applicable to District</b>	<b>District's Share of Debt</b>
<b>Direct:</b>			
Spartanburg District 7	\$ 57,135,182	100%	\$ 57,135,182
<b>Overlapping:</b>			
Spartanburg County	\$ 23,053,922	19.75%	\$ 4,552,510
City of Spartanburg	6,180,000	100.00%	6,180,000
Camp Croft Fire District	231,350	100.00%	231,350
Hilltop Fire District	711,000	100.00%	711,000
Spartanburg Sanitary Sewer	23,860,000	30.71%	7,327,457
Woodruff-Roebuck Water District	5,136,750	100.00%	5,136,750
<b>Overlapping Subtotal</b>	<b>59,173,022</b>		<b>24,139,067</b>
<b>Totals</b>	<b>\$ 116,308,204</b>		<b>\$ 81,274,249</b>



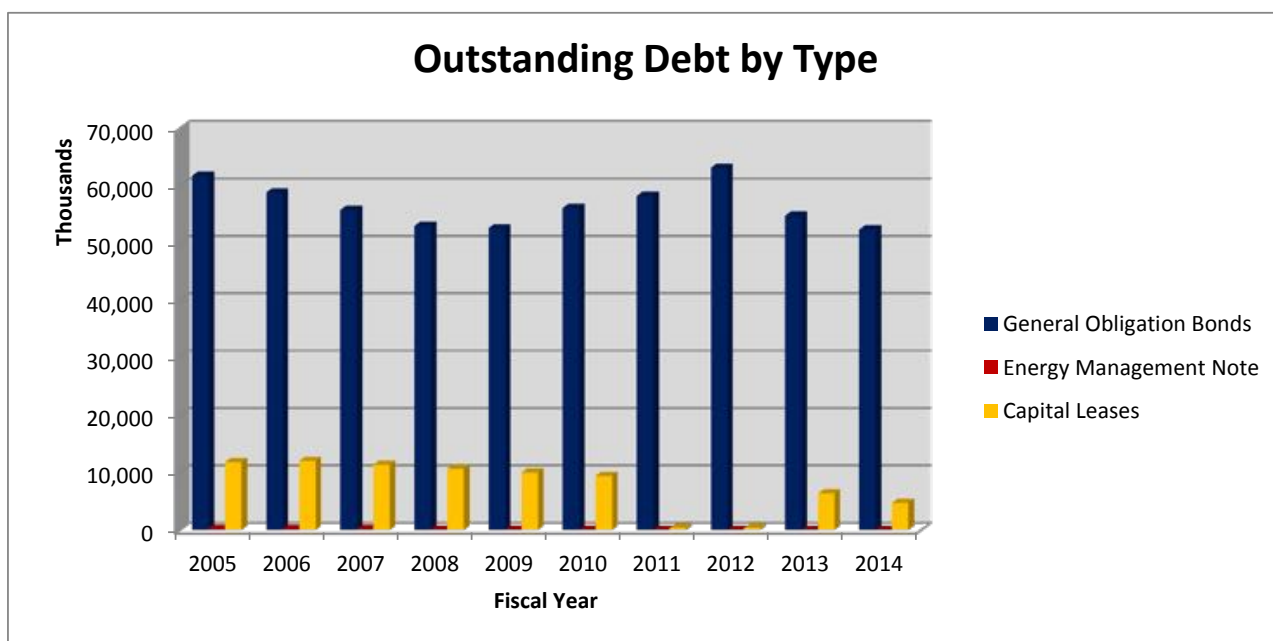
Source: Spartanburg County Finance Office and County Auditor's Office

Note: The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of Spartanburg School District 7's taxable assessed value that is within the government's boundaries and dividing it by the Spartanburg School District 7's total taxable assessed value.

Overlapping rates are those of local and county governments that apply to property owners within Spartanburg School District 7. Not all overlapping rates apply to all of Spartanburg School District 7's property owners.

**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Energy Management Note</b>	<b>Capital Leases</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita - Spartanburg County</b>
2005	\$ 61,763,000	\$ 266,195	\$ 11,848,234	\$ 73,877,429	10.4%	282
2006	58,857,000	217,795	12,054,191	71,128,986	9.6%	269
2007	55,827,000	169,395	11,387,193	67,383,588	8.5%	251
2008	53,034,000	120,995	10,690,220	63,845,215	7.7%	233
2009	52,645,000	72,595	10,043,323	62,760,918	7.2%	224
2010	56,150,000	24,195	9,456,083	65,630,278	7.6%	232
2011	58,265,000	-	357,781	58,622,781	6.7%	206
2012	63,170,000	-	328,630	63,498,630	7.0%	221
2013	54,797,000	-	6,353,260	61,150,260	6.4%	212
2014	52,382,380	-	4,752,802	57,135,182	5.7%	196





**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Ratio of General Bonded Debt Outstanding**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percent of Estimated Actual Taxable Value of Property*</b>	<b>Per Capita - Based on County Population</b>
2005	\$ 61,763,000	\$ 41,674	\$ 61,721,326	2.07%	236
2006	58,857,000	3,120	58,853,880	2.31%	223
2007	55,827,000	103,203	55,723,797	2.11%	207
2008	53,034,000	79,267	52,954,733	1.95%	193
2009	52,645,000	65,280	52,579,720	1.59%	188
2010	56,150,000	2,539,287	53,610,713	1.63%	189
2011	58,265,000	3,050,974	55,214,026	1.67%	194
2012	63,170,000	7,040,831	56,129,169	1.77%	196
2013	54,797,000	3,873,116	50,923,884	1.63%	176
2014	52,382,380	2,674,908	49,707,472	1.64%	171

Source: District Basic Financial Statements

Notes: 1 Details regarding the District's outstanding debt can be found in the notes to the financial statements.

2 This amount represents funds reserved for Debt Service.

3 See the Schedule of Assessed and Estimated Actual Value of Taxable Property.

4 Population data can be found on the Schedule of Spartanburg County Demographic Statics

\* Figures restated to reflect corrected percentage

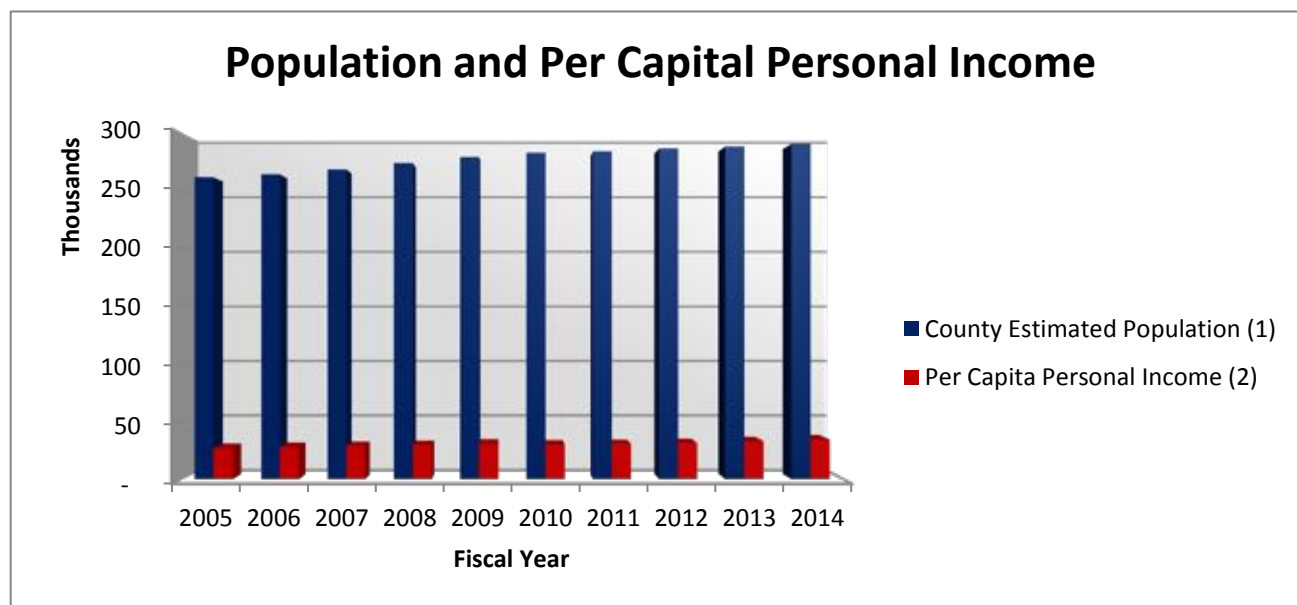
**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Computation of Legal Debt Margin**  
**(Last Ten Fiscal Years)**  
**(Unaudited)**

Last 10 Fiscal Years	2014	Fiscal Year	Debt Limit	Total Debt		Total Debt Applicable as a Percentage of Debt Limit
				Applicable to Limit	Legal Debt Margin	
Total Assessed Value	\$ 197,268,520	2013	\$ 15,403,093	\$ 7,121,884	\$ 8,281,209	46.2%
Legal Debt Limit - 8% of Assessed Value	15,781,482	2012	15,350,152	8,299,169	7,050,983	54.1%
Amount of Debt Applicable to Debt Limit		2011	15,519,586	11,179,026	4,340,560	72.0%
Total General Obligation Debt	46,512,380	2010	16,040,584	11,150,000	4,890,584	69.5%
Less General Obligation Debt issued through Referendum	(33,700,000)	2009	15,922,546	10,645,000	5,277,546	66.9%
Less: Amount Available for Repayment of GO Debt	(2,674,908)	2008	14,241,976	7,434,000	6,807,976	52.2%
Total Amount of Debt Applicable to Debt Limit	10,137,472	2007	14,274,653	12,406,828	1,867,825	86.9%
Legal Debt Margin	5,644,010	2006	14,208,411	13,095,448	1,112,963	92.2%
		2005	14,215,629	13,158,785	1,056,844	92.6%

Article X, Section 15 of the Constitution of the State of South Carolina, 1895 as amended (the "Constitution"), empowers each school district of the State to incur General obligation debt in such terms and conditions as the General Assembly shall prescribe by law. After November 30, 1982, each school district may incur general obligation debt, without an election and upon such terms and conditions as the General Assembly may prescribe, in an amount not exceeding 8% of the assessed value of all taxable property of such school district. Bonded indebtedness existing on November 30, 1982, and the bonded indebtedness authorized by a majority vote of the qualified electors of the school district voting in a referendum will not be considered in the computation of the 8% limitation.

**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Spartanburg County Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>County Estimated Population <sup>(1)</sup></b>	<b>Personal Income <sup>(2)</sup></b>	<b>Per Capita Personal Income <sup>(2)</sup></b>	<b>Unemployment Rate <sup>(3)</sup></b>
2005	261,828	\$ 7,073,835	\$ 26,894	7.5%
2006	264,481	7,406,903	27,854	6.6%
2007	268,898	7,884,703	29,123	5.6%
2008	274,215	8,325,388	30,085	6.8%
2009	279,673	8,775,338	31,061	12.0%
2010	283,335	8,674,039	30,242	11.4%
2011	284,307	8,811,156	30,939	10.6%
2012	286,868	9,085,133	31,670	10.1%
2013	288,745	9,575,231	33,162	8.4%
2014	290,969	10,091,767	34,724	6.3%



Note: Data pertains to Spartanburg County which has 7 school districts.

Source: 1: US Census Bureau - Estimates for most recent year

2: Bureau of Economic Analysis - Estimates for most recent year

3: Bureaus of Labor Statistics

**SPARTANBURG COUNTY SCHOOL DISTRICT 7**  
**Spartanburg County Principal Employers**  
**Fiscal Year Ended June 30, 2014 and Nine Years Prior**  
**(Unaudited)**

<b>Employer</b>	<b>Fiscal Year 2014</b>			<b>Fiscal Year 2005*</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total Employment</b>
BMW Manufacturing	8,000	1	5.8%	4,300	3	2.3%
Spartanburg Co. Schools	6,351	2	4.6%	5,359	1	2.3%
Spartanburg Reg Med Ctr	5,992	3	4.4%	4,915	2	2.3%
State of South Carolina	2,164	4	1.6%	2,394	4	1.6%
Spartanburg County	1,508	5	1.1%	1,379	6	1.0%
Milliken & Company	1,320	6	1.0%	1,550-1,749	5	1.2%
Mary Black Memorial	1,075	7	0.8%	1,006	9	0.9%
Michelin Tire Company	1,060	8	0.8%	1,132	7	1.0%
Sealed Air (Cryovac)	1,044	9	0.8%	1,130	8	0.9%
Bi-Lo	804	10	0.6%	983	10	0.8%

Source: Spartanburg County Auditor's Office

\* Fiscal Year 2004 figures provided for 2005 due to data not being available from Spartanburg County Auditor's Office

**SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**  
**Full-Time Equivalent District Employees by Type**  
**Last Ten Fiscal Years**  
**(Unaudited)**

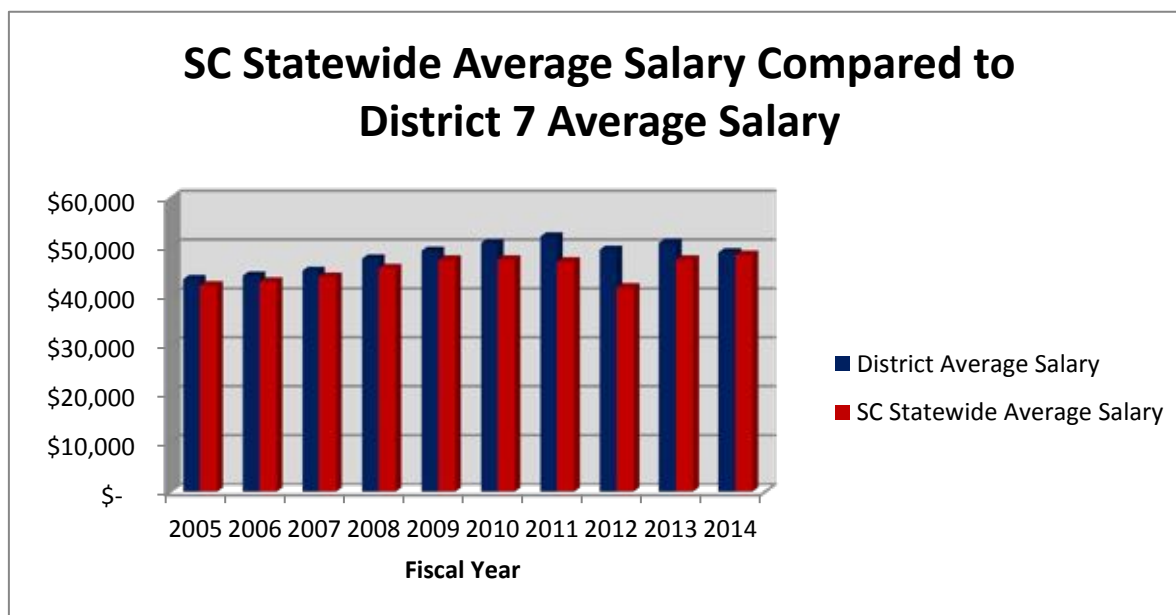
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Supervisory</b>										
Instructional Administrators	12	14	14	14	17	20	18	14	12	10
Noninstructional Administrators	5	5	5	5	6	6	7	8	8	8
Principals and Assistant Principals	37	40	38	37	36	37	39	40	42	40
<b>Total Supervisory</b>	<b>54</b>	<b>59</b>	<b>57</b>	<b>56</b>	<b>59</b>	<b>63</b>	<b>64</b>	<b>62</b>	<b>62</b>	<b>58</b>
<b>Instruction</b>										
Elementary	287	280	264	256	255	253	227	207	201	210
Secondary	274	276	273	260	241	234	222	255	255	258
*Vocational	20	20	21	21	5	4	5	2	2	-
Special Education	154	145	152	167	149	141	128	129	131	143
Gifted and Talented	11	11	11	10	9	8	8	7	7	7
Adult Education	3	3	4	4	4	4	5	5	5	5
Aides	175	160	163	150	145	161	143	143	162	176
<b>Total Instruction</b>	<b>923</b>	<b>895</b>	<b>888</b>	<b>868</b>	<b>807</b>	<b>805</b>	<b>738</b>	<b>747</b>	<b>763</b>	<b>798</b>
<b>Student Services</b>										
Guidance Counselors	32	32	32	32	30	29	29	30	29	29
Health Services	24	24	23	22	24	22	23	24	28	26
Psychologist	6	6	6	5	5	4	4	5	5	5
Media Center	14	15	14	14	13	14	13	12	12	11
Other professionals	33	30	27	33	44	39	47	45	39	38
Technicians	5	5	5	5	3	3	3	3	3	3
<b>Total student services</b>	<b>113</b>	<b>111</b>	<b>107</b>	<b>111</b>	<b>118</b>	<b>110</b>	<b>118</b>	<b>118</b>	<b>116</b>	<b>112</b>
<b>Support and Administration</b>										
Transportation	54	51	53	51	55	61	56	52	57	46
Operations and Maintenance	90	87	86	83	84	95	90	88	90	91
Data Processing	2	2	2	2	2	2	2	2	2	1
Food Service	18	16	13	12	12	12	10	8	5	5
Other professionals	20	19	20	19	25	21	23	21	16	18
Other clerical/secretarial	42	44	45	46	46	48	51	50	54	62
<b>Total support and administration</b>	<b>227</b>	<b>219</b>	<b>219</b>	<b>213</b>	<b>224</b>	<b>239</b>	<b>231</b>	<b>221</b>	<b>224</b>	<b>223</b>
<b>Total</b>	<b>1,318</b>	<b>1,284</b>	<b>1,270</b>	<b>1,248</b>	<b>1,209</b>	<b>1,217</b>	<b>1,151</b>	<b>1,149</b>	<b>1,165</b>	<b>1,191</b>

\*Spartanburg School District 3 became the Fiscal Agent for Daniel Morgan Technology Center effective July 1, 2008.

\*\*Classification totals were adjusted to reflect the current position classifications being utilized beginning with FY 2005.

**SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**  
**Teacher Base Salaries**  
**Last Ten Fiscal Years**  
**(Unaudited)**

<b>Fiscal Year</b>	<b>District Minimum Salary</b>	<b>District Maximum Salary</b>	<b>District Average Salary</b>	<b>SC Statewide Average Salary</b>
2005	\$ 28,978	\$ 62,173	\$ 43,444	\$ 42,207
2006	29,444	63,165	44,143	42,959
2007	30,482	65,376	45,169	43,991
2008	31,492	67,523	47,618	45,758
2009	32,706	70,107	49,234	47,421
2010	32,706	70,107	50,859	47,508
2011	32,706	70,107	52,177	47,050
2012	32,706	70,107	49,503	41,727
2013	33,360	71,510	50,892	47,428
2014	33,360	71,510	48,938	48,430



# SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7

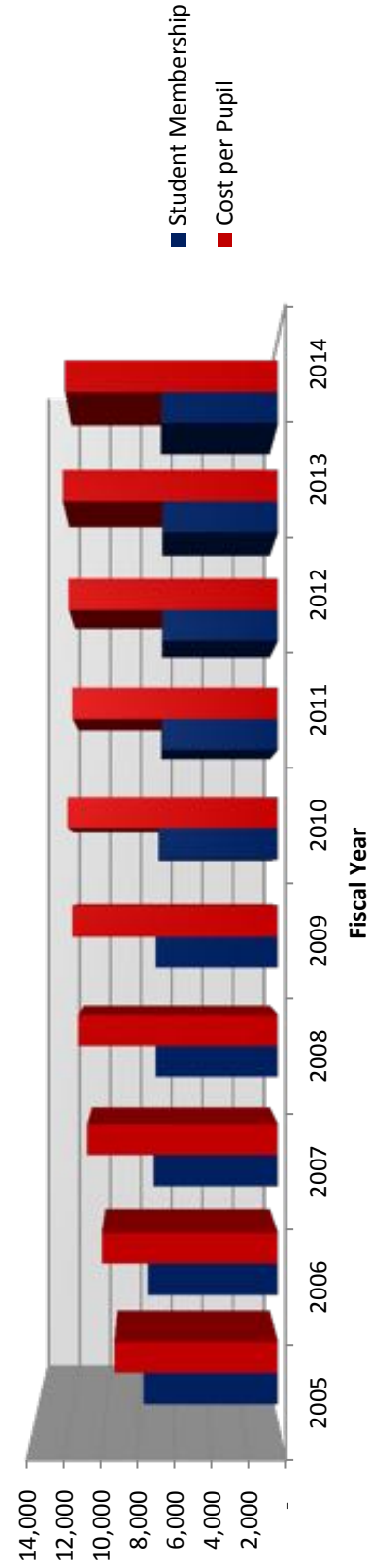
## Operational Statistics

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	Expenditures	Student Membership	Cost per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio
2005	\$ 72,993,779	7,744	\$ 9,426	5.7%	750	10.33
2006	75,885,752	7,484	10,140	7.6%	704	10.63
2007	78,330,640	7,152	10,952	8.0%	665	10.75
2008	80,792,563	7,028	11,495	5.0%	718	9.79
2009	83,023,067	7,027	11,814	2.8%	662	10.61
2010	82,617,601	6,829	12,098	2.4%	644	10.60
2011	78,700,261	6,658	11,820	-2.3%	594	11.21
2012	79,930,503	6,646	12,026	1.7%	604	11.00
2013	81,973,501	6,624	12,375	2.9%	601	11.02
2014	82,085,492	6,707	12,239	-1.1%	622	10.78

### Student Membership and Cost Per Pupil



Source: District Records, District Basic Financial Statements  
Expenditures exclude Capital Funds, Debt Service Funds, and McCarthy Tetzler School Expenditures

**SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7**  
**School Building Information**  
**Last Ten Fiscal Years**  
**(Unaudited)**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Elementary</b>										
Jesse Boyd (1965, 2001)										
Square Feet	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400	111,400
Capacity	696	696	696	696	696	696	696	696	696	696
Enrollment	602	594	594	502	517	479	503	448	456	432
Chapman (1969, 2002)										
Square Feet	83,728	83,728	83,728	83,728	83,728	83,728	83,728	83,728	83,728	83,728
Capacity	523	523	523	523	523	523	523	523	523	523
Enrollment	430	414	414	463	461	459	436	381	372	399
Cleveland (1950, new building 1999)										
Square Feet	90,612	90,612	90,612	90,612	90,612	90,612	90,612	90,612	90,612	90,612
Capacity	566	566	566	566	566	566	566	566	566	566
Enrollment	313	300	300	456	418	407.28	402	419	455	495
Houston (1955, 2001)										
Square Feet	85,968	85,968	85,968	85,968	85,968	85,968	85,968	85,968	85,968	85,968
Capacity	537	537	537	537	537	537	537	537	537	537
Enrollment	384	366	366	314	356	395	388	322	343	365
Z.L. Madden (1958, 2006, 2008 two portables)										
Square Feet	89,294	89,294	89,294	90,794	90,794	90,794	90,794	89,294	89,294	89,294
Capacity	558	558	558	567	567	567	567	558	558	558
Enrollment	428	368	368	-	-	-	-	-	-	-
Park Hills Early Learning Center (1954, 2001)										
Square Feet	82,341	82,341	82,341	82,341	82,341	82,341	82,341	82,341	82,341	82,341
Capacity	515	515	515	515	515	515	515	515	515	515
Enrollment	362	350	350	378	363	338	285	-	-	-
Pine Street ( 1928, 2000)										
Square Feet	132,475	132,475	132,475	132,475	132,475	132,475	132,475	132,475	132,475	132,475
Capacity	828	828	828	828	828	828	828	828	828	828
Enrollment	711	739	739	745	780	749	732	683	686	677
E.P. Todd (1939, new building 2001, 2010 3K-8th grade, 2014 Porta										
Square Feet	116,303	116,303	116,303	116,303	116,303	116,303	116,303	117,803	117,803	119,303
Capacity	727	727	727	727	727	727	727	736	736	736
Enrollment	705	651	651	615	636	621	732	864	854	858
Mary H. Wright (1950, new building 2001)										
Square Feet	72,975	72,975	72,975	72,975	72,975	72,975	72,975	72,975	72,975	72,975
Capacity	456	456	456	456	456	456	456	456	456	456
Enrollment	215	175	175	324	316	312	319	492	448	466
<b>Middle School</b>										
Carver (1933, new building 2001)										
Square Feet	135,828	135,828	135,828	135,828	135,828	135,828	135,828	135,828	135,828	135,828
Capacity	679	679	679	679	679	679	679	679	679	679
Enrollment	636	647	647	626	594	520	565	520	525	526
McCracken (1978, 2001)										

Source: District Records  
Note: Original construction and most major renovation years are listed. Totals do not include early childhood programs.



Square Feet	154,779	154,779	154,779	154,779	154,779	154,779	154,779	154,779	154,779	154,779	154,779	154,779
Capacity	910	910	910	910	910	910	910	910	910	910	910	910
Enrollment	828	761	761	730	703	751	818	689	708	710		
Whitlock Flexible Learning Center(1978, 2001, 2010 New Name)												
Square Feet	150,145	150,145	150,145	150,145	150,145	150,145	150,145	150,145	150,145	150,145	150,145	150,145
Capacity	883	883	883	883	883	883	883	883	883	883	883	883
Enrollment	571	564	564	354	325	285	-	-	-	-	-	-
<b>High School</b>												
Spartanburg (1957, 2001, 2005, 2012-FA, Athletic Storage)												
Square Feet	412,856	412,856	412,856	412,856	412,856	412,856	412,856	412,856	412,856	412,856	412,856	412,856
Capacity	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877	1,877
Enrollment	1,559	1,555	1,555	1,521	1,552	1,513	1,476	1,827	1,779	1,779	1,779	1,779
<b>Auxiliary</b>												
Administration (1970)												
Square Feet	16,320	16,320	16,320	16,320	16,320	16,320	16,320	16,320	16,320	16,320	16,320	16,320
Transportation (2001)	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980	3,980
Square Feet	15,589	15,589	15,589	15,589	15,589	15,589	15,589	15,589	15,589	15,589	15,589	15,589
District Instructional Support Ctr. (1984, 1999)												
Square Feet	84,632	84,632	84,632	84,632	84,632	84,632	84,632	84,632	84,632	84,632	84,632	84,632
District Seven Operational Ctr. (1929, 1981, 2008 new building)												
Square Feet	76,162	76,162	76,162	-	-	-	-	-	-	-	-	-
Southside Learning Ctr. (1950) No longer												
Square Feet												



*Tradition. Excellence. Innovation.*

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**7**  
**Spartanburg**  
School District  
**SEVEN**



# Single Audit

## *Single Audit*

*The following information is related to the annual single audit including the schedule of federal assistance, findings and recommendations, and auditor's reports on the internal control structure 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

To the Board of Trustees of  
Spartanburg County School District No. 7  
Spartanburg, 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 No. 7 ("the District") as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 15, 2014.

**Internal Control over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

To the Board of Trustees of  
Spartanburg County School District No. 7  
Page Two

### **Purpose of this Report**

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

*McAbee, Schwartz, Halliday & Co.*

Spartanburg, South Carolina  
October 15, 2014

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND  
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Board of Trustees of  
Spartanburg County School District No. 7  
Spartanburg, South Carolina

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

We have audited Spartanburg County School District No. 7's (the "District") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2014. The District's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Spartanburg County School District No. 7's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

**Opinion on Each Major Federal Program**

In our opinion, Spartanburg County School District No. 7 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, 2014.

**Other Matters**

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014-001. Our opinion on each major federal program is not modified with respect to this matter.

### **Report on Internal Control over Compliance**

Management of Spartanburg County School District No. 7 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

*McAbee, Schwartz, Haliday & Co.*

Spartanburg, South Carolina  
October 15, 2014



SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number		Expenditures
<u>U.S. Department of Agriculture</u>					
Pass-through S.C. Department of Education					
600	USDA Commodities (Food Distribution Program) -				
	Non-Cash Assistance	10.550	N/A	\$ 199,153	
600	School Breakfast Program	10.553	N/A	1,056,137	
600	School Lunch Program	10.555	N/A	2,437,684	
600	Fresh Fruits and Vegetable Program	10.582	13FV084	<u>72,551</u>	3,765,525
Pass-through S.C. Department of Social Services					
600	S.C. D.S.S. CACFP Program	10.558	N/A		<u>264,035</u>
Total U.S. Department of Agriculture					<u>4,029,560</u>
<u>U.S. Department of Education</u>					
Direct Program					
295	Full Service Community Grant	84.215J	U215J100232		569,088
Pass-through S.C. Commission on Higher Education					
910	College Access Challenge	84.378A	P378A100048		2,554
Pass-through S.C. Department of Education					
201	Title I Grants to LEA's	84.010	14BA084	3,071,194	
221	Title I Neglected and Delinquent	84.013	14ND084	12,768	
221	Title I Neglected and Delinquent	84.013	13ND084	8	
237	Title I Grants to LEA's	84.010	13BM084	24,248	
237	Title I Grants to LEA's	84.010	12BJ084	51,198	
238	Title I Grants to LEA's	84.010	14BM084	8,468	
239	Title I Grants to LEA's	84.010	14BL084	<u>73,735</u>	3,241,619
203	IDEA - Children with Disabilities	84.027	14CA084	1,274,238	
203	IDEA - Children with Disabilities	84.027	13CA084	718,480	
203	IDEA - Children with Disabilities	84.027	12CA084	39,875	
204	IDEA - Children with Disabilities	84.027	ESY	2,406	
205	Handicapped Preschool Grant	84.173	14CG084	20,250	
205	Handicapped Preschool Grant	84.173	13CG084	91,641	
205	Handicapped Preschool Grant	84.173	12CG084	<u>11,415</u>	2,158,305
207	CATE (subprogram 01)	84.048	13VA084	3,284	
207	CATE (subprogram 04)	84.048	13VA084	4,981	
207	CATE (subprogram 05)	84.048	13VA084	3,007	
207	CATE (subprogram 06)	84.048	13VA084	15,362	
207	CATE (subprogram 09)	84.048	13VA084	90,286	
207	CATE (subprogram 14)	84.048	13VA084	500	
207	CATE (subprogram 15)	84.048	13VA084	<u>2,734</u>	120,154
226	School Improvement Grant (ARRA)	84.388	13SH084		168,600
232	McKinney-Vento Homeless Assistance Act	84.196	14FH084	25,693	
232	McKinney-Vento Homeless Assistance Act	84.196	13FH084	23,252	
233	McKinney-Vento Homeless Assistance Act	84.196	12FH084	<u>8,846</u>	57,791
243	Adult Education - Basic Grants to States	84.002	14EA084	206,488	
243	Adult Education - Basic Grants to States	84.002	13EA084	15,962	
243	Adult Education - Basic Grants to States	84.002	14ED084	<u>18,000</u>	240,450

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

LEA Subfund Code	Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Pass- through Grantor's Number	Expenditures	
U.S. Department of Education - Continued					
Pass-through S.C. Department of Education - Continued					
264	English Language Acquisition	84.365	14BP084	24,769	
264	English Language Acquisition	84.365	13BP084	24,239	
264	English Language Acquisition	84.365	12BP084	38	49,046
267	Improving Teacher Quality	84.367	14TQ084	372,167	
267	Improving Teacher Quality	84.367	13TQ084	160,941	533,108
Total U.S. Department of Education					7,140,715
U.S. Department of Defense					
Direct Program					
100	Army Air Force ROTC	12.000	N/A		47,972
Total U.S. Department of Defense					47,972
U.S. Department of Health and Human Services					
Pass-through S.C. Campaign to Prevent Teen Pregnancy					
895	SC Teen Pregnancy	93.297	5U58DP002913		72,692
Total U.S. Department of Health and Human Services					72,692
Corporation for National and Community Service					
Pass-through United Way					
805	AmeriCorps	94.006	13AC126871		15,619
Total Corporation for National and Community Service					15,619
Total Federal Assistance Expended					\$ 11,306,558

## BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spartanburg County School District No. 7 and Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014

No prior findings and questioned costs.

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014

**Section I - Summary of Auditor's Results**Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material Weakness(es) identified?            yes       x       no

Significant deficiency(ies) identified that are not considered to be material weaknesses?            yes       x       none reported

Noncompliance material to financial statements noted?            yes       x       no

Federal Awards

Internal control over major programs:

Material Weakness(es) identified?            yes       x       no

Significant deficiency(ies) identified that are not considered to be material weaknesses?            yes       x       none reported

Type of auditor's report issued on compliance for major program Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?       x       yes            no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027 & 84.173	IDEA Cluster
84.388	School Improvement Grant (ARRA)
84.215J	Full Service Community Grant

Dollar threshold used to distinguish between type A and type B programs: \$ 339,197

Auditee qualified as low-risk auditee?       x       yes            no

**Section II - Financial Statement Findings**

None

SPARTANBURG COUNTY SCHOOL DISTRICT NO. 7  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014

**Section III - Federal Award Findings and Questioned Costs**

U.S. Department of Education

Questioned Costs

Pass-through S.C. Department of Education

**Finding 2014-001 - Allowable Costs - Time and Reporting Requirements**

**None**

IDEA Cluster: CFDA Numbers: 84.027 & 84.173  
Grant Period: June 30, 2014

**Criteria and Condition:** Employees funded in part or in whole by federal funds must sign either a semi-annual certification or a personnel activity report (PAR) to support the amount of salary charged to the program. None of the employees that were required to have either documentation, did not have the proper documentation to certify their time being charged to the federal program.

**Reason Improvement Needed:** Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its federal programs is the responsibility of the District's management.

**Cause of Condition:** The District's management did not obtain the required semi-annual certifications or personnel activity reports that are applicable to each of its major programs.

**Effect of Condition:** The District could be subject to claims or future funding could be limited or suspended by the funding agency for failure to comply with the requirements.

**Recommendation:** We recommend that the District monitor and gather the necessary certifications or reports that are required to maintain compliance with its major programs.

**Client Response:** We concur that employees who are federally funded must sign a certification twice a year. However, signatures for the certification were only received once during the fiscal year. Management will work with appropriate program supervisors to ensure that the certifications are signed twice during the fiscal year.

