



NEW ISSUE – BOOK-ENTRY ONLY

Ratings: Moody's: Aa1

Underlying: Aa2

(See "RATINGS" herein)

In the opinion of Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, Bond Counsel, under existing law, assuming compliance by the School District with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations. See "LEGAL MATTERS - Tax Exemption" herein for a brief description of certain federal income tax consequences to certain recipients of interest on the Bonds. The Bonds and the interest thereon will also be exempt from all State of South Carolina, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.

\$30,000,000

**SPARTANBURG COUNTY SCHOOL DISTRICT SIX,
SOUTH CAROLINA
GENERAL OBLIGATION BONDS
SERIES 2024**

Dated: Date of Delivery

Due: April 1, as shown below

The not exceeding \$30,000,000 General Obligation Bonds, Series 2024 ("**Bonds**"), will be general obligation bonds of Spartanburg County School District Six, South Carolina ("**School District**"), and as such the full faith, credit, resources and taxing power of the School District will be irrevocably pledged for the payment thereof. See "THE BONDS – Security" herein.

The Bonds will be issued in fully registered form and when issued will be registered to Cede & Co., as nominee of The Depository Trust Company, New York, New York ("**DTC**"), to which principal and interest payments on the Bonds will be made. Individual purchases of the Bonds will be made in book-entry form only, in denominations of \$5,000 or any whole multiple thereof. So long as Cede & Co. is the registered owner of the Bonds, references herein to the holders of Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of such Bonds, and the principal and interest on such Bonds will be payable to Cede & Co., which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the beneficial owners of such Bonds. U.S. Bank Trust Company, National Association, will serve as Registrar/Paying Agent for the Bonds so long as the Bonds remain in book-entry form. See Appendix D - "Book-Entry System."

The Bonds will be dated as of their date of delivery and will mature on April 1 in each of the years and in the principal amounts and will bear interest (based on a 360-day year consisting of twelve 30-day months) at the rates shown below. Interest on the Bonds is payable semiannually on each April 1 and October 1, commencing on April 1, 2025. The Bonds are not subject to optional redemption.

| (April 1) <u>Year</u> | Principal <u>Amount</u> | Interest <u>Rate</u> | <u>Yield</u> | <u>Price</u> | <u>CUSIP</u> [†] |
|--------------------------|----------------------------|-------------------------|--------------|--------------|---------------------------|
| 2025 | \$14,925,000 | 5.25% | 2.550% | 101.434% | 847065HH5 |
| 2026 | 7,540,000 | 5.25 | 2.470 | 104.171 | 847065HJ1 |
| 2027 | 7,535,000 | 5.25 | 2.450 | 106.850 | 847065HK8 |

The interest rates have been determined through a competitive sale process held on August 28, 2024. The Bonds were awarded to the Underwriter (as defined herein), which has provided the information shown above concerning the reoffering yields for the Bonds. See "UNDERWRITING" herein.

The Bonds are offered when, as and if issued and subject to the approving opinion as to their legality of Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, Bond Counsel. It is expected that the Bonds in definitive form will be available for delivery, under DTC's Fast Automated Securities Transfer program, on or about September 17, 2024.

This cover page contains certain information for quick reference only. It is not a summary of the issue. Investors should read the entire Official Statement to obtain information essential to the making of an informed investment decision.

This Official Statement is dated August 28, 2024.

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright © 2024 CUSIP Global Services. All rights reserved. CUSIP® numbers are provided for convenience of reference only. None of the School District, the Underwriter, or their agents or counsel assume responsibility for the accuracy of such numbers.

REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds identified on the cover. No dealer, broker, salesman or other person has been authorized by the School District or the Underwriter (as defined herein) to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the School District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The School District agrees that no more than seven business days after the date of acceptance of a competitive bid from the Underwriter and, in any event, in sufficient time to accompany confirmations requesting payment from customers, it shall provide without cost to the Underwriter copies of this Official Statement in an amount sufficient to permit the Underwriter to comply with Reg. § 240.15c2-12(b)(4) promulgated by the Securities and Exchange Commission and with the rules of the Municipal Securities Rulemaking Board.

Upon execution and delivery, the Bonds will not be registered under the Securities Act of 1933 as amended or any state securities law, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, this document, as the same may be supplemented or corrected by the School District from time to time, may be treated as an "official statement" with respect to the Bonds that is deemed final as of the date hereof (or of any such supplement or correction) by the School District.

Certain information contained in this Official Statement may have been obtained from sources other than records of the School District and, while believed to be reliable, is not guaranteed as to completeness or accuracy. References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this final Official Statement.

This Official Statement is not to be construed as a contract or agreement between the School District and the Underwriter and the purchasers or owners of any of the Bonds. The information and expressions of opinion in this Official Statement are subject to change, and neither the delivery of this Official Statement nor any sale made under such document shall create any implication that there has been no change in the affairs of the School District since the date hereof.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to this Official Statement, they will be furnished on request.

**SPARTANBURG COUNTY SCHOOL DISTRICT SIX,
SOUTH CAROLINA**

BOARD OF TRUSTEES

Christie Johnson, Chair
Troy Yarborough, Vice-Chair
Charles Boyd, Secretary
Nicole Bulman
Lynn Harris
Rev. Kevin Harrison
Wendell Lee
Henry Ross, Jr.
Tracy Smith

SUPERINTENDENT

Ken Kiser

ASSISTANT SUPERINTENDENT FOR FINANCE

Dr. Omar Daniels

BOND COUNSEL

Parker Poe Adams & Bernstein LLP

FINANCIAL ADVISOR

First Tryon Advisors

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INTRODUCTION

This Introduction briefly describes the contents of this Official Statement and is expressly qualified by reference to the entire contents hereof, including appendices, as well as of the documents summarized or described herein.

The Issuer

The General Obligation Bonds, Series 2024 (“**Bonds**”), are being issued by Spartanburg County School District Six, South Carolina (“**School District**”), a duly constituted body politic and political subdivision of the State of South Carolina (“**State**”).

Each fiscal year is a 12-month period beginning July 1 in each year and ending June 30 of the following year. Reference herein to “Fiscal Year” or “FY” followed by a year designation means the Fiscal Year ended or ending on June 30. For example, “Fiscal Year 2023” or “FY23” means the Fiscal Year ended June 30, 2023.

Security

For the payment of principal of and interest on the Bonds, the full faith, credit, resources and taxing power of the School District are irrevocably pledged. In addition, Article X, Section 15, Paragraph 4 of the Constitution of the State of South Carolina, 1895, as amended (“**State Constitution**”), provides that if any school district fails to pay principal of or interest on general obligation debt when due, the State Treasurer may withhold moneys from State appropriations and effect payment of principal of or interest on such debt. See “THE BONDS – Security” and “– Additional Security for the Bonds” herein.

Purpose of the Bonds

The Bonds are being issued for the purposes of (i) defraying the costs of, among other things, constructing, improving, equipping, renovating and repairing of school buildings or other school facilities or the cost of the acquisition of land whereon to construct or establish such school facilities in the School District, which projects are either (a) approved by the Board of Trustees of the School District (“**Board**”) in the School District’s capital improvement budget as such budget may be modified from time to time, or (b) otherwise approved expenditures that constitute capital improvements under Title 59, Chapter 71, Article 1 (“**School Bond Act**”), Code of Laws of South Carolina, 1976, as amended (“**South Carolina Code**”); provided that in the event of a delay or change in plans concerning the enumerated projects, the Board reserves the right to substitute other capital improvements therefor and (ii) paying the costs and expenses of issuing the Bonds, all as authorized by a resolution adopted by the Board on August 5, 2024 (“**Resolution**”).

Details of the Bonds

The Bonds will be general obligation bonds of the School District; will be issuable in fully registered form and, when issued, will be registered to Cede & Co., as nominee for The Depository Trust Company, New York, New York (“**DTC**”); will be dated as of their date of delivery, which is expected to be September 17, 2024, will bear interest (based on a 360-day year consisting of twelve 30-day months) from their date at the rates shown on the front cover hereof payable semiannually on each April 1 and October 1, commencing on April 1, 2025, until they mature; and will mature serially on April 1 in each of the years and in the principal amounts set forth on the front cover hereof. The Bonds are not subject to optional redemption prior to their stated maturities. See “THE BONDS” for further information.

Tax Status of Interest on the Bonds

In the opinion of Bond Counsel (as defined in “Professionals Involved in the Offering” below), subject to the conditions and limitations stated therein and assuming compliance by the School District with the provisions of the Internal Revenue Code of 1986, as amended (“**Code**”), interest on the Bonds is (i) excludable from gross income for federal income tax purposes, (ii) not an item of tax preference for purposes of the federal alternative minimum tax, and (iii) exempt from all State, county, municipal, school

district, and all other taxes and assessments imposed within the State, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes and certain franchise taxes. Bond Counsel observes that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. See “LEGAL MATTERS – Tax Exemption” herein. The form of the opinion to be delivered by Bond Counsel at closing is attached hereto as Appendix B.

Professionals Involved in the Offering

U.S. Bank Trust Company, National Association, serves as registrar and paying agent (“**Registrar/Paying Agent**” or “**Paying Agent**”) for the Bonds. Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, is acting as bond counsel (“**Bond Counsel**”) to the School District. First Tryon Advisors serves as financial advisor to the School District.

Independent Auditors

Halliday, Schwartz & Co., Certified Public Accountants, the School District’s independent auditor, has not been engaged to perform, and has not performed, since the date of the Financial Statements and Supplementary Information of the School District for Fiscal Year 2023 (“**School District 2023 ACFR**”), a copy of which is included herein as Appendix A, any procedures on the School District 2023 ACFR. Halliday, Schwartz & Co. has not performed any procedures relating to this Official Statement.

Authority for Issuance of the Bonds

The Bonds are being issued pursuant to the State Constitution, the laws of the State, and the Resolution. See “THE BONDS – Authorization” herein.

Information Concerning Terms of the Offering

The Bonds are being issued in book-entry-only form. It is expected that the Bonds will be delivered to Cede & Co., at the offices of DTC, on or about September 17, 2024, and will be available for credit to the accounts of the Participants (as defined in “THE BONDS – Book-Entry System”) and, through them, the actual purchaser of the Bonds (“**Beneficial Owner**”) on such date. Information on limitations on transfer of ownership is set forth in Appendix D - “Book-Entry System.”

General

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of the Official Statement will be deposited with the Electronic Municipal Market Access system (EMMA[®]), a service of the Municipal Securities Rulemaking Board, found at <http://emma.msrb.org/>. Copies of the Preliminary Official Statement, the Official Statement, the Resolution and related documents and information are available by contacting Dr. Omar G. Daniels, Assistant Superintendent for Finance, Spartanburg County School District Six, 1390 Cavalier Way, Roebuck, South Carolina 29376 (864-216-4363) or Bond Counsel, Parker Poe Adams & Bernstein LLP, Attn: Ray E. Jones, Esquire, 1221 Main Street, Suite 1100, Columbia, South Carolina 29201 (803-255-8000).

THE BONDS

Description

The Bonds will be general obligation bonds of the School District; will be issued in fully registered, book-entry form only, in denominations of \$5,000 each or any whole multiple thereof not exceeding the principal amount of Bonds maturing each year; will be numbered from R-1 upward; will be dated as of their delivery date, which is expected to be September 17, 2024; will bear interest (based on a 360-day year consisting of twelve 30-day months) from their date at the rates shown on the front cover hereof, payable semiannually on each April 1 and October 1, commencing April 1, 2025, to the person in whose names the Bonds are registered at the close of business on the 15th day of March or on the 15th day of September (each

a “**Record Date**”) next preceding such April 1 or October 1 until they mature; and will mature serially on April 1 in each of the years and in the principal amounts as shown on the front cover hereof.

Redemption of the Bonds

The Bonds are not subject to redemption prior to their stated maturities.

Defeasance

If all of the Bonds shall have been paid and discharged, then the obligations of the School District under the Resolution, and all other rights granted thereby, shall cease. Bonds shall be deemed to have been paid and discharged under any of the following circumstances:

(i) If a bank or other financial institution shall hold, at the stated maturities of the Bonds, in trust and irrevocably appropriated thereto, moneys for the full payment thereof; or

(ii) If default in the payment of the principal of the Bonds or the interest thereon shall have occurred, and thereafter tender of payment shall have been made, and a bank or other financial institution shall hold, in trust and irrevocably appropriated thereto, sufficient moneys for the payment thereof to the date of the tender of payment; or

(iii) If the School District shall have deposited with the bank or other financial institution, in an irrevocable trust, either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America, which are not subject to redemption by the issuer prior to the date of maturity thereof, as the case may be, the principal of and interest on which, when due, and without reinvestment thereof, will provide moneys, which together with the moneys, if any deposited with the bank or other financial institution at the same time, shall be sufficient to pay, when due, the principal, interest, and redemption premium or premiums, if any, due and to become due on the Bonds and prior to the maturity date or dates of the Bonds, or if the School District shall elect to redeem the Bonds prior to their stated maturities, and shall have irrevocably bound and obligated itself to give notice of the redemption thereof in the manner provided in the form of the Bonds herein, on and prior to the redemption date or dates of the Bonds, as the case may be; or

(iv) If there shall have been deposited with the bank or other financial institution either moneys in an amount which shall be sufficient, or direct general obligations of the United States of America the principal of and interest on which, when due, will provide moneys which, together with the moneys, if any deposited with the bank or other financial institution at the same time shall be sufficient to pay, when due, the principal and interest due and to become due on the Bonds on the maturity thereof.

Authorization

The Bonds will be issued pursuant to and in accordance with the laws and statutes of the State, including Article X, Section 15 of the State Constitution; the School Bond Act; Title 11, Chapter 27 of the South Carolina Code; and the Resolution.

Purpose

The Bonds are being issued for the purposes of (i) defraying the costs of, among other things, constructing, improving, equipping, renovating and repairing of school buildings or other school facilities or the cost of the acquisition of land whereon to construct or establish such school facilities in the School District, which projects are either (a) approved by the Board in the School District’s capital improvement budget as such budget may be modified from time to time, or (b) are otherwise approved expenditures that constitute capital improvements under the School Bond Act; provided that in the event of a delay or change in plans concerning the enumerated projects, the Board reserves the right to substitute other capital improvements therefor; and (ii) paying the costs and expenses of issuing the Bonds, all as authorized by the Resolution.

Security

For the payment of principal of and interest on the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary therefor, the full faith, credit, and taxing power of the School District will be irrevocably pledged, and there shall be levied annually by the Auditor of Spartanburg County, South Carolina (“*County*”), and collected by the Treasurer of the County, in the same manner as other County taxes are levied and collected, a tax, without limit, on all taxable property in the School District sufficient to pay the principal of and interest on the Bonds as they respectively mature and to create such sinking fund as may be necessary therefor.

Additional Security for the Bonds

Article X, Section 15, Paragraph (4) of the State Constitution, provides:

If at any time any school district shall fail to effect the punctual payment of the principal and interest of its general obligation debt, the State Treasurer shall withhold from such school district sufficient moneys from any state appropriation to which such school district may be entitled and apply so much as shall be necessary to the payment of the principal and interest on the indebtedness of the school district then due.

The following table shows the amount of State General Fund appropriations subject to being so withheld which were received by the School District for Fiscal Years 2019 through 2024.

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------|
| 2019 | \$63,167,932 |
| 2020 | 65,934,540 |
| 2021 | 67,999,802 |
| 2022 | 71,635,681 |
| 2023 | 77,075,812 |
| 2024 [†] | 80,051,083 |

[†] Unaudited.

The intercept provisions of the State Constitution described above are enhanced by Section 59-71-155 of the South Carolina Code, which applies to all school district general obligation bonds outstanding. Under the statutory enhancement, a county treasurer is required to notify the State Treasurer on the fifteenth day prior to the due date of any payment of principal or interest on a school district’s general obligation bonds if the county treasurer or any other paying agent does not have on deposit the sum required to make that payment. On the third business day prior to the due date of the payment, if the county treasurer or any other paying agent does not have on hand the amount required to effect such payment, the State Treasurer is directed to transfer to the county treasurer from the general fund of the State the sum necessary to effect such payment, provided that the total amount of the payments so transferred in any fiscal year may not exceed the amount appropriated in the State’s budget under the Aid to Classrooms program¹ for that fiscal year. The budgeted appropriation for the Aid to Classrooms program for the fiscal year beginning July 1, 2024, is \$3,667,238,424. After any such transfer, the State Treasurer will seek to reimburse the State’s general fund by withholding future distributions of State revenue from that school district. The amounts to be withheld from the school district will equal the sums transferred to make any payment plus the loss of

¹ As of Fiscal Year 2023, State funding to school districts is provided under the Aid to Classrooms program. See FINANCIAL AND TAX INFORMATION – Revenues – *Aid to Classrooms*” herein. For purposes of the intercept provisions, the State appropriations bill under which the Aid to Classrooms program was enacted deems any reference to the Education Finance Act to mean a reference to the Aid to Classrooms program. Therefore, any funds which a school district may receive under the Aid to Classroom program from the State are subject to transfer by the State Treasurer in order to make any payment of principal or interest on a school district’s general obligation bonds.

investment earnings that would have been received on the monies advanced from the State's general fund. The provision contains a mechanism to reimburse the school district for such withholdings from taxes thereafter collected. If there is an advance from the State's general fund under the intercept provisions, the county auditor is directed to adjust the millage levied for the payment of debt service on the school district's bonds for the next fiscal year in order to provide for the punctual payment of all sums during that year and to file a report with the State Treasurer demonstrating compliance not later than five business days after millage is set for the next fiscal year.

In summary, the statutory intercept provisions enhance the Constitutional intercept provisions by providing that: (i) the advance from the State Treasurer will be made in time to permit the timely payment of debt service on the school district bonds; (ii) the advance is not limited to the amount due to a school district from the State; and (iii) there is subsequent monitoring to prevent a recurrence.

Miscellaneous

Neither the Bonds nor any of the documents relating to their issuance contain any covenants or periodic reporting requirements that could result in a default. Payment of principal of and interest on the Bonds may be enforced against the School District and the pledge of the full faith credit and taxing power is enforceable by mandamus. The Bonds contain no provision for amendment of any of the terms thereof.

THE SCHOOL DISTRICT

General Description

The School District is located in the southeast central part of the County and encompasses a land area of approximately 138 square miles. The County is located in the northwestern Piedmont area of South Carolina and is bordered on the north by the State of North Carolina, the east by Cherokee and Union Counties, the south by Laurens County and the west by Greenville County.

A portion of the City of Spartanburg is within the boundaries of the School District. The School District's composition embraces urban, suburban, and rural areas. The most recent population estimate of the School District was 67,753.

The School District is one of seven districts within the County. The present area and boundaries of the School District were established in 1951 as a result of the consolidation of smaller school districts. The School District operates one high school (with a dedicated freshman campus), one ninth grade school, three middle schools, nine elementary schools and a Child Development Center ("**Child Development Center**"). The Child Development Center is the newest addition to the School District. The Child Development Center was developed to assist elementary age students who exhibit special needs or are deemed at-risk. Programs include speech and hearing, truancy intervention, translation, psychological counseling, and more. The goal is to offer a positive learning environment from four-year-old kindergarten onward in the effort to increase the number and quality of students graduating. The School District also jointly governs the R.D. Anderson Applied Technology Center ("**Technology Center**") with Spartanburg School District Four and Spartanburg School District Five. The Technology Center provides career curriculum and cooperative education to high school students from the three school districts. Several of the programs offer dual credit arrangements with nearby technical colleges.

The School District is operated as a voluntary non-racial unitary school system under the guidelines approved by the United States Department of Health, Education and Welfare. The School District is fully accredited by the Southern Association of Colleges and Schools and was the first district in the State to be so accredited.

Board of Trustees and Principal Administrative Officials

The present members of the Board of Trustees, their occupations and the expiration of their current, respective terms of office are as follows:

| <u>Name</u> | <u>Occupation</u> | <u>Term Expiration November</u> |
|---------------------------------|---|-------------------------------------|
| Mrs. Christie Johnson, Chair | Educator, Spartanburg Community College | 2025 |
| Mr. Troy Yarborough, Vice-Chair | CEO, Agape Care Group | 2025 |
| Mr. Charles Boyd, Secretary | Retired, State Farm Insurance Companies | 2027 |
| Ms. Nicole Bulman | Certified Public Accountant | 2025 |
| Mr. Lynn Harris | Engineering Services Mgr., Milliken Chemical | 2027 |
| Rev. Kevin Harrison | Executive Pastor, Anderson Mill Road Baptist Church | 2025 |
| Mr. Wendell Lee | Retired, Lee Well Drilling | 2027 |
| Mr. Henry Ross, Jr. | Mortgage Broker | 2027 |
| Mrs. Tracy Smith | Retired Educator | 2025 |

Ken Kiser, Superintendent. Mr. Kiser was appointed Superintendent by the Board, following a short term as Acting Superintendent, and assumed the role as Superintendent of the School District on November 1, 2023. Mr. Kiser previously served as the Deputy Superintendent since July 1, 2019, and served as the principal of Dorman High School from 2011 to 2019. Mr. Kiser is enrolled in the Doctor of Education degree program at Liberty University.

Dr. Omar G. Daniels, Assistant Superintendent for Finance. Dr. Daniels has been with the School District as the head of finance since 2007. He graduated with a Bachelor of Business Administration in Accounting and a Master of Business Administration from East Tennessee State University, and a Doctor of Education from Northcentral University. Prior to his employment at the School District, Dr. Daniels served as Director of Finance for Spartanburg County School District 7 for eight years and Assistant Director of Finance for two years. Dr. Daniels is a State-certified government finance officer.

County Board of Education

In the 1995, the General Assembly granted each school district in the County complete fiscal autonomy and vested all powers previously held by the County Board of Education in the board of trustees for each school district, excepting the responsibility to allocate certain State funds fairly and equally among the school districts which responsibility remained with the County Board of Education. To receive the State funds allocated by the County Board of Education, the School District must participate in a common teacher salary schedule with the other school districts in the County.

Public School Enrollment in the School District

Public school enrollment in the School District, based on a 135-day active student headcount, for the last five school years is shown in the following table:

| <u>School Year</u> | <u>Grades 1-8</u> | <u>Grades 9-12</u> | <u>Kindergarten</u> | <u>Total</u> |
|--------------------|-------------------|--------------------|---------------------|--------------|
| 2019-20 | 6,865 | 3,415 | 757 | 11,037 |
| 2020-21 | 6,609 | 3,505 | 752 | 10,866 |
| 2021-22 | 6,668 | 3,636 | 761 | 11,065 |
| 2022-23 | 6,800 | 3,709 | 732 | 11,241 |
| 2023-24 | 6,711 | 3,823 | 794 | 11,328 |

Source: S.C. Department of Education; School District.

Public School Enrollment in the County

Public school enrollment in the County, based on a 135-day active student headcount, including enrollment for the School District, for the last five school years, is shown in the following table:

| <u>School Year</u> | <u>Grades 1-8</u> | <u>Grades 9-12</u> | <u>Kindergarten</u> | <u>Total</u> |
|--------------------|-------------------|--------------------|---------------------|--------------|
| 2019-20 | 30,082 | 13,918 | 3,509 | 47,509 |
| 2020-21 | 29,110 | 14,202 | 3,318 | 46,630 |
| 2021-22 | 29,942 | 14,497 | 3,656 | 48,095 |
| 2022-23 | 31,189 | 14,965 | 3,891 | 50,045 |
| 2023-24 | 31,447 | 15,496 | 3,831 | 50,774 |

Source: S.C. Department of Education; School District.

School District Employees

The following table sets forth a categorical breakdown of the School District's total professional public school staff for the 2024-25 school year.

| | |
|----------------------------|-----------|
| <u>Administrative</u> | |
| Superintendent | 1 |
| Assistant Superintendents | 4 |
| Supervisors, Directors | 16 |
| Principals | 15 |
| Assistant Principals | 37 |
| <u>Instructional</u> | |
| Teachers | 837 |
| Librarians | 14 |
| Guidance Counselors | 27 |
| <u>Other Professionals</u> | |
| Non-instructional | <u>20</u> |
| TOTAL | 971 |

None of the employees of the School District are represented by unions or other collective bargaining groups. The School District believes itself to have good relations with its employees and there are no current or pending work stoppages.

Global Pandemics

The COVID-19 pandemic has altered the behavior of businesses, government, and people. The resulting and continued impact of any past or future pandemic on the School District, its operations, and the local, regional, and national and international economies cannot be quantified or forecasted due to the uncertainties relating to its continued duration and severity, as well as what further actions may be taken by governmental authorities, businesses, and institutions to respond to the impact.

Global pandemics may have an impact on the financial performance of the School District in the future, and the sources of revenues utilized by the School District, but the extent of those impacts cannot be predicted. Data presented in this Official Statement regarding revenues received by the School District in prior fiscal years should not be relied upon as a projection of revenues to be received by the School District in the present and future fiscal years. This Official Statement presents historical data, which may not be indicative of near-term trends. Investors should exercise caution when relying on such information.

ECONOMIC CHARACTERISTICS

Commerce and Industry

The School District is located in the County, which was founded in 1785 and is located in the northwestern Piedmont section of the State, approximately 180 miles northeast of Atlanta, Georgia, and 60 miles southwest of Charlotte, North Carolina. The County is part of the Spartanburg Metropolitan Statistical Area (“*MSA*”) and the Greenville-Spartanburg-Anderson Combined Statistical Area, the largest in the State, which encompasses Abbeville, Anderson, Cherokee, Greenville, Greenwood, Laurens, Oconee, Pickens, Spartanburg and Union Counties. The County includes the City of Spartanburg, which is the county seat and one of the largest cities in the State.

The County has transformed itself over the last century from its industrial beginnings in textiles in the early 20th century to more diversified manufacturing center with more than 480 manufacturing firms. The County has a diverse economy with representation from over 200 international firms representing 25 different countries. International firms with a strong presence in Spartanburg include: BMW, Adidas, Draxlmaier, Michelin, Rochling, Magna, Indorama, Toray Carbon Fibers of America, Kobelco Construction Machinery Co., Jiangnan Mold Plastic Technology Corporation, Trelleborg, and Plastic Omnium.

Recent economic development projects within the County include a \$425 million investment by a group of public and private partners to build a Minor League Baseball stadium, along with residential, retail, and office space, on the western edge of Downtown Spartanburg. Fifth Third Park will have 3,500 fixed seats and an approximately 5,000 square foot Club room available year-round for public and private events.

TIME Bicycles, leading carbon fiber bicycle manufacturer, the company announced plans to establish a facility along the soon-to-be-developed Saluda Grade Rail Trail. TIME is an international cycling leader, manufacturing bikes that have won Olympic gold medals, world championships, and numerous stages of the Tour de France. The investment totaled \$6.5 million and is expected to create 105 new jobs.

Milo’s Tea Co. announced it would invest \$130 million in a Moore facility, creating 103 new jobs.

Cytiva invested \$63 million to expand operations in the County.

Keurig Dr. Pepper announced it will continue the development of its state-of-the-art coffee roasting and manufacturing facility in the County. The company will invest \$100 million, creating 250 new jobs by 2027.

Toray, having paused manufacturing at its carbon-fiber facility due to the pandemic, announced a \$200 million expansion that will create 125 new jobs at its Composite Materials Plant in the County.

Lockhart Power, a utility provider in the County, invested \$14 million toward key infrastructure expansions in Tyger River Industrial Park North and in Pacolet.

The County is also the location of the Inland Port in Greer. The Intermodal facility extends the Port of Charleston’s reach 212 miles inland providing shippers access to more than 95 million customers in a one day drive. Based on the volume of containers handle per year, the Inland Port saves companies time and money, while lowering the carbon footprint. This success is driving tremendous interest in new port-dependent development and making existing businesses more competitive.

In particular, the School District’s economy is comprised of a proportional mix of manufacturing, residential and commercial development which has strengthened the School District’s ability to sustain its financial condition.

Population Growth

The United States Census Bureau (“*Census Bureau*”) reported that the 2020 population of the County was 327,997. This figure represents an approximate 15.4% increase in population over the 2010 census of 284,307. The estimated population of the County as of July 1, 2023, was 356,698.

The following table shows population information for the County for the last three decades.

| <u>Year</u> | <u>Spartanburg County</u> |
|-------------|---------------------------|
| 2000 | 253,957 |
| 2010 | 284,307 |
| 2020 | 327,997 |

Source: U.S. Census Bureau.

Per Capita Income

The per capita income in the County for each of the last five fiscal years for which information is available is shown below:

| <u>Fiscal Year</u> | <u>Per Capita Income</u> |
|--------------------|--------------------------|
| 2019 | \$43,148 |
| 2020 | 44,169 |
| 2021 | 46,543 |
| 2022 | 50,596 |
| 2023 | 52,621 |

Source: Spartanburg County Annual Comprehensive Financial Report 2023 (“*County 2023 ACFR*”); U.S. Bureau of Economic Analysis.

Median Family Income

The table below shows the median family income for the County and the State for the fiscal years shown:

| <u>Fiscal Year</u> | <u>County[†]</u> | <u>State</u> |
|--------------------|---------------------------|--------------|
| 2020 | \$64,700 | \$66,300 |
| 2021 | 68,800 | 68,700 |
| 2022 | 74,700 | 78,400 |
| 2023 | 80,200 | 82,900 |
| 2024 | 72,500 | 84,800 |

[†] HUD median income information is presented as a combined figure for all counties included in an MSA.

Source: U.S. Department of Housing and Urban Development (“HUD”); Office of Policy Development and Research

Median Age and Education Levels

In 2021, the latest year for which information is available, the Census Bureau reported that the median age of the population of the County was 38.1, which places the County’s median age close to the State’s median age of 40.2. The Census Bureau further reported as of the 2020 census that an estimated 25.7% of the County’s population 25 years or older had obtained a bachelor’s degree or higher. Because the County’s number of adults with a college education is lower than the national and State averages, the County implemented a plan with The College Hub of Spartanburg County to meet the goal of having 45% of its citizens holding a baccalaureate or associate degree by 2030.

Construction

The following table provides the approximate number and value of permits issued for the County for the calendar years indicated:

| Calendar <u>Year</u> | Residential | | Commercial | |
|-------------------------|---------------------------|-----------------------------|---------------------------|-----------------------------|
| | <u>Permits Issued</u> | <u>Value of Permits</u> | <u>Permits Issued</u> | <u>Value of Permits</u> |
| 2018 | 2,436 | \$397,327,602 | 383 | \$422,386,777 |
| 2019 | 2,547 | 414,843,939 | 401 | 481,158,490 |
| 2020 | 2,807 | 454,114,497 | 286 | 258,045,536 |
| 2021 | 3,330 | 560,921,767 | 406 | 602,644,173 |
| 2022 | 2,772 | 485,414,519 | 370 | 975,757,505 |

Source: County 2023 ACFR.

Retail Sales

The following table shows the gross retail sales for the most recent five fiscal years for which information is available for businesses located in the County:

| <u>Fiscal Year</u> | <u>Total Retail Sales</u> | <u>Increase/Decrease Over Previous Year</u> |
|--------------------|-------------------------------|---|
| 2019 | \$12,777,102,063 | \$ 1,902,645,111 |
| 2020 | 12,249,271,511 | (527,830,552) |
| 2021 | 12,302,092,907 | 52,821,396 |
| 2022 | 14,670,705,979 | 2,368,613,072 |
| 2023 | 14,406,174,386 | (264,531,593) |

Source: S.C. Department of Revenue.

Capital Investment

The County has experienced significant growth in industrial operations through additions and expansions to manufacturing plants. Listed below are the total announced capital investment and additional employment for new and expanded industry in the County for the last five years for which information is available.

| <u>Calendar Year</u> | <u>Total Capital Investment</u> | <u>Additional Employment</u> |
|--------------------------|-------------------------------------|----------------------------------|
| 2018 | \$ 779,539,000 | 2,094 |
| 2019 | 354,126,687 | 811 |
| 2020 | 433,607,625 | 446 |
| 2021 | 2,159,156,763 | 2,067 |
| 2022 | 2,867,377,014 | 1,393 |

Source: County 2023 ACFR.

Major Employers

The largest employers, exclusive of the school districts, located within the County and approximate number of employees is listed below.

| <u>Name</u> | <u>Product or Service</u> | <u>Approximate Number of Employees</u> |
|-------------------------------------|------------------------------------|--|
| BMW Manufacturing Corp | Automotive manufacturer | 11,000 |
| Spartanburg Regional Medical Center | Health services | 10,000 |
| South Carolina State Government | State Government | 2,593 |
| Spartanburg County | County Government | 1,576 |
| Adidas | Sporting and recreational goods | 1,500 |
| Michelin North America | Tire manufacturer | 1,325 |
| Sealed Air | Protective packaging | 1,100 |
| Plastic Omnium | Plastic injection molded interiors | 1,100 |
| Benore Logistics Systems | Logistics | 1,100 |

Source: County 2023 ACFR.

Labor Force

The composition of the civilian labor force in the County for the last five calendar years for which such information is available is as follows:

Nonagricultural Wage and Salary Employment

| | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--|---------------|---------------|---------------|---------------|---------------|
| Forestry, Fishing and Related Services | (D) | (D) | (D) | 327 | 327 |
| Mining | (D) | (D) | (D) | 217 | 240 |
| Utilities | 252 | 277 | 274 | 275 | 294 |
| Construction | 10,869 | 11,286 | 11,764 | 11,711 | 12,104 |
| Manufacturing | 33,255 | 35,657 | 34,883 | 35,746 | 36,896 |
| Wholesale Trade | 8,136 | 7,734 | 8,681 | 8,900 | 9,061 |
| Retail Trade | 19,464 | 18,107 | 18,695 | 19,142 | 19,572 |
| Transportation and Warehousing | 9,924 | 11,698 | 13,099 | 14,877 | 15,198 |
| Information | (D) | 1,130 | 1,075 | 1,179 | 1,292 |
| Finance and Insurance | 5,482 | 5,389 | 5,894 | 6,179 | 6,582 |
| Real Estate and Rental and Leasing | 6,215 | 6,035 | 6,778 | 7,498 | 8,288 |
| Professional, Scientific and Technical Services | 8,144 | 8,028 | 8,494 | 8,440 | 8,705 |
| Management of Companies and Enterprises | 2,171 | 2,104 | 2,136 | 2,002 | 2,280 |
| Administrative Support, Waste Management and Remediation Services | 15,045 | 16,109 | 13,595 | 14,474 | 13,484 |
| Educational Services | (D) | 3,937 | (D) | 3,553 | 3,708 |
| Health Care and Social Assistance | (D) | 12,605 | (D) | 13,332 | 13,302 |
| Arts, Entertainment, and Recreation | (D) | (D) | (D) | 2,550 | 2,600 |
| Accommodation and Food Services | (D) | (D) | (D) | 13,081 | 13,795 |
| Other Services (except Government) | (D) | 10,716 | 10,675 | 11,043 | 11,543 |
| Government & Gov't Enterprises, State and Local | <u>21,977</u> | <u>24,953</u> | <u>24,637</u> | <u>24,941</u> | <u>25,489</u> |
| TOTALS | 140,934 | 175,765 | 160,680 | 199,467 | 204,760 |

(D) indicates confidential information.

Note: Totals may not add due to confidential information.

Source: U.S. Department of Commerce, Bureau of Economic Analysis; revised statistics for 2018-2021

Unemployment

The average unemployment rate in the County for each of the last 12 months for which data is available is shown below:

| <u>Month</u> | <u>Rate</u> |
|----------------|-------------|
| July 2023 | 3.6% |
| August 2023 | 2.4 |
| September 2023 | 2.5 |
| October 2023 | 3.0 |
| November 2023 | 2.9 |
| December 2023 | 2.9 |
| January 2024 | 3.2 |
| February 2024 | 3.5 |
| March 2024 | 3.2 |
| April 2024 | 2.8 |
| May 2024 | 3.5 |
| June 2024 | 4.6 |

Source: SC Department of Employment and Workforce.

The average unemployment rate in the County, the State and the United States, for each of the last five years is shown below:

| <u>Year</u> | <u>County</u> | <u>State</u> | <u>United States</u> |
|-------------|---------------|--------------|----------------------|
| 2019 | 2.5% | 2.8% | 3.7% |
| 2020 | 6.3 | 6.0 | 8.1 |
| 2021 | 3.9 | 3.9 | 5.3 |
| 2022 | 3.1 | 3.2 | 3.6 |
| 2023 | 2.9 | 3.0 | 3.6 |

Source: U.S. Bureau of Labor Statistics.

Facilities Located Within or Serving the County

Transportation. Freight rail facilities are provided by Norfolk Southern and CSX Transportation. The County is served by Interstate Highways 26 and 85, U.S. Highways 29 and 221, and several South Carolina highways. A section of South Carolina Highway 290 has been expanded from two to five lanes, including a nine-lane bridge over I-85.

The Greenville-Spartanburg International Airport (“**GSP**”), approximately 17 miles west of the City of Spartanburg, serves the County and currently provides direct service to 22 major cities through seven airlines. In September 2020, GSP was ranked 20th busiest cargo hub in the nation, followed by recognition as “Best Small Airport in North America” by Airports Council International in 2022 and 2023.

The Spartanburg Downtown Memorial Airport (“**SMA**”) was the first commercial airport in South Carolina. SMA has nearly 80,000 operations annually and serves more than 100 local aircraft and 5,000 general aviation airports through the United States.

Educational Facilities. The County is home to and served by numerous institutions of higher learning. The University of South Carolina Upstate, a four year, coeducational State-supported institution, had a Fall 2023 enrollment of 4,923. Converse College, a women’s college, had a Fall 2023 enrollment of approximately 1,129 students. Wofford College, a four year, residential liberal arts college, had a Fall 2023 enrollment of 1,873 students. Spartanburg Community College, a two year college, had a Fall 2023 enrollment of approximately 6,330 students. Sherman College of Straight Chiropractic, a private graduate college, had a Fall 2023 enrollment of approximately 381 students. Spartanburg Methodist College, a two-

year college, had a Fall 2023 enrollment of approximately 1,029 students. The Edward Via College of Osteopathic Medicine, a private, non-profit osteopathic medical school, had a Fall 2023 enrollment of approximately 600 students.

Medical Facilities. The County is served by numerous state-of-the-art healthcare facilities. The Spartanburg Regional Health Services District, Inc., operated as Spartanburg Regional Healthcare System, is an integrated-delivery healthcare system comprising a variety of health services and facilities and serving four counties in upstate South Carolina, including the County; Spartanburg Rehabilitation Institute, a 40-bed rehabilitation hospital, is a member of the Ernest Health, Inc., network of rehabilitation and long-term acute care hospitals, and is the only freestanding acute rehabilitation hospital in the County; and The Carolina Center for Behavioral Health, a 138-bed, private behavioral health system which specializes in psychiatric and chemical dependency treatment and provides inpatient, partial hospitalization and intensive outpatient programs.

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FINANCIAL AND TAX INFORMATION

Five Year Summary of General Fund Operations

The following table sets forth a summary of the School District's General Fund operations for Fiscal Years 2019 through 2023. The School District's audited financial statements for Fiscal Year 2023 are included as Appendix A to this Official Statement.

Spartanburg County School District Six, South Carolina Summary of Revenues, Expenditures and Changes in Fund Balances – General Fund

| | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|
| REVENUES | | | | | |
| Local | \$38,177,998 | \$38,141,913 | \$40,777,873 | \$42,172,763 | \$45,671,093 |
| State | 63,167,932 | 65,934,540 | 67,999,802 | 71,635,684 | 77,075,812 |
| Intergovernmental | <u>827,103</u> | <u>835,743</u> | <u>837,466</u> | <u>1,255,780</u> | <u>1,361,707</u> |
| TOTAL REVENUES | 102,173,033 | 104,912,196 | 109,615,141 | 115,064,227 | 124,108,612 |
| EXPENDITURES | | | | | |
| Instruction | 59,576,743 | 62,775,454 | 64,371,330 | 65,111,236 | 73,083,796 |
| Supporting Services | 39,947,209 | 41,065,054 | 41,783,718 | 45,242,623 | 50,039,257 |
| Intergovernmental | <u>1,090,702</u> | <u>1,233,891</u> | <u>981,576</u> | <u>1,555,705</u> | <u>1,294,225</u> |
| TOTAL EXPENDITURES | 100,614,654 | 105,074,399 | 107,136,624 | 111,909,564 | 124,417,278 |
| REVENUES OVER (UNDER) EXPENDITURES | 1,558,379 | (162,203) | 2,478,517 | 3,154,663 | (308,666) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of Capital Assets | – | 5,000 | – | – | – |
| Transfers In | 3,407,239 | 3,485,490 | 3,925,495 | 4,380,398 | 8,256,326 |
| Transfers Out | <u>(3,139,127)</u> | <u>(3,119,239)</u> | <u>(4,255,493)</u> | <u>(4,653,913)</u> | <u>(6,184,739)</u> |
| TOTAL OTHER FINANCING SOURCES | 268,112 | 371,251 | (329,998) | (273,515) | 2,071,587 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 1,826,491 | 209,048 | 2,148,519 | 2,881,148 | 1,762,921 |
| FUND BALANCE Beginning of Year | 11,473,126 | 13,299,617 | 13,508,665 | 15,657,184 | 18,538,332 |
| FUND BALANCE End of Year | \$13,299,617 | \$13,508,665 | \$15,657,184 | \$18,538,332 | \$20,301,253 |

Source: School District Financial Reports for Fiscal Years 2019 through 2023.

Financial Statements

The financial statements of the School District for Fiscal Years 2019 through 2023, have been audited by Halliday, Schwartz & Co. Copies of complete audited financial statements are available for inspection at the School District offices and are available through the EMMA at <http://emma.msrb.org/>.

Budget Procedure

The State Constitution provides that each school district shall prepare and maintain annual budgets which provide for sufficient income to meet its estimated expenses for each year. Whenever ordinary expenses of a school district for any year exceed the income, the governing body of the school district is required to provide for levying a tax in the ensuing year sufficient, with all other sources of income, to pay the deficiency in the preceding year, together with the estimated expenses for the ensuing year.

State law provides that the fiscal year for school districts begins on July 1 of each year and ends on June 30 of the following year. The Board is required to adopt annually, prior to the beginning of each fiscal year, operating and capital budgets for the operation of the School District. A public hearing, following notice thereof published in a newspaper of general circulation in the School District, must be conducted prior to the adoption of the budgets. The budgets must identify the sources of anticipated revenue, including taxes, necessary to meet the financial requirements of the budgets adopted. Upon adoption of the School District's budget by the Board, two copies of the budget are mailed to the State Department of Education, and the County Auditor is notified of the millage required for operation of the School District for the ensuing school year. The County Auditor is then required to provide for the levy, and the County Treasurer is responsible for the collection, of taxes necessary to meet all budget requirements of the School District except as provided for by other revenue sources.

State Budget Reductions. Reductions in funding provided to the School District may be adjusted by two methods to reflect actual and expected reductions in State revenues. First, reductions in funding may be incorporated into the State budget when adopted. Amounts appropriated to school districts may be reduced from year to year. Second, reductions in funding may be made during a fiscal year. Appropriations made by the State are monitored against income throughout the fiscal year by the State's Board of Economic Advisors, which meets quarterly and reports its findings to the State Fiscal Accountability Authority. If at the end of the first, second or third quarter of any fiscal year, the Board of Economic Advisors reduces the revenue forecast for the fiscal year by 3% or less; within three (3) days of that determination, the Director of the State Executive Budget Office must reduce general fund appropriations by the requisite amount as prescribed by law and further must immediately notify the State Treasurer and Comptroller General of the reduction. Upon that notification, the appropriations are considered reduced; however, no agencies, departments, institutions, activity, program, item, special appropriation, or allocation for which the General Assembly has provided funding may be discontinued, deleted, or deferred by the Director of the Executive Budget Office. The Director of the State Executive Budget Office is required to apply any reduction to the rate of expenditure as uniformly as practicable, except that no reduction may be applied to funds encumbered by a written contract with any agency, department, or institution not connected with State government. If at the end of the first, second, or third quarter of any fiscal year the Board of Economic Advisors reduces the revenue forecast for the fiscal year by more than 3%, the President Pro Tempore of the Senate and the Speaker of the House of Representatives may call each respective house into session to take action to avoid a year-end deficit. If the General Assembly does not take action within 20 days of the determination of the Board of Economic Advisors, the Director of the State Executive Budget Office is required to reduce general fund appropriations by the requisite amount in the manner prescribed by law and in accordance with the provisions that apply to a reduction of 3% or less, as described above.

Millage Increase Limitations. The authority described in the first paragraph relating to the School District's authority to levy a tax to pay deficiencies in prior years, may only be exercised consistent with general law that restricts the ability of school districts to increase annual millage imposed for general operating purposes. Act No. 388, adopted by the General Assembly in 2006 ("*Act 388*"), limits increases in annual millage levied for general operating purposes to a rate equal to the sum of (a) the increase in the consumer price index, plus (b) the rate of population growth in a school district. Act No. 57, adopted by the

South Carolina General Assembly in 2011 (“*Act 57*”), amended Act 388 to allow school districts to add to the annual millage rate any increase allowed, but not imposed, for the three property tax years preceding the year which the current millage limitation applies. In addition, in the year of reassessment, the limits in place for “rollback” millage (as discussed in “FINANCIAL AND TAX INFORMATION – Property Taxation and Assessment – *Millage in Years of Reassessment*” herein) continue to apply.

These limitations on millage rate increases do not affect millage levied to pay bonded indebtedness. A school district may also suspend the limitation on millage rate increases to increase the millage rate, unrestricted, for certain purposes, including (1) meeting any deficiency of the preceding year; (2) providing for any catastrophic event outside the control of the governing body such as a natural disaster, severe weather event, act of God, act of terrorism, fire, war, or riot; (3) complying with a court order or decree; (4) offsetting the result of a taxpayer closure due to circumstances outside the control of the governing body that decreases by ten percent or more the amount of revenue payable to the taxing jurisdiction in the preceding year; or (5) complying with a regulation promulgated or statute enacted by the federal or state government after the ratification date of Act 388 for which an appropriation or a method for obtaining an appropriation is not provided by the federal or state government. To suspend the limit, the governing body of the school district must have favorable vote by two-thirds of the membership.

The School District can give no assurance as to whether additional legislation will be introduced or enacted during future legislative sessions that could have a negative impact on the School District’s ability to fund its operations or debt service.

The School District may make supplemental appropriations which shall specify the source of funds for such appropriations. A supplemental appropriation is defined as an appropriation of additional funds which have become available during the fiscal year and which have not been previously obligated by the current operating or capital budget.

Following are budget summaries for Fiscal Year 2024 and Fiscal Year 2025.

| | <u>Fiscal Year 2024</u> | <u>Fiscal Year 2025</u> |
|--|-------------------------|-------------------------|
| <u>Revenues</u> | | |
| Local Sources | \$45,138,105 | \$49,267,047 |
| County Sources | 1,310,658 | 3,139,392 |
| State Sources | <u>80,051,083</u> | <u>85,587,136</u> |
| Total Revenues | 126,499,846 | 137,993,575 |
| <u>Expenditures</u> | | |
| Instructional | 83,315,381 | 92,766,896 |
| Supporting Services | 52,487,283 | 57,150,037 |
| Debt Service | <u>—</u> | <u>—</u> |
| Total Expenditures | 135,802,664 | 149,916,933 |
| Excess (Deficit) of Revenues Over Expenses | (9,302,818) | (11,923,358) |
| Other Financing Sources (Uses) | | |
| Transfers In | 14,187,399 | 16,878,976 |
| Transfers Out | <u>(4,884,581)</u> | <u>(4,955,618)</u> |
| Budget Surplus (Deficit) | 0 | 0 |

Revenues

For Fiscal Year 2024, it is estimated that 35.7% of general fund revenues will come from local sources and 64.3% of general fund revenues will have come from the County and the State.

Revenues from the State. State revenues are in the form of general fund revenues, which are available for general operating expenses of the School District, and special revenues, which are available for use only in connection with specific programs.

Education Finance Act. Prior to Fiscal Year 2023, almost all of the general fund revenues received from the State were paid to the School District under the Education Finance Act of 1977 (“*EFA*”). The EFA was enacted in order to implement a basic education program, known as the “Foundation Program.” The State funds an average of 70% of the cost of the Foundation Program on a statewide basis. The amount of money a school district received from the State under the EFA and the amount a school district provided was based on the weighted pupil units in a school district, the base student cost as set by the General Assembly each year, and the “index of taxpaying ability.” Historically, EFA funding for the School District ran very close to the statewide ratio. Listed below are the State contributions to the Foundation Program for the School District for the fiscal years shown.

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------|
| 2018-2019 | \$30,143,951 |
| 2019-2020 | 29,250,985 |
| 2020-2021 | 29,678,394 |
| 2021-2022 | 30,661,455 |

Education Improvement Act. Prior to Fiscal Year 2023, almost all of the special revenues received from the State were paid to the School District under the Education Improvement Act of 1984 (“*EIA*”). The EIA was enacted in order to improve the quality of public education in the State, through special programs and incentives. The EIA program is funded by a \$.01 (per dollar of taxable sales) increase in the general sales tax. Amounts received by the School District under the EIA were restricted to the programs authorized or mandated by the EIA. Listed below are the amounts received by the School District under the EIA for the fiscal years shown.

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|---------------|
| 2018-2019 | \$7,358,211 |
| 2019-2020 | 7,919,763 |
| 2020-2021 | 6,859,527 |
| 2021-2022 | 8,346,348 |

Aid to Classrooms. Beginning in Fiscal Year 2023, state revenues flow to the School District under the Aid to Classrooms program, which was adopted by the General Assembly, with support from the Governor, as a proviso of the State appropriations bill for Fiscal Year 2023. The Aid to Classrooms has replaced funding previously provided under the EFA and under certain programs and incentives formerly funded by the EIA.

Under the Aid to Classrooms program, funding for school districts in the State is based on the cost of funding one teacher salary for every 11.2 students. The teacher salary cost is set according to a statewide schedule and based on a teacher who holds a master’s degree and twelve (12) years of teaching experience.

For Fiscal Year 2024, the State appropriated funds in an amount of 75% of the total cost of the Aid to Classrooms program (“*State Portion*”) and the required local portion is equal to 25% of the total cost (“*Local Portion*”).

A particular school district’s total Aid to Classrooms funding is based on the school district’s percentage share of the total number of weighted pupil units in the State. A school district’s allocation of

the State Portion is calculated by subtracting the school district's imputed Local Portion (as determined by multiplying the school district's index of taxpaying ability – which is the school district's relative fiscal capacity compared to the other school districts in the State – against the total Local Portion) from the school district's total Aid to Classrooms funding. For Fiscal Year 2024, each school district will receive the amount determined under the Aid to Classrooms funding formula or the actual amount received in Fiscal Year 2022 from certain State aid.

School districts are given flexibility in determining how to spend funds received under the Aid to Classrooms program in order to meet the education needs of students as described in State law. However, school districts must publish its annual budget and include the State, local and federal investments in education.

Funding to the School District under the Aid to Classrooms program runs very close to the statewide ratio. For Fiscal Year 2024, the State share of the Aid to Classrooms funding for the School District per pupil was \$2,018.93 (unaudited) or 78% of the total cost and the School District per pupil share was \$554.66 or 22%. The School District received \$54,771,292 (unaudited) in the aggregate in State contributions under the Aid to Classrooms program in Fiscal Year 2024. The School District projects to receive \$55,612,107 under the Aid to Classrooms program for Fiscal Year 2025.

Revenues from Ad Valorem Taxes

Local. A second source of School District operating revenues is *ad valorem* taxes paid by taxpayers within the School District, as well as a county-wide levy (as discussed below). A discussion of general tax information, tax rates and millage levied upon taxpayers of the School District for School District purposes has been presented under the headings "Property Taxation and Assessment," "Assessed Value," "Tax Collection Procedure," "Tax Collections for Last Five Years," "Ten Largest Taxpayers" and "Millage History" below. All of the revenues from *ad valorem* taxes are either general fund revenues, and may therefore be used by the School District on an unrestricted basis, or are collected for the purposes of paying debt service on general obligation bonds of the School District. During the fiscal years shown below, the School District has received or expects to receive the following amounts as general fund revenues from *ad valorem* taxes:

| <u>Fiscal Year</u> | <u>General Fund</u> |
|--------------------|---------------------|
| 2020 | \$32,979,832 |
| 2021 | 35,343,832 |
| 2022 | 36,323,955 |
| 2023 | 37,908,138 |
| 2024 [†] | 40,223,646 |
| 2025 ^{††} | 43,042,026 |

[†] Unaudited.

^{††} Projection as budgeted.

The amounts shown in the above table and in the table under the heading, "County-Wide" below do not include payments received from the State to reimburse the School District for tax revenues that would have been available from property afforded a Homestead Exemption, as more fully described in "Homestead Exemptions–Property Tax Relief." Act 388 also exempts all owner-occupied property from school operating taxes, and provides to school districts an alternative source of revenue from the proceeds of an additional one percent sales tax imposed State-wide. The School District now receives funds directly from the State to offset the resulting reduction in *ad valorem* tax revenues. See the discussion under "Homestead Exemptions–Property Tax Relief" below for a description of these two provisions.

County-Wide. Since 1969, a county-wide millage has been levied for the operation of the seven school districts of Spartanburg County. The county-wide tax levy provides a significant source of revenue to the School District. During the fiscal years shown below, the School District has received or expects to receive the following amounts as general fund revenues from the county-wide tax levy.

| <u>Fiscal Year</u> | <u>General Fund</u> |
|--------------------|---------------------|
| 2020 | \$2,759,355 |
| 2021 [€] | 3,370,498 |
| 2022 | 3,310,166 |
| 2023 | 3,680,627 |
| 2024 [†] | 3,832,235 |
| 2025 ^{††} | 3,685,765 |

[€] The change in Fiscal Year 2021 was the result of significant increases in assessed value within the School District.

[†] Unaudited.

^{††} Projection as budgeted.

Revenues from Federal Sources. The School District receives a portion of its special revenues from the Federal Government, including Federal grants which are tied to specific uses, such as the school lunch program and aid for handicapped, vocational education and adult education, and Subchapter I of the Elementary and Secondary Education Block Grant program (PL 97-35) which funds are used to pay operational costs (including teachers' salaries). These revenues are restricted and must be used for specific programs.

During the fiscal years shown below, the School District has received the following amounts as special revenues from Federal sources:

| <u>Fiscal Year</u> | <u>Special Revenues</u> |
|--------------------|-------------------------|
| 2020 | \$13,043,847 |
| 2021 [€] | 16,948,579 |
| 2022 [€] | 21,225,485 |
| 2023 [€] | 31,486,356 |
| 2024 [†] | 23,279,403 |
| 2025 ^{††} | 17,452,398 |

[€] Increases in Fiscal Years 2021, 2022 and 2023 are directly related to COVID relief funds received from the Federal Government.

[†] Unaudited.

^{††} Projection as budgeted. Subject to COVID-related reduction.

Investment Policies

The School District holds and invests all operating funds directly. Proceeds of debt issuances and tax collections used to pay debt service are held and invested by the County Treasurer. Pursuant to the South Carolina Code, operating funds may be directly invested by the School District in investments specified in Sections 6-5-10, 6-6-30, and 11-1-60. Bond proceeds and tax collections used to pay debt service on bonds may be directly invested by the County Treasurer in investments specified in Sections 6-5-10, 6-6-30, 11-1-60, and 12-45-220. In both cases, the funds may, with the consent of the investor's governing body, be invested, by purchase of participation units in the South Carolina Pooled Investment Fund established under Section 6-6-10 of the South Carolina Code. The State Treasurer manages the South Carolina Pooled Investment Fund, which may be comprised of the investments specified in Sections 6-5-10 and 11-9-660. Several of the applicable sections of the South Carolina Code are outlined below. For more detailed information, reference should be made to the specific South Carolina Code section.

Section 6-5-10 authorizes the following investments: (1) obligations of the United States and its agencies; (2) obligations issued by the Federal Financing Bank, the Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration and the Farmers Home Administration, if at the time of the investment the obligor has a long-term, unenhanced, unsecured debt rating in one of the two top rating categories, without regard to refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations; (3) general obligations of the State of South Carolina or any of its political units; (4) savings and loan associations to the extent that the same are insured by an agency of the federal government; (5) certificates of deposit that are collaterally secured by securities of the type described in clauses (1) and (2) of this paragraph and held by a third party as escrow agent or custodian; (6) repurchase agreements when collateralized by securities as set forth in this paragraph; and (7) no load open end or closed end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in clauses (1), (2), and (5) of this paragraph, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, values its assets by the amortized cost method.

Section 11-1-60 authorizes investments in shares of any federal savings and loan association, FSLIC-insured shares of any South Carolina banking and loan association, certain obligations of federal home loan banks, and certain obligations of the Federal Home Loan Bank Board.

Section 12-45-220 authorizes the County Treasurer to make all of the investments authorized under Section 6-5-10 as described above, other than those described in clauses (2) and (6).

Property Taxation and Assessment

Article X, Section 1 of the State Constitution requires equal and uniform assessments of property throughout the State for the following classes of property and at the following ratios of fair market value of such property:

- 1) Real and personal property owned by or leased to manufacturers, utilities and mining operations and used in the conduct of such business – 10.5% of fair market value;
- 2) Real and personal property owned by or leased to companies primarily engaged in transportation for hire of persons or property and used in the conduct of such business – 9.5% of fair market value;
- 3) Legal residence and not more than five contiguous acres – 4% of fair market value (if the property owner makes proper application and qualifies);
- 4) Agricultural real property used for such purposes owned by individuals and certain corporations – 4% of use value (if the property owner makes proper application and qualifies);
- 5) Agricultural property and timberlands belonging to corporations having more than 10 shareholders – 6% of use value (if property owner makes proper application and qualifies);
- 6) All other real property – 6% of fair market value;
- 7) Business inventories – 6% of fair market value (as of 1988, there is available an exemption from taxation of property in this category, hence this item is no longer significant, except that the assessed value of business inventory as of tax year 1987 is taken into account in determining total assessed value for purposes of the bonded debt limit); and
- 8) (A) Except as set forth in (B) and (C) below, all other personal property – 10.5% of fair market value;
(B) Personal Motor Vehicles which must be titled by a state or federal agency, limited to passenger motor vehicles and pickup trucks, as defined by law – 6% of fair market value; and
(C) Aircraft – 4% of fair market value.

The South Carolina Department of Revenue (“**DOR**”) is charged with the responsibility of taking steps necessary to ensure equalization of assessments statewide in order that all property is assessed uniformly and equitably throughout the State, and may require reassessment of any part or all of the property within the County.

Assessment. The County Assessor appraises and assesses all the real property and mobile homes located within such county and certifies the results to the County Auditor. The County Auditor appraises and assesses all motor vehicles, marine equipment, business personal property and airplanes. The DOR furnishes guides for use by the counties in the assessment of automobiles, automotive equipment, and certain other classes of property and directly assesses the real and personal property of public utilities and manufacturers and also of business equipment.

Each year the DOR certifies its assessments to the County Auditor, who prepares assessment summaries from the respective certifications, determines the appropriate millage levies, prepares tax bills and then in September charges the County Treasurer with the collection. South Carolina has no statewide property tax.

Reassessment. Under law enacted by the General Assembly in 1995, every fifth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. The County completed a county-wide reassessment plan for the 2023 tax year (which corresponds to Fiscal Year 2024).

Regulations also require that a reappraisal program must be instituted by a county if the median appraisal for all property in such county (as a whole or for any class of property) is higher than 105% or lower than 80% of fair market value.

Limitations on Reassessment. Act 388 limits the increase in valuation of real property attributable to reassessment to 15% within each five year reassessment cycle. Growth in valuation resulting from improvements to real property is exempt from the 15% reassessment restriction described above and, generally, at the sale or other “assessable transfer of interest” (which includes long-term leases, conveyances out of trusts, and other defined events, but excludes transfers between spouses) of any real property, that real property will be reassessed at its market value. However, for certain property subject to property tax at an assessment ratio of 6%, Act 57 limits, in certain circumstances, this market value reassessment following an “assessable transfer of interest.” This property, following an “assessable transfer of interest,” is instead reassessed for property tax purposes using an “exemption value.” The “exemption value” is calculated by reducing the real property’s market value at the time of the “assessable transfer of interest” by up to 25%. If the 25% reduction in market value results in a “exemption value” which is less than property’s assessed value as reflected on the books of the property tax assessor at the time of the “assessable transfer of interest,” then the “exemption value” of the property will be the value reflected on the books of the property tax assessor.

Millage in Years of Reassessment. In the year reassessment is implemented, political subdivisions, including school districts, are limited in the level of millage they may impose. This limited millage levy is referred to as the “rollback” millage. The intended effect of rollback millage is to limit the millage rate to that millage rate which, following a reassessment, will produce the same revenues as were produced in the year preceding reassessment. The rollback millage may be increased by the percentage increase in the consumer price index for the year immediately preceding the year of reassessment. The rollback millage limitation is inapplicable to millage necessary to pay general obligation debt. Act 388 prohibits political subdivisions and school districts from overriding the rollback millage limitation except to meet certain specified conditions. Political subdivisions and school districts are also limited to the amount by which millage may be increased in a year in which reassessment is not being imposed. See “FINANCIAL AND TAX INFORMATION – Budget Procedure – *Millage Increase Limitations*” herein.

Manufacturer's Exemption

Act No. 202, enacted by the South Carolina General Assembly in 2022 ("**Act 202**"), provides an exemption for a portion of the property tax value of manufacturing property. The total exemption is equal to 42.8571% and is effective for property tax year 2022. The exemption reduces the effective assessment ratio on manufacturing property from 10.5% to 6.0%.

In order to offset the loss of local property tax revenues, Act 202 provides for a reimbursement not to exceed \$170 million per year to political subdivisions, including school districts. The reimbursement is made in the same manner as other property tax exemptions are reimbursed to political subdivisions from the Trust Fund for Tax Relief. In any year the reimbursement will exceed the \$170 million per year cap, the exemption provided to manufacturing property by Act 202 is required to be proportionally reduced so the reimbursement amount does not exceed \$170 million.

Homestead Exemptions – Property Tax Relief

State law provides a general exemption from all *ad valorem* property taxes that applies to the first \$50,000 of the fair market value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled or legally blind ("**Homestead Exemption**"). The School District received \$1,096,081 in Fiscal Year 2011 attributable to taxes imposed for operating purposes and this amount will not change in succeeding years. The State pays each taxing entity the amount to which it is entitled for the payment of general obligation bonds by April 15 each year from the amounts credited to the Trust Fund for Tax Relief. The fixed payment for operating tax reimbursements is paid as a tier one distribution from the Homestead Exemption Fund.

Act 388 created a new exemption equal to one hundred percent of the fair market value of owner-occupied residential property from all property taxes imposed for school operating purposes ("**Property Tax Relief Exemption**"). The value of the property exempted pursuant to the Property Tax Relief Exemption is determined each year by a formula which takes into account the amount made available by the General Assembly for the purpose in a State Property Tax Relief Fund and the total School Taxes but for the exemption. The revenues that would have been received by the School District but for the Property Tax Relief Exemption are replaced by funds from the State and is paid as a tier one distribution. This exemption does not apply to taxes levied for the payment of general obligation debt.

The School District has annually received \$3,175,730 from the State, pursuant to the Property Tax Relief Exemption. The School District anticipates receiving \$3,175,730 for Fiscal Year 2024.

Payments in Lieu of Taxes

The State has adopted an array of property tax inducements and incentives to promote investment in the State. Qualifying investments of \$2.5 million (\$1 million in some counties and for certain "brownfield" sites) or more may be negotiated for payments in lieu of taxes for a period up to 30 years (up to 40 years for certain large investments) using assessment ratios of as little as 6% and using millage rates that are either fixed for the term of the incentive or adjusted every fifth year. In some cases, owners of projects may also design a payment schedule so long as the present value of the payments under the schedule are equal to the present value of the payments that would have been made without the schedule. The State also provides a more generous inducement for enhanced investments, that is, those projects creating at least 125 new jobs and providing new invested capital of not less than \$150 million, projects with a total investment of \$400 million by a single sponsor and certain defined economic development projects. For these enhanced investments the fee-in-lieu of tax payments may be negotiated based on assessment ratios as low as 4% and for a term up to 50 years.

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty or business industrial park ("**MCIP**") are allocated annually in proportion to the amounts that would have been received by the taxing entities if the payments were taxes, based on the relative millage rates of overlapping taxing entities in a given year; and (ii) revenues received from property that is in

an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in an MCIP under terms of agreements between two or more contiguous counties with individual sites being determined primarily by the county in which the site is located. Payments in lieu of taxes may be diverted from taxing entities to fund projects which support economic development activities, including projects that are used solely by a single enterprise, either directly or through the issuance of special source revenue bonds secured by payments in lieu of taxes. A county government may also utilize the payments in lieu of taxes derived from an MCIP for its own corporate purposes or those of other taxing entities in that county by altering the distribution percentages for the payments by ordinance.

Several of the largest taxpayers in the County pay a “fee-in-lieu of taxes” with respect to new manufacturing projects, and each year new fee-in-lieu of tax arrangements are made with other new manufacturing investments.

Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Finance Act. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

If a county, municipality or special purpose district pledges to the repayment of special source revenue bonds any portion of the revenues received by it from a payment in lieu of taxes, it may not include in the calculation of its general obligation debt limit the value of the property that is the basis of the pledged portion of revenues. If such political subdivision, prior to pledging revenues to secure a special source revenue bond, has included an amount representing the value of a parcel or item of property that is the subject of a payment in lieu of taxes in the assessed value of taxable property located in the political subdivision and has issued general obligation debt within a debt limit calculated on the basis of such assessed value, then it may not pledge revenues based on the item or parcel of property, to the extent that the amount representing its value is necessary to permit the outstanding general obligation debt to not exceed the debt limit of the political subdivision.

As an alternative to the issuance of special source revenue bonds, the owners of qualifying projects may receive a credit against payments in lieu of taxes due from the project as a means for the owner to pay for costs incurred from economic development activities. If a county, municipality or special purpose district agrees to allow a credit against the payments in lieu of taxes it would otherwise receive, it is subject to the same limitations on calculation of its debt limit as described in the preceding paragraph.

While school districts of the State are not authorized to pledge payments in lieu of taxes or grant a credit against such payments as described above, that portion of payments in lieu of taxes from a project which would otherwise be paid to a school district may, by inclusion of the project in an MCIP, be, in effect, diverted to a county government and thus pledged or made subject to a credit against payments of the fee.

Assessed Values

The assessed value of all taxable property in the School District for the last five fiscal years is set forth below.

| <u>Fiscal Year</u> | <u>Real Property</u> | <u>Personal</u> | <u>SCTC</u> | <u>Manufacturing</u> | <u>Vehicles</u> | <u>Fee-in-Lieu of Taxes</u> | <u>Total Taxable Property[†]</u> |
|--------------------|----------------------|-----------------|--------------|----------------------|-----------------|-----------------------------|---|
| 2020 | \$207,843,031 | \$2,785,795 | \$49,545,192 | \$27,801,564 | \$27,801,564 | \$30,958,623 | \$327,476,101 |
| 2021 | 212,229,785 | 1,773,940 | 13,124,660 | 49,875,999 | 27,979,563 | 32,133,800 | 337,117,747 |
| 2022 | 222,430,947 | 3,057,930 | 11,134,740 | 53,917,982 | 29,477,396 | 38,176,406 | 358,195,401 |
| 2023 | 239,695,514 | 2,870,273 | 13,291,600 | 55,538,701 | 30,699,243 | 41,831,706 | 383,927,037 |
| 2024 ^{††} | 290,468,041 | 1,855,600 | 15,139,400 | 61,669,020 | 33,445,281 | 44,178,338 | 446,755,680 |

[†] The assessed value of Merchant’s Inventory (\$4,793,050) is not included in this table.

^{††} Unaudited.

Source: County Auditor.

Estimated Value of All Taxable Property in the County

The assessed value and estimated market value of all taxable property in the County for Fiscal Year 2024 (unaudited) by classification of property is set forth below.

| <u>Classification of Property</u> | <u>Assessed Value as of June 30, 2024[†]</u> | <u>Market Value as of June 30, 2024[†]</u> |
|-----------------------------------|---|---|
| Real Property | \$288,709,191 | \$7,253,915,360 |
| Mobile Homes | 1,758,850 | 37,598,200 |
| Motor Vehicles | 33,445,281 | 557,421,350 |
| Public Utilities | 22,225,730 | 211,673,619 |
| Manufacturing Property | 35,900,470 | 341,909,238 |
| Marine Equipment [†] | 1,489,620 | 14,186,857 |
| SCTC (Business Personal) | 15,139,400 | 144,184,761 |
| Airplanes | 365,980 | 9,149,500 |
| Transportation | <u>3,542,820</u> | <u>37,292,842</u> |
| Subtotal | 402,577,342 | 8,607,331,727 |
| Merchant's Inventory | 4,793,050 | — |
| Fee-in-Lieu-of Taxes | <u>44,178,338</u> | <u>—</u> |
| Total | \$451,548,730 | \$8,607,331,727 |

[†] Unaudited.

Source: County Auditor; County Assessor.

Exempt Manufacturing Property

Article X, Section 3 of the State Constitution provides that all new manufacturing establishments located in any county after July 1, 1977, and all additions (in excess of \$50,000) to existing manufacturing establishments are exempt from *ad valorem* taxation for five years for county taxes only. No exemption is granted from school taxes.

Tax Collection Procedure

In the School District, taxes are levied for County, municipal and school purposes by the County Auditor as a single tax bill which must be paid in full by the individual taxpayer.

Real and personal taxes in the County are due on or before January 15 of each year with the exception of taxes on motor vehicles. All personal property taxes on motor vehicles are due on or before the last day of the month in which the license tag for each such motor vehicle expires. If property taxes, other than taxes on motor vehicles, are not paid on or before January 16, a penalty of 3% is added; if not paid by February 1, an additional penalty of 7% is added; if not paid on or before April 17, an additional penalty of 5% is added and taxes go into execution. Taxes on motor vehicles are subject to similar penalties measured from due date thereof. Unpaid taxes, both real and personal, constitute a first lien against the property. The delinquent tax collector is empowered to seize and sell so much of the defaulting taxpayer's estate – real and personal or both – as may be sufficient to satisfy the taxes.

Millage History

The millage assessed for School District purposes is set forth below for the fiscal years shown.

| <u>Fiscal Year</u> | <u>Operations</u> | <u>Debt Service</u> | <u>Total</u> |
|--------------------|-------------------|---------------------|--------------|
| 2020 | 165.0 | 52.6 | 217.6 |
| 2021 | 165.0 | 52.6 | 217.6 |
| 2022 | 165.0 | 52.6 | 217.6 |
| 2023 | 165.0 | 52.6 | 217.6 |
| 2024 | 152.3 | 47.2 | 199.5 |

Tax Collections for Last Five Years

The County

The following table shows all County (including all school district, incorporated municipalities and special purpose districts in the County) taxes levied (adjusted to include additions, abatements, and *nulla bonae*), taxes collected as of June 30 of the year following the year in which the levy was made, and the amount of delinquent taxes collected for the fiscal years shown. Delinquent taxes include taxes levied in prior years but collected in the year shown.

| <u>Fiscal Year</u> | <u>Taxes Levied</u> | <u>Current Collections</u> | <u>% of Current Taxes Collected</u> | <u>Delinquent Tax Collections[†]</u> | <u>Total Collections</u> | <u>% of Total Taxes Collected</u> |
|--------------------|---------------------|----------------------------|-------------------------------------|---|--------------------------|-----------------------------------|
| 2019 | \$502,311,148 | \$478,937,551 | 95.3 | \$ 7,864,024 | \$486,801,575 | 96.9 |
| 2020 | 526,990,138 | 502,297,983 | 95.3 | 10,552,628 | 512,850,611 | 97.3 |
| 2021 | 564,581,216 | 537,596,519 | 95.2 | 16,304,394 | 553,900,913 | 98.1 |
| 2022 | 601,805,974 | 576,784,767 | 95.8 | 9,022,121 | 585,806,888 | 97.3 |
| 2023 | 649,154,298 | 623,925,065 | 96.1 | 12,955,983 | 636,881,048 | 98.1 |

[†] Does not include delinquent tax penalties.

Source: County 2023 ACFR.

The School District

The following table shows the taxes levied on behalf of the School District, the taxes collected as of June 30 of the year following the year in which the levy was made, and the amount of delinquent taxes collected for the fiscal years shown. Delinquent taxes include taxes levied in prior years but collected in the year shown.

| <u>Fiscal Year</u> | <u>Taxes Levied</u> | <u>Current Collections</u> | <u>% of Current Taxes Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Collections</u> | <u>% of Total Taxes Collected</u> |
|--------------------|---------------------|----------------------------|-------------------------------------|-----------------------------------|--------------------------|-----------------------------------|
| 2019 | \$62,939,789 | \$61,578,986 | 97.8 | \$ 926,772 | \$62,505,758 | 99.3 |
| 2020 | 64,522,203 | 62,208,312 | 96.4 | 1,162,170 | 63,370,482 | 98.2 |
| 2021 | 66,364,507 | 64,985,536 | 97.9 | 1,107,614 | 66,093,150 | 99.6 |
| 2022 | 69,636,133 | 67,631,335 | 97.1 | 1,264,956 | 68,896,291 | 98.9 |
| 2023 | 79,395,681 | 76,500,315 | 96.3 | 1,300,243 | 77,800,558 | 97.9 |

Source: County Treasurer; School District

Ten Largest Taxpayers

The ten largest taxpayers in the School District, the assessed value of the taxable property of each taxpayer, and the percentage each taxpayer represents of the total assessed value within the School District as of Fiscal Year 2023 are shown below.

| <u>Taxpayer</u> | <u>Assessed Valuation</u> | <u>% of Total Assessed Value</u> |
|-------------------------------|---------------------------|----------------------------------|
| Michelin North America Inc. | \$9,376,910 | 2.4 |
| Duke Energy Corp. | 5,817,373 | 1.5 |
| Mactac | 5,493,738 | 1.4 |
| Spartanburg DC Inc. | 5,388,568 | 1.4 |
| Toray Composite Materials | 5,351,886 | 1.4 |
| Transcontinental Gas Pipeline | 4,729,460 | 1.2 |
| Tindall Corporation | 3,818,581 | 1.0 |
| Norfolk Southern Corp. | 3,002,167 | 0.8 |
| Suso 4 Dorman LP | 2,760,000 | 0.7 |
| Spartanburg Steel Products | 2,746,189 | 0.7 |

Source: School District 2023 ACFR.

The Education Accountability Act of 1998

At its 1998 legislative session, the General Assembly adopted the “Education Accountability Act of 1998” (“**Accountability Act**”). The purpose of the Accountability Act is to establish a “performance based accountability system” which focuses on improving teaching and learning in order to equip students with a strong academic foundation.

The Accountability Act requires all school districts, among other things, to establish local accountability systems to stimulate quality teaching and learning practices and to target assistance to low performing schools. The linchpin for the Accountability Act is the annual report card that will be provided to each school and school district. These report cards are expected to furnish clear and specific information about school and district academic performance and other performance to parents and the public.

From a school district’s perspective, the Accountability Act requires boards of trustees, among other things, to establish and annually review a performance based accountability system (or modify its existing system) to reinforce the State accountability system. The School District’s current accountability plan is expected to be modified each year in order to conform to State accountability system requirements.

If a school receives a rating of below average or unsatisfactory, that school must review and revise its improvement plan (required of every school under the Aid to Classrooms program, as described in more detail in “FINANCIAL AND TAX INFORMATION – Revenues” herein). Once the revised plan is developed, a school district’s superintendent and board of trustees must review and approve the plan. In addition, schools that receive unsatisfactory ratings (or those receiving a below average rating, which so request) will be assigned an external review. If these plans are not implemented satisfactorily or within the period expected, or if student academic performance has not met expected progress, the State Board of Education may declare a state of emergency in the school.

If a school district receives a rating of below average, the State Superintendent of Education, with the approval of the State Board of Education, will appoint an external review committee. If the recommendations of the external review committee either are not implemented satisfactorily or within the period expected, then the State Board of Education may declare a state of emergency.

Although there are certain grants and other programs provided to help defray the cost of implementing the Accountability Act, the potential effect and cost of continuing to implement the Accountability Act on the School District cannot be determined at this time.

Charter Schools

The General Assembly has provided for the establishment of “charter schools” in the State pursuant to Section 59-40-10, *et seq.*, of the South Carolina Code (“**Charter School Act**”). A 2006 amendment to the Charter School Act creates a State Charter School District (“**State Charter District**”). The State Charter District is an alternative source of sponsorship for charter schools, the other source being the local school district. Pursuant to the Charter School Act, a charter school is a school of the school district in which it is located or of the State Charter District, but is governed according to a charter approved in accordance with the Act and by a “charter committee,” rather than by the governing body of the school district or the State Charter District.

The funding sources for a charter school depends on the nature of its sponsor. Charter schools sponsored by a local school district are funded through the distribution of a proportional amount of the total general fund revenues of the sponsoring school district (state and local sources), based on relative weighted pupil units. The amount of funds which must be distributed to each charter school is calculated annually based upon the most recently completed audited financial statements of the school district, adjusted by an inflation factor. Charter schools sponsored by the State Charter District receive no local funds, but do receive on a per student basis a portion of State funding under the Aid to Classrooms program which would have otherwise been distributed to the local school district in which the student resides. Federal funds are allocated to charter schools proportionately based upon the special student characteristics relevant to the funding. Federal funds for disabled students are not allocated to charter schools.

There are presently two charter schools in the School District.

Retirement Benefits

The South Carolina Retirement Systems (“**Systems**”), as administered by the South Carolina Public Employees Benefit Authority (“**Authority**”), maintains five independent cost sharing, multi-employer defined benefit plans. The School District is a participating employer in the Systems and generally, School District’s employees are covered by the Systems’ South Carolina Retirement System (“**SCRS**”) or the Police Officers Retirement System (“**PORS**”) plans, unless the employee has elected to participate in the Optional Retirement Program (“**ORP**”).

The SCRS plan offers retirement and other benefits, including disability, survivor and death benefits, to eligible state and local government employees. Both employees and employers are required to contribute to the SCRS a percentage of the participating employee’s earnable compensation at a rate set by State law. The PORS plan offers retirement and other benefits for police officers employed by the School District. Like the SCRS, both employees and employers are required to contribute to the PORS a percentage of the participating employee’s earnable compensation at a rate set by State law.

For Fiscal Year 2023, the School District made contributions to the SCRS of \$13,952,653 and to the PORS of \$19,576 which amounts equaled the statutorily required contributions to SCRS and PORS.

School District employees eligible for participation in the SCRS may choose to participate in the ORP, which is a defined contribution plan in which participants direct the investments of their funds in a plan administered by one of four investment providers. The Systems assumes no liability for the ORP benefits and for this reason the ORP is not considered part of the retirement systems for financial statement purposes. Contributions to the ORP are set at the same rates as the SCRS. To participate in the ORP, participants must irrevocably waive participation in the SCRS.

Additionally, the Authority issues its own Annual Comprehensive Financial Report for the Systems (“**Report**”). A copy of the Report for Fiscal Year 2023, may be found at https://www.peba.sc.gov/sites/default/files/acfr_2023.pdf. Additionally, the financial information for the Systems is included in the Annual Comprehensive Financial Report for the State (“**State Report**”). A copy of the State Report may be found at <https://cg.sc.gov/financial-reports/annual-comprehensive-financial-reports-acfrs/fy-2022-2023>.

Future Contribution to Plans: Act No. 13 of 2017 (collectively, “**Plan Legislation**”) statutorily sets the contribution rates to the SCRS and PORS for both employers and employees through Fiscal Year 2027 as follows:

| <u>Fiscal Year</u> | SCRS | | PORS | |
|--------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | <u>Employer Contribution</u> | <u>Employee Contribution</u> | <u>Employer Contribution</u> | <u>Employee Contribution</u> |
| 2023 - 2027 | 18.56% | 9.00% | 21.24% | 9.75% |

Following fiscal year ending June 30, 2027, the Plan Legislation reverts the authority to set the contribution rates of participating employers back to the Authority; however, employee contributions are capped at 9.00% of earnable compensation for the SCRS and 9.75% of earnable compensation for the PORS. The Authority is authorized pursuant to the Plan Legislation to set employer contributions based on the actuarial value of the plans; however, the Plan Legislation prohibits the Authority Board from increasing a participating employer’s rate of contribution by more than 0.5% in any fiscal year. The Authority Board may decrease contribution rates of both employers and employees under the Plan Legislation if an actuarial valuation of the SCRS and PORS shows a funded ratio of at least 85% and any decrease would not decrease the funded ration below 85%. Any decrease by the Authority Board to employer and employee contributions must be made in equal amounts.

Under the Plan Legislation, the unfunded actuarial accrued liability of the SCRS and PORS, as determined by an annual actuarial valuation, must be amortized over a funding period that does not exceed the following schedule:

| <u>Fiscal Year</u> | <u>Funding Period</u> |
|--------------------|-----------------------|
| 2024 | 24 years |
| 2025 | 23 years |
| 2026 | 22 years |
| 2027 | 21 years |
| 2028 and after | 20 years |

The Plan Legislation permits employer contribution rates to be increased above those as set forth in the table above or as set by the Authority after Fiscal Year 2027, if the contribution rates are insufficient to meet the funding periods as set forth above. Increases to employer contribution rates to meet the funding period set forth above may be made without limitation.

Reporting Plan Liability: In accordance with the Governmental Accounting Standards Board's Statement No. 68, the School District reported its proportionate share of the overall net pension liability of the Systems – which represents the difference between the total cost of the Systems' expected future benefits to be paid and the value of assets on hand to cover the benefits – in the School District 2023 ACFR. The School District reported its Fiscal Year 2023 proportionate share of SCRS and PORS Net Pension Liability as \$156,520,474 and \$148,523, respectively, or 0.645655% and 0.004952% of the total net pension liability.

Other Post-Employment Benefits

The School District participates in the South Carolina Retiree Health Insurance Trust Fund, which is a cost-sharing, multi-employer defined benefit plan that provides post-employment health and dental benefits for eligible, retired School District employees and their covered dependents. Generally, retirees are eligible for the health and dental benefits if they have established at least ten years of retirement service credit. For new hires on May 2, 2008, and after, retirees are eligible for benefits and 100% employer funding if they have 25 years of service and for 50% employer funding if they have 15 through 24 years of service. Benefits become effective when the former employee retires under a State retirement system. Basic long-term disability benefits are provided to School District employees approved for disability.

Employers, such as the School District, participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year. For Fiscal Year 2023, the covered payroll surcharge was 6.25%.

Reporting OPEB Liability: In accordance with newly implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions ("**OPEB**"), the School District, as a participant in a cost-sharing, multiple-employer defined benefit plan for the purpose of providing post-employment benefits, reported as of June 30, 2023, a net OPEB liability of \$125,729,700 for its proportionate share of the collective net OPEB liability or 0.800285%. The net OPEB liability was measured as of June 30, 2022.

Liability Insurance

Subject to specific immunity set forth in the South Carolina Tort Claims Act, local governments, including the School District, are liable for damages not to exceed \$300,000 per incident/person and \$600,000 per occurrence/aggregate. No punitive or exemplary damages are permitted under the Act. The School District currently maintains general liability, property and employee health and accident, and workmen's compensation insurance from various commercial insurance carriers. In the opinion of the Superintendent, the amount of liability coverage maintained by the School District is sufficient to provide

protection against any loss arising under the Act. In the opinion of the Superintendent, there is no litigation pending or threatened against the School District which is not adequately insured by such coverage.

Cybersecurity

The School District, like many other large public and private entities, relies on a large and complex technology environment to conduct its operations and faces multiple cybersecurity threats including, but not limited to, hacking, phishing, viruses, malware and other attacks on its computing and other digital networks and systems (collectively, “**Systems Technology**”). As a recipient and provider of personal, private, or sensitive information, the School District may be the target of cybersecurity incidents that could result in adverse consequences to the School District and its Systems Technology, requiring a response action to mitigate the consequences.

Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the School District’s Systems Technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage from cybersecurity incidents or cyber-attacks, the School District invests in multiple forms of cybersecurity and operational safeguards.

While the School District’s cybersecurity and operation safeguards are periodically tested, no assurances can be given by the School District that such measures will ensure against other cybersecurity threats and attacks. Cybersecurity breaches could cause material disruption to the School District’s finances or operations. The costs of remedying any such damage or obtaining insurance related thereto, or protecting against future attacks could be substantial, and insurance (if any can be obtained) may not be adequate to cover such losses or other resultant School District costs and expenses. Further, cybersecurity breaches could expose the School District to material litigation, liability under laws that protect the privacy of personal information, regulatory penalties and other legal risks, which could cause the School District to incur material costs in connection therewith.

DEBT STRUCTURE

Legal Debt Limit of the School District

The School District is authorized by law to incur general obligation indebtedness and may also contract for the acquisition of capital assets through lease-purchase agreements subject to annual appropriation termination clauses. The School District has issued general obligation bonded indebtedness as described below, but has no other contractual liabilities or obligations of a capital nature other than lease agreements for the purchase of copying equipment, buses and computer equipment, all of which are cancelable within one year. Payment on debt service of the School District’s obligations is handled by the County Treasurer.

The School District has a limit on the amount of general obligation debt it may incur without voter approval in a referendum is equal to 8% of the assessed valuation of property within its jurisdiction. Indebtedness approved in a referendum, or any refunding thereof, is excluded from the limit. Existing judicial interpretations of the State Constitution provide that debt issued to refund general obligation debt legitimately incurred are excluded from computations of “bonded indebtedness” for purposes of that issue. Also excluded from the debt limit is debt issued in anticipation of the collection of *ad valorem* taxes and in anticipation of the issuance of bonds.

The School District's debt limit as of June 30, 2024 (unaudited), is computed below:

| | |
|--|-----------------------|
| Assessed Value [†] | \$451,548,730.00 |
| | <u>x 8%</u> |
| Constitutional Debt Limit | 36,123,898.40 |
| Outstanding Debt Subject to Limit [†] | - 5,350,000.00 |
| Amount on Deposit in Debt Service Funds | <u>+ 4,320,126.00</u> |
| Legal Debt Available Without a Referendum | \$35,094,024.40 |

[†] Unaudited.

^{††} See below, "Outstanding Indebtedness" for a description of the debt which is subject to the School District's Constitutional debt limit.
Source: School District; Spartanburg County Auditor.

Statutes authorizing the payment of fees in lieu of taxes (See "FINANCIAL AND TAX INFORMATION – Payments in Lieu of Taxes" herein) provide that the property from which such fees are derived may be included in the calculation of debt limit. These statutes provide formulae whereby the assessed value for debt limit purposes of property subject to a fee in lieu of taxes is determined, based upon the most recently received annual payments in lieu of taxes received by a particular taxing entity.

Outstanding Indebtedness

The following table gives specific information concerning all general obligation bonds of the School District outstanding as of June 30, 2024 (unaudited).

| <u>Date of Issue</u> | <u>Date of Final Maturity</u> | <u>Original Amount Issued</u> | <u>Interest Rate</u> | <u>Balance as of June 30, 2024[†]</u> |
|--------------------------|-----------------------------------|-----------------------------------|--------------------------|--|
| 09/13/2022 | 04/01/2025 | \$17,000,000 | 5.00% | \$2,800,000 |
| 09/21/2023 | 04/01/2025 | 18,000,000 | 5.00 | <u>2,550,000</u> |
| TOTAL | | | | \$5,350,000 |

[†] Unaudited.

General Obligation Debt

The following table sets forth the amount of general obligation indebtedness of the School District outstanding at the end of each of the past five fiscal years:

| <u>Fiscal Year</u> | <u>General Obligation Indebtedness</u> |
|--------------------|--|
| 2020 | \$10,260,000 |
| 2021 | 11,135,000 |
| 2022 | 10,290,000 |
| 2023 | 9,245,000 |
| 2024 [†] | <u>5,350,000</u> |

[†] Unaudited.

Composite Debt Service

The following table sets forth the calendar year debt service requirements as of the date hereof, for all general obligation bond indebtedness of the School District, including debt service on the Bonds.

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Estimated Total Debt Service</u> |
|-------------|------------------|-----------------|---|
| 2025 | \$20,275,000 | \$1,511,969 | \$21,786,969 |
| 2026 | 7,540,000 | 593,513 | 8,133,513 |
| 2027 | <u>7,535,000</u> | <u>197,794</u> | <u>7,732,794</u> |
| TOTAL | \$35,350,000 | \$2,303,275 | \$37,653,275 |

Source: Financial Advisor.

Other Indebtedness

The School District has other indebtedness outstanding other than general obligation bonds. The following table sets forth the purpose, final maturity date, and the outstanding principal amount on the acquisition agreement.

| <u>Purpose</u> | <u>Date of Issue</u> | <u>Final Maturity Date</u> | <u>Amount Outstanding as of June 30, 2024[†]</u> |
|---------------------------|----------------------|----------------------------|---|
| Equipment; Transportation | 11/18/2020 | 04/01/2025 | \$ 607,000 |
| Equipment; Transportation | 02/23/2023 | 04/01/2027 | <u>1,805,000</u> |
| TOTAL | | | \$2,412,000 |

[†] Unaudited.

Legal Debt Limit of Incorporated Municipalities and Special Purpose Districts

Under the provisions of Article X, Section 14 of the State Constitution, each county, incorporated municipality and special purpose district may, in such manner and upon such terms and conditions as the General Assembly shall prescribe by general law, incur general obligation debt authorized by a majority vote of the qualified electors thereof voting in a referendum, without limitation as to amount, and incur, without an election, general obligation debt (in addition to bonded indebtedness existing on November 30, 1977, and bonded indebtedness authorized by a majority vote of qualified electors) in an amount not exceeding 8% of the assessed value of all taxable property therein.

Overlapping Debt

The following table sets forth the assessed value of all taxable property in each political subdivision overlapping the School District, either wholly or in part, as of June 30, 2023, and the total amount of general obligation indebtedness of each such political subdivision which was outstanding as of June 30, 2023.

| | <u>Assessed Value</u> | <u>General Obligation Indebtedness</u> |
|-------------------------------------|-----------------------|--|
| <u>Political Subdivision</u> | | |
| Spartanburg County | \$1,532,913,869 | \$22,429,197 |
| <u>Incorporated Municipality</u> | | |
| City of Spartanburg | 182,937,217 | 7,992,557 |
| <u>Special Purpose Districts</u> | | |
| Popular Springs Fire | 89,535,452 | 989,824 |
| Hilltop Fire | 16,726,082 | 1,138,502 |
| Westview Fairforest Fire | 123,665,242 | 910,010 |
| Spartanburg Sanitary Sewer District | 900,251,734 | 132,464,000 |
| Startex Wellford Water (SJWD) | 292,536,294 | 20,430,000 |
| Woodruff Roebuck Water District | 110,620,788 | 43,929,418 |

Source: County 2023 ACFR; School District 2023 ACFR.

Miscellaneous Debt Information

The School District has not defaulted in the payment of principal or interest, or in any other material respect, with respect to any of its securities at any time within the last 25 years, nor has the School District within such time issued any refunding bonds for the purpose of preventing a default in the payment of principal or interest on any of its securities then outstanding. The School District has not used the proceeds of any bonds or other securities (other than tax anticipation notes) for current operating expenses at any time within the last 25 years.

LEGAL MATTERS

Litigation

There is no litigation presently pending or, to the knowledge of the School District, threatened challenging the validity of any general obligation indebtedness, including the Bonds, issued or proposed to be issued by the School District. The Superintendent for the School District advises that there is neither threatened nor, to his knowledge, pending any litigation which would have any serious adverse effect upon the revenues of the School District.

Tax Exemption

On the date of issuance of the Bonds, Bond Counsel will render an opinion that, under existing law, assuming compliance by the School District with certain requirements of the Internal Revenue Code of 1986, as amended (the “*Code*”), interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax; however, such interest is taken into account in determining the annual adjusted financial statement income of applicable corporations (as defined in Section 59(k) of the Code) for the purpose of computing the alternative minimum tax imposed on corporations.

The Bonds and the interest thereon will also be exempt from all State of South Carolina, county, municipal and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes.

The Code imposes various restrictions, conditions and requirements relating to the exclusion of interest on obligations, such as the Bonds, from gross income for federal income tax purposes, including, but not limited to, the requirement that the School District rebate certain excess earnings on proceeds and amounts treated as proceeds of the Bonds to the United States Treasury, restrictions on the investment of such proceeds and other amounts, and restrictions on the ownership and use of the facilities financed or refinanced with proceeds of the Bonds. The foregoing is not intended to be an exhaustive listing of the post-issuance tax compliance requirements of the Code, but is illustrative of the requirements that must be satisfied by the School District subsequent to issuance of the Bonds to maintain the excludability of the interest on the Bonds from gross income for federal income tax purposes. Bond Counsel’s opinion is given in reliance on certifications by representatives of the School District as to certain facts material to the opinion and the requirements of the Code.

The School District has covenanted to comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that the interest on the Bonds be, or continue to be, excludable from gross income for federal income tax purposes. The opinion of Bond Counsel assumes compliance by the School District with such covenants, and Bond Counsel has not been retained to monitor compliance by the School District with such covenants subsequent to the date of issuance of the Bonds. Failure to comply with certain of such requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of or the receipt, accrual or amount of interest with respect to the Bonds.

If the interest on the Bonds subsequently becomes included in gross income for federal income tax purposes due to a failure by the School District to comply with any requirements described above, the School District is not required to redeem the Bonds or to pay any additional interest or penalty.

The Internal Revenue Service has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations is includible in gross income for federal income tax purposes. Bond Counsel cannot predict whether the Internal Revenue Service will commence an audit of the Bonds. Prospective purchasers and owners of the Bonds are advised that, if the Internal Revenue Service does audit the Bonds, under current Internal Revenue Service procedures, at least during the early stages of an audit, the Internal Revenue Service will treat the School District as the taxpayer, and the owners of the Bonds may have limited rights, if any, to participate in such audit. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds and the accrual or receipt of interest on the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property or casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain Subchapter S Corporations with “excess net passive income,” foreign corporations subject to the branch profits tax, life insurance companies and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. Bond Counsel does not express any opinion as to any such collateral tax consequences. Prospective purchasers of the Bonds should consult their own tax advisors as to the collateral tax consequences.

Proposed legislation is considered from time to time by the United States Congress that, if enacted, would affect the tax consequences of owning the Bonds. No assurance can be given that any future legislation, or clarifications or amendments to the Code, if enacted into law, will not contain provisions which could cause the interest on the Bonds to be subject directly or indirectly to federal, state or local income taxation, adversely affect the market price or marketability of the Bonds or otherwise prevent the owners of the Bonds from realizing the full current benefit of the status of the interest on the Bonds.

Bond Counsel’s opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel’s attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel’s opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel’s professional judgment based on its review of existing law, and in reliance on the representations and covenants that Bond Counsel deems relevant to such opinion. Bond Counsel’s opinion expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering its opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of the School District, nor does the rendering of such opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Original Issue Premium

As indicated on the front cover, the Bonds are being sold at initial offering prices which are in excess of the principal amount payable at maturity (“**Premium Bonds**”). The difference between (a) the initial offering prices to the public (excluding bond houses and brokers) at which a substantial amount of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium, which original issue premium is not deductible for federal income tax purposes. In the case of an owner of a Premium Bond, however, the amount of the original issue premium which is treated as having accrued over the term of such Premium Bond is reduced from the owner’s cost basis of such Premium Bond in determining, for federal income tax purposes, the taxable gain or loss upon the sale, redemption or other disposition of such Premium Bond (whether upon its sale, redemption or payment at

maturity). Owners of Premium Bonds should consult their tax advisors with respect to the determination, for federal income tax purposes, of the “adjusted basis” of such Premium Bonds upon any sale or disposition and with respect to any state or local tax consequences of owning a Premium Bond.

Legality

The final approving opinion of Parker Poe Adams & Bernstein LLP, Bond Counsel, Columbia, South Carolina, will be furnished without charge to the purchasers of the Bonds at the time of their delivery. The proceedings provide that the opinion to be rendered by counsel upon the validity of the Bonds will be printed on the back of or attached to each Bond.

Parker Poe Adams & Bernstein LLP has assisted the School District by compiling certain information supplied to them by the School District and others and included in this Official Statement, but has not made an independent investigation or verification of the accuracy, completeness or fairness of such information. The opinion of Parker Poe Adams & Bernstein LLP will be limited solely to the legality and enforceability of the Bonds, and no opinion will be given with respect to this Official Statement.

The opinion to be delivered concurrently with the delivery of the Bonds expresses the professional judgment of the attorneys rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

United States Bankruptcy Code

The undertakings of the School District should be considered with reference to Chapter 9 of the United States Bankruptcy Code, 11 U.S.C. 901, *et seq.*, as amended (“**Bankruptcy Code**”), and other laws affecting creditors’ rights and municipalities generally. Chapter 9 permits a municipality, political subdivision, public agency, or other instrumentality of a State that is insolvent or unable to meet its debts as such debts mature to file a petition in the United States Bankruptcy Court for the purpose of effecting a plan to adjust its debts; directs such a petitioner to file with the court a list of its creditors; provides that the filing of the petition under that Chapter operates as a stay of the commencement or continuation of any judicial or other proceeding against the petitioner; directs a petitioner to file a plan for the adjustment of its debts; permits the petitioner in its plan to modify the rights to payment of its creditors; and provides that the plan must be accepted in writing by or on behalf of creditors; and provides that the plan must be accepted in writing by or on behalf of creditors of each impaired class of claims holding at least two-thirds in amount and more than one-half in number of the creditors which have accepted or rejected the plan. The plan may be confirmed notwithstanding the negative vote of one or more classes of claims if the court finds that the plan is in the best interest of creditors, is feasible, and is fair and equitable with respect to the dissenting classes of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

RATINGS

Moody’s Investors Service, Inc. (“**Moody’s**”) has assigned a municipal bond rating of “Aa1” to the Bonds based on the State’s constitutional intercept provisions (as described in “THE BONDS – Additional Security for the Bonds”). Moody’s assigned the Bonds an underlying rating of “Aa2.” The ratings reflect only the views of Moody’s and an explanation of the significance of the ratings may be obtained from Moody’s. The School District furnished Moody’s with certain information and materials regarding the School District and the Bonds. Generally, Moody’s bases its ratings on the information and materials

provided by the School District and on investigations, studies and assumptions furnished to and obtained and made by Moody's.

There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by either or both rating companies, if in the judgment of either or both companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE

In connection with the issuance of the Bonds and in accordance with Section 11-1-85 of the South Carolina Code Annotated, the School District has covenanted in the Resolution that the School District will file or cause to be filed with a central repository for availability in the secondary bond market when requested (1) an annual independent audit, within thirty days of the School District's receipt of the audit; and (2) event specific information, within thirty days of an event adversely affecting more than five percent of the School District's revenue or tax base. The sole remedy for failure by the School District to comply with this covenant is an action for specific performance. Moreover, the School District specifically reserves the right to amend the covenant to reflect any change in (or repeal of) Section 11-1-85 without the consent of any bondholder.

In connection with the issuance of the Bonds and in accordance with the Securities and Exchange Commission Rule 15c2-12(b)(5), the School District will execute and deliver prior to closing a Disclosure Dissemination Agent Agreement ("**Disclosure Agreement**"), in substantially the form attached hereto as Appendix C. Pursuant to the Disclosure Agreement, the School District will provide certain financial information and operating data relating to the School District ("**Annual Report**") by not later than February 1 following the end of the preceding fiscal year of the School District, commencing with Fiscal Year 2024, and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in the form of the Disclosure Agreement. These covenants have been made for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The sole remedy for failure by the School District to comply the provisions of the Disclosure Agreement, is an action to compel performance by the School District.

In connection with prior issuances of debt, the School District executed other continuing disclosure instruments in which the School District covenanted to file with the Electronic Municipal Market Access system (EMMA[®]), a service of the Municipal Securities Rulemaking Board, found at <http://emma.msrb.org>, annual reports, consisting of certain financial and operating data relating to the School District. For the School District's outstanding general obligation bonds, which are described in the sections entitled "DEBT STRUCTURE – Outstanding Indebtedness" and "DEBT STRUCTURE – Composite Debt Service," the School District covenanted to annually provide the following financial information and operating data:

- (1) the School District's audited financial statements for the preceding fiscal year;
- (2) a table of the School District's general fund revenues and expenditures for the previous fiscal year;
- (3) the School District's budget for the current fiscal year;
- (4) tables of the School District's sources of revenue for the previous fiscal year;
- (5) a table of the assessed values of all taxable property in the School District for the previous fiscal year and an estimated true value of all taxable property;
- (6) a table of the School District's property tax collections for the previous fiscal year;
- (7) a table of the School District's ten largest taxpayers for the previous fiscal year;
- (8) a table of the millage levied by the School District for the previous fiscal year;

- (9) the School District's legal debt limit as of the close of the previous fiscal year;
- (10) the School District's outstanding indebtedness, including long term lease obligations, as of the close of the previous fiscal year; and
- (11) the School District's composite debt service for as of the close of the previous fiscal year.

The School District also covenanted to file notices of certain enumerated events.

The School District has timely filed its audited financial statements and the financial and operating data required to be submitted under the other continuing disclosure agreements.

Since 2012, the School District has contracted with Digital Assurance Certification, L.L.C., as its disclosure dissemination agent, to assist the School District in the timely filing of the information required under its continuing disclosure obligations undertaken in connection with the School District's outstanding series of bonds and the Bonds.

UNDERWRITING

The Bonds have been purchased at a competitive sale for resale by PNC Capital Markets LLC ("***Underwriter***"), at a purchase price of \$31,019,923.41. The interest rate and yield, which information has been provided by the Underwriter, of the Bonds are stated on the cover hereof. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the initial public offering prices. In addition, the initial public offering prices of either series of the Bonds may be changed from time to time by the Underwriter without prior notice. The School District will not pay a fee to the Underwriter for underwriting the Bonds.

MISCELLANEOUS

Certificate as to the Official Statement

The initial purchaser of the Bonds shall receive a certificate, dated the date of delivery of the Bonds, of the Superintendent of the School District stating that this Official Statement, as of the date hereof, does not contain any untrue statement of a material fact or omit to state any material fact required to be stated herein or necessary to make the statements herein, in light of the circumstances under which they are made, not misleading, and that there has been no material adverse change in the financial condition of the School District from that set forth in or contemplated by this Official Statement. In providing such certificate, the Superintendent will state that he has not undertaken to independently verify information pertaining to nongovernmental data and activities contained in this Official Statement, but that such information has been obtained from sources which the School District believes to be reliable and that the School District has no reason to believe that they are untrue in any material respect.

Financial Advisor

First Tryon Advisors has served as financial advisor (the "***Financial Advisor***") to the School District with respect to the sale of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent on the issuance and delivery of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement and the appendixes hereto.

CONCLUSION

Further inquiries should be addressed to Dr. Omar G. Daniels, Assistant Superintendent for Finance, Spartanburg County School District Six, 1390 Cavalier Way, Roebuck, South Carolina 29376 (864-216-4363). Requests for additional copies of this Official Statement may be addressed to Dr. Daniels or to Ray E. Jones, Esquire, Parker Poe Adams & Bernstein LLP, 1221 Main Street, Suite 1100, Columbia, South Carolina 29201 (803-255-8000).

The delivery of this Official Statement and its use in connection with the sale of the Bonds has been duly authorized by the School District.

**SPARTANBURG COUNTY SCHOOL DISTRICT SIX,
SOUTH CAROLINA**

/s/ Christie Johnson

Chair, Board of Trustees

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APPENDIX A

**COPY OF THE FINANCIAL STATEMENTS |
AND SUPPLEMENTARY INFORMATION OF THE SCHOOL DISTRICT
FOR FISCAL YEAR ENDED JUNE 30, 2023**

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**SPARTANBURG COUNTY SCHOOL DISTRICT SIX
ROEBUCK, SOUTH CAROLINA**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

JUNE 30, 2023

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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Independent Auditor's Report

To the Board of Trustees of
Spartanburg County School District Six
Roebuck, South Carolina

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of the District's Proportionate Share of the Collective Net Pension Liability, Schedule of the District's Proportionate Share of the Collective Net OPEB Liability, Schedules of the District's Contributions and the Budgetary Comparison Schedule, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund schedules, other schedules required by the South Carolina Department of Education and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2023, on our consideration of Spartanburg County School District Six's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 30, 2023

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Introduction

Our discussion and analysis of Spartanburg County School District Six (SD6) financial performance provides an overview of SD6's financial activities for the fiscal year ended June 30, 2023. It should be read in conjunction with SD6's financial statements and notes to the financial statements to enhance their understanding and use of the financial report.

Financial Highlights

- On the governmental funds balance sheet, the assets of SD6 exceeded the liabilities and deferred inflows of resources by \$48.4 million.
- Total revenues increased \$25.1 million from \$170.8 million in fiscal year 2022 to \$195.9 million in fiscal year 2023.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$20,076,862 which is 16.1% of total General Fund expenditures for fiscal year 2023.
- At the end of the current fiscal year, fund balance for the General Fund increased 9.5% for fiscal year 2023.
- The debt obligations of SD6 that receive credit ratings are rated with a credit enhancement from the State of South Carolina and receive rating of "Aa1" by Moody's Investor Service Inc.

On the financial statements:

- The District implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, "Subscription-Based Information Technology Arrangements (SBITAs)" in the current year. The statement established criteria for reporting of certain subscription right-to-use assets and liabilities that currently are not reported to enhance the relevance and reliability of the government's financial statements.
- The District implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, "Leases" in the prior year. The statement established criteria for reporting of certain lease right-to-use assets and liabilities that currently are not reported to enhance comparability of financial statements among governments.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Overview of the Financial Statements

The financial section of this annual report consists of four parts: (1) management's discussion and analysis, (2) basic financial statements, (3) required supplementary information and (4) other supplementary information.

SD6'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 SD6's financial condition.

- Government-wide financial statements including the Statement of Net Position and the Statement of Activities which provide a broad, long-term overview of SD6 finances,
- Fund financial statements that provide a great level of detail of revenues and expenditures and focus on how well SD6 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 required and 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 SD6'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, deferred outflows of resources, liabilities, and deferred inflows of resources 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 SD6's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between the two reported 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).

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

To assess the SD6's overall health, other nonfinancial factors such as the property tax base, current property tax laws (see economic conditions), stability of state revenues, school facility plan and condition, and the district's fiscal plan to manage growth should be used in arriving at their conclusion regarding the overall health of the district. The government-wide financial statements can be found on Exhibit A and Exhibit B of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about SD6'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 types 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

SD6 maintains six significant governmental funds: General Fund, Special Revenue Fund-Special Projects, Special Revenue Fund-Education Improvement Act (EIA), Special Revenue Fund-Food Service, Debt Service Fund, and the Capital Projects Fund. The basic governmental fund financial statements can be found on Exhibits C-1 through Exhibit D-1 of this report.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Fiduciary Funds. Fiduciary funds are used to accounts for assets held by SD6 in a trustee capacity or as an agent for individuals, private organizations, and/or other funds. SD6 is responsible for ensuring that the assets reported in these funds are used for their intended purposes. We exclude these activities from SD6's government-wide financial statements because SD6 cannot use these assets to finance its operations.

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

Other information. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of the SD6's financial statements, including the portion of functions that they cover and the types of information they contain.

Figure A-1. Major Features of SD6's Government-wide and Fund Financial Statements

| Type of Statements | Government-wide | Fund Statements |
|--|--|--|
| | | Governmental Funds |
| Scope | All activities of the District (except fiduciary funds) | The activities of the district that are not fiduciary |
| Required financial statements | ▲ Statement of net position | ▲ Balance sheet |
| | ▲ Statement of activities | ▲ Statement of revenues, expenditures, and changes in fund balance |
| Accounting basis and measurement focus | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus |
| Type of assets/liability information | All assets and liabilities, both financial and capital, short-term and long-term | Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included |
| Type of inflow/outflow information | All revenues and expenses during year, regardless of when cash is received or paid | Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Financial Analysis as a Whole

All of SD6's services are reported in the government-wide financial statements, excluding fiduciary funds. Instruction, support services, community services, 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 SD6's net position as of June 30, 2023 and 2022.

| Summary of Net Position As of June 30 | | | | |
|--|-----------------|-----------------|---------------|---------|
| Governmental Activities | | | | |
| | 2023 | 2022 | Difference | %Change |
| Current assets | \$ 73,058,507 | \$ 65,639,712 | \$ 7,418,795 | 11.3% |
| Capital assets, net | 207,549,286 | 198,636,637 | 8,912,649 | 4.5% |
| Total Assets | 280,607,793 | 264,276,349 | 16,331,444 | 6.2% |
| Deferred Outflows of Resources | 65,707,233 | 66,614,833 | (907,600) | -1.4% |
| Current liabilities | 23,576,690 | 15,492,758 | 8,083,932 | 52.2% |
| Long-term liabilities | 295,725,645 | 324,749,897 | (29,024,252) | -8.9% |
| Total Liabilities | 319,302,335 | 340,242,655 | (20,940,320) | -6.2% |
| Deferred Inflows of Resources | 52,274,381 | 28,370,332 | 23,904,049 | 84.3% |
| Net Position: | | | | |
| Net Investment | | | | |
| in Capital Assets | 212,632,553 | 198,412,159 | 14,220,394 | 7.2% |
| Debt Service-Restricted | 7,696,094 | 6,633,387 | 1,062,707 | 16.0% |
| Unrestricted | (245,590,337) | (242,767,351) | (2,822,986) | -1.2% |
| Total Net Position | \$ (25,261,690) | \$ (37,721,805) | \$ 12,460,115 | 33.0% |

Total assets increased \$16.3 million or 6.2% above June 30, 2022. At year end for governmental activities, capital assets represented 74.0% of total assets. Capital assets increased \$8.9 million or 4.5% due to \$17.4 million in additions of capital assets exceeding \$8.5 million in capital assets depreciation expense.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Current assets increased in governmental activities primarily due to increases in taxes receivable and due from federal government. Cash decreased \$2.6 million as receivables and due from other funds increased. Cash for the school building fund and all special revenue funds except the special revenue fund-food service (petty cash) and R.D. Anderson Career and Technology Center are accounted for in the General fund under the district's consolidated cash account through "Due To Other Funds" and "Due From Other Funds" on the financial statements. Taxes receivable increased from \$6.4 million in fiscal year 2022 to \$13.8 million in fiscal year 2023, an increase of \$7.4 million. Accounts receivables decreased \$155,871. Fiscal year end billings to other school districts decreased the Due from Other School Districts by \$400,656 and fiscal year end billings for federal programs increased the Due from Federal Government by \$3.4 million.

Deferred outflows of resources accounted for \$65,707,233. For the year ended 2023, SD6 recognized deferred outflows of resources in the South Carolina Police Officers Retirement System and the South Carolina Police Officers Retirement System of \$1.4 million accounting for pension actual differences between expected and actual experiences, \$5.0 million in changes in assumptions, \$0.2 million in net differences between projected and actual earnings on pension plan investments, \$3.0 million in changes in proportion and differences between District contributions and proportionate share of contributions, and \$14.0 million in district contributions subsequent to the measurement date. In addition, SD6 recognized net difference between projected and actual earnings on OPEB plan investments of \$2.7 million, \$28.3 million in OPEB changes in assumptions, \$1.0 in net differences between projected and actual earnings on OPEB plan investments, \$4.5 million in changes in proportion and differences between District contributions and proportionate share of contributions, and \$5.5 million in district contributions subsequent to the measurement date.

Current liabilities increased \$8.1 million. Accounts payables increased \$4.1 million as capital projects increased at the end of the fiscal year. Accrued salaries and withholdings increased \$831,853. Unearned revenues increased \$1.6 million. Several state funds by state law have funding flexibility which allows SD6 to carry forward those unspent resources as unearned revenues for one year and expend those resources in the subsequent fiscal year.

Long-term liabilities are comprised by five components: net pension and OPEB liability, general obligation bonds, notes payable, and unamortized premiums. Net pension liabilities increased \$21.3 million and \$156,668,997 was recorded as a long term liability. Net OPEB liabilities decreased \$40.9 million and \$125,729,700 in net OPEB liabilities were recorded as a long term liability. Noncurrent liabilities due within one year decreased \$11.3 million. Total long-term liabilities decreased by \$29.0 million primarily due to decrease in OPEB Liabilities and the retirement of long term debt offset by the increase in net pension liabilities. \$17.0 million in general obligations debt was issued during the 2023 fiscal year and \$28.0 million in general obligation debt was retired.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Deferred inflows of resources accounted for \$52.3 million. For the year ended 2023, SD6 recognized \$685,047 for the difference between expected and actual experience, \$118,591 in the changes in proportion and differences between District contributions and proportionate share of contributions. In addition for OPEB plans, SD6 recognized deferred inflows of resources of \$11.1 million for differences between expected and actual experience, \$40.4 million in changes in assumptions, and \$295 in changes in proportion and differences between District contributions and proportionate share of contributions.

Net Position increased \$12.5 million or 33.0% above June 30, 2022 primarily as a result of the increase in current and capital assets and the increase in deferred inflows of resources decreased by the change in long-term liabilities. Net position comprises of investments in capital assets less any related debt, debt services, and unrestricted net position. Investments in capital assets less any related debt used to acquire those assets that is still outstanding is \$212.6 million. Capital assets, net of depreciation increased \$8.9 million above June 30, 2022. This net increase represents \$17.5 million of additions, \$20,595 in deductions, \$242,393 transfer from construction in progress and \$8.5 million in additions and deductions of accumulated depreciation. SD6 uses these capital assets to provide services to students; therefore these assets are not available for future spending. An additional fraction of net position, \$7.7 million is restricted for debt services.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Operating Results

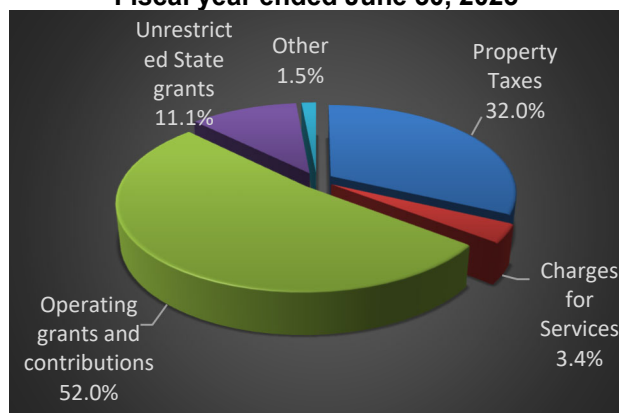
The following table provides a summary of the changes in net position for SD6 for the years ended June 30, 2023 and 2022:

| SUMMARY OF CHANGES IN NET POSITION | | | | |
|------------------------------------|-------------------------|-----------------|---------------|---------|
| For the Year Ended June 30 | | | | |
| | Governmental Activities | | | |
| | 2023 | 2022 | Difference | %Change |
| Revenues: | | | | |
| Program Revenues: | | | | |
| Charges for services | \$ 6,647,527 | \$ 5,065,373 | \$ 1,582,154 | 31.2% |
| Operating grants and contributions | 101,834,794 | 85,110,858 | 16,723,936 | 19.6% |
| Total Program Revenues | 108,482,321 | 90,176,231 | 18,306,090 | 20.3% |
| General Revenues | | | | |
| Property Taxes (general fund) | 43,939,210 | 41,788,397 | 2,150,813 | 5.1% |
| Property taxes (debt services) | 18,703,884 | 17,767,377 | 936,507 | 5.3% |
| Unrestricted state grants | 21,941,289 | 19,763,700 | 2,177,589 | 11.0% |
| Miscellaneous | 1,054,036 | 1,024,804 | 29,232 | 2.9% |
| Unrestricted investment earnings | 1,893,670 | 157,435 | 1,736,235 | 1102.8% |
| Total General Revenues | 87,532,089 | 80,501,713 | 7,030,376 | 8.7% |
| Total Revenues | 196,014,410 | 170,677,944 | 25,336,466 | 14.8% |
| Expenses: | | | | |
| Instruction | 108,898,367 | 98,222,525 | 10,675,842 | 10.9% |
| Support Services | 74,117,953 | 65,930,460 | 8,187,493 | 12.4% |
| Community services | 3,735 | 4,506 | (771) | -17.1% |
| Interest and other charges | 534,240 | 269,319 | 264,921 | 98.4% |
| Total Expenses | 183,554,295 | 164,426,810 | 19,127,485 | 11.6% |
| Change in Net Position | 12,460,115 | 6,251,134 | 6,208,981 | 99.3% |
| Beginning Net Position | (37,721,805) | (43,972,939) | 6,251,134 | -14.2% |
| Ending Net Position | \$ (25,261,690) | \$ (37,721,805) | \$ 12,460,115 | -33.0% |

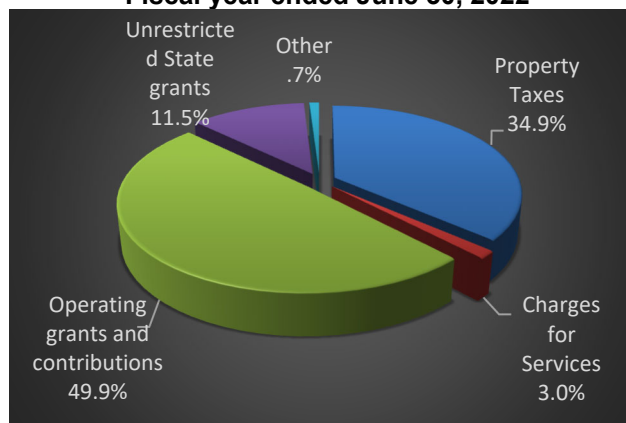
SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

**Revenues by Source – Governmental Activities
Fiscal year ended June 30, 2023**



**Revenues by Source – Governmental Activities
Fiscal year ended June 30, 2022**



Changes in Net Position. SD6's total revenues were \$196.0 million. Operating grants and unrestricted state grants primarily from state sources represent 63.1% of the districts revenues. Property taxes represented 32.0% and charges for services represented 3.4% of total revenues. The total cost of all programs and services was \$183.6 million. The net position of the SD6s governmental activities increased by \$12.5 million due to increased revenues exceeding the increases in instruction and support service expenses. The following is a summary of the governmental activities:

- Some of the governmental activities cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$108.5 million.
- The remaining cost of governmental activities not directly funded by program revenues was \$87.5 million of which \$62.6 million was funded by property taxes and \$21.9 million was funded by unrestricted state grants.

Total revenues increased \$25.3 million or 14.8% primarily due to increases in operating grants and general revenues. Operating grants and contributions increased \$16.7 million or 19.6% due to increased contributions from federal programs and from the South Carolina Department of Education. Property taxes (general fund) revenue increased \$2.2 million or 5.1% due to growth in real property, vehicles, and fee in lieu. Total revenues in general fund and debt service reflected growth in 4% residential property that is exempt from property taxes in the general fund but assessable in the Debt Service Fund. Property taxes (debt service) revenue increased \$0.9 million. Unrestricted state revenue increased due to Tier III reimbursements for 4% residential property increased based on the student growth of the district and the Consumer Price Index.

Total expenses increased \$19.1 million or 11.6% primarily due to increases in instruction and support services. Instruction increased 10.9% primarily due experience increases in salaries and benefit increases. Support services expenses increased 12.4% from the increase in salaries, benefits, and purchases services.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Interest and other charges increased \$264,921 as general obligation rates increased in 2023.

Capital Assets

At June 30, 2023 SD6 had \$207,549,286 invested in a broad range of capital assets, including land, buildings, building improvements, and equipment. The amount represents a net increase (including additions, deductions and depreciation) of \$8.9 million or 4.5% from fiscal year 2022.

| CAPITAL ASSETS | | | | | | |
|-----------------------------------|-------------------------|-------------|------------|---------------|-------------|---------|
| For the Year Ended June 30 | | | | | | |
| | Governmental Activities | | | | | |
| | 2022 | Additions | Deductions | 2023 | Difference | %Change |
| Land | \$ 6,523,425 | \$ 3,500 | \$ - | \$ 6,526,925 | \$ 3,500 | 0.1% |
| Buildings | 296,785,422 | 581,426 | - | 297,366,848 | 581,426 | 0.2% |
| Improvements other than buildings | 14,894,090 | 41,039 | - | 14,935,129 | 41,039 | 0.3% |
| Equipment | 18,374,119 | 1,640,165 | (20,595) | 19,993,689 | 1,619,570 | 8.8% |
| Construction in progress | 1,324,475 | 15,445,582 | (242,393) | 16,527,664 | 15,203,189 | 1147.9% |
| Total Capital | | | | | | |
| Assets | 337,901,531 | 17,711,712 | (262,988) | 355,350,255 | 17,448,724 | 5.2% |
| Less | | | | | | |
| Accumulated depreciation | (139,264,894) | (8,544,166) | 8,091 | (147,800,969) | (8,536,075) | 6.1% |
| Total Capital | | | | | | |
| Assets, net. | 198,636,637 | 9,167,546 | (254,897) | 207,549,286 | 8,912,649 | 4.5% |

Capital assets increased due to primarily construction in progress and equipment purchases. The district has construction projects in progress at Lone Oak, Fairforest, and Arcadia Elementary schools. Capital assets from various district projects were added including HVAC, maintenance equipment, roofing projects, playgrounds, security equipment, and technology equipment. Total capital increases were offset by \$8.5 million in depreciation expenses. Additional information on SD6's capital assets can be found in Note 3 of the Financial Statements.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Long term Debt and Capitalized Lease Obligations

As of June 30, 2023, SD6 had \$13,326,948 total debt versus \$22,709,664 from the last fiscal year. A summary of the long term debt is listed in the following table:

| LONG TERM DEBT AND CAPITAL LEASE OBLIGATIONS | | | | |
|--|-------------------------|------------|------------|------------|
| For the Year Ending June 30 | | | | |
| | Governmental Activities | | | |
| | 2022 | Additions | Deductions | 2023 |
| General Obligation Bonds | | | | |
| 2020 GO Bond Series | 3,920,000 | - | 3,920,000 | - |
| 2021 GO Bond Series | 6,370,000 | - | 4,390,000 | 1,980,000 |
| 2022 GO Bond Series | - | 17,000,000 | 9,735,000 | 7,265,000 |
| 2021 GO Bond Anticipation Notes | 10,000,000 | - | 10,000,000 | - |
| SubTotal | 20,290,000 | 17,000,000 | 28,045,000 | 9,245,000 |
| Notes Payable | 1,806,000 | 3,000,000 | 1,233,000 | 3,573,000 |
| Unamortized Premiums | 613,664 | 503,046 | 607,762 | 508,948 |
| Total Debt | 22,709,664 | 20,503,046 | 29,885,762 | 13,326,948 |

SD6 maintains an Aa2/Aa1 rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue up to 8% of its total assessed valuation. The district may choose to exceed its 8% limit on bonded indebtedness by a majority vote of the qualified electors of the school district voting in a referendum. The district has no debt issued by referendum currently. The legal debt margin for the fiscal year ending 2023 for SD6 is \$28,456,493. Additional information on SD6's long term debt and capital lease obligations can be found in Note 4 of the Financial Statements.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Governmental Funds - Revenues and Other Financing Sources

| REVENUES AND OTHER FINANCING SOURCES | | | | | |
|--------------------------------------|----------------|----------------|--------------------------|-------------------------------------|--|
| For the Year End June 30 | | | | | |
| Governmental Funds | | | | | |
| | 2023 | 2022 | 2023 Percent of Total | Increase (Decrease) from 2022 | Percent Increase (Decrease) from 2022 |
| Local property taxes | \$ 62,481,702 | \$ 59,629,007 | 25.9% | \$ 2,852,695 | 4.8% |
| Other local | 9,607,738 | 6,313,109 | 4.0% | 3,294,629 | 52.2% |
| Intergovernmental | 1,565,369 | 1,300,624 | 0.6% | 264,745 | 20.4% |
| State | 90,724,357 | 82,348,449 | 37.5% | 8,375,908 | 10.2% |
| Federal | 31,486,356 | 21,225,485 | 13.1% | 10,260,871 | 48.3% |
| Subtotal | 195,865,522 | 170,816,674 | 81.0% | 25,048,848 | 14.7% |
| Other financing sources | 45,834,433 | 54,670,144 | 19.0% | (8,835,711) | -16.2% |
| Total | \$ 241,699,955 | \$ 225,486,818 | 100.0% | \$ 16,213,137 | 7.2% |

- **Property taxes** increased by 4.8% above fiscal year 2022 as real property, vehicles and fee in lieu increased by \$17.4 million in assessment. Collections for property taxes increased \$1.5 million above fiscal year 2022. Vehicle collections increased \$409,439 and delinquent taxes decreased \$96,570 from the previous fiscal year. Fee in Lieu of Taxes increased \$638,571 above the previous fiscal year.
- **Other local** increased \$3.3 million primarily from increases in Early Learning Center tuition of \$996,534, interest revenues of \$1.9 million, local food service revenues increased \$736,424 as waivers for free lunches during the pandemic expired. Medicaid revenue decreased \$71,259. Pupil activity funds increased \$0.4 million.
- **Intergovernmental** increased 20.4% from an increase in billable satellite program expenditures to McCarthy/Teszler school.
- **State revenue** increased \$8.4 million. The state changed the primary funding model from the Education Finance Act to State Aid to Classroom. State Aid to Classroom was \$51.6 million for fiscal year 2023. Property tax relief funding increased \$732,990. Employer fringe benefits were decreased by \$14.5 million and consolidated into state Aid to Classroom. Manufacturing Depreciation Reimbursement increased \$1.5 million. Education Improvement Act Funds were decreased primarily from the consolidation of funding such as At Risk Funding and Aid to District into State Aid to Classroom. CERDEP, Summer Reading, Career and Technology Education, Science Kit Refurbishment, and Formative Assessment increased above fiscal year 2022.
- **Federal revenue** increased \$10.3 million primarily from the increases in federal revenue for Title I, ESSER II, ESSER III, and USDA reimbursement from the school nutrition program.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

- **Other financing sources** decreased \$8.8 million primarily as a result of no issued general obligation bond anticipation notes in 2023 in comparison to the \$10.0 million issued in 2022. Transfers in decreased from \$27.9 million in 2022 to \$25.3 million in 2023.

Governmental Funds - Expenditures

| EXPENDITURES | | | | | |
|----------------------------|----------------|----------------|--------------------------|----------------------------------|--|
| For the Year Ended June 30 | | | | | |
| Governmental Funds | | | | | |
| | 2023 | 2022 | 2023 Percent of Total | Increase (Decrease) from 2022 | Percent Increase (Decrease) from 2022 |
| Current: | | | | | |
| Instruction | \$ 93,823,826 | \$ 84,071,707 | 38.7% | \$ 9,752,119 | 11.6% |
| Supporting Services | 71,310,074 | 63,082,358 | 29.4% | 8,227,716 | 13.0% |
| Community Services | 3,735 | 4,506 | 0.0% | (771) | -17.1% |
| Intergovernmental | 3,734,076 | 1,772,463 | 1.5% | 1,961,613 | 110.7% |
| Debt Service | | | | | |
| Principal | 29,278,000 | 35,437,000 | 12.1% | (6,159,000) | -17.4% |
| Interest | 921,237 | 1,670,912 | 0.4% | (749,675) | -44.9% |
| Other Objects | 129,870 | 171,639 | 0.1% | (41,769) | -24.3% |
| Capital Outlay | 17,903,385 | 2,952,899 | 7.4% | 14,950,486 | 506.3% |
| Subtotal | 217,104,203 | 189,163,484 | 89.6% | 27,940,719 | 14.8% |
| Other financing uses | 25,331,387 | 27,934,311 | 10.4% | (2,602,924) | -9.3% |
| Total | \$ 242,435,590 | \$ 217,097,795 | 100.0% | \$ 25,337,795 | 11.7% |

Instruction increased primarily due to:

- Classroom teaching and assistant positions primarily were retained in fiscal year 2022-2023 to maintain class size ratios and support instruction in the school district. An additional 12 classroom teachers were added to support smaller class sizes. All governmental funds with the exception of Debt Service account for salaries and benefits. All employees received an experience increase and a cost of living increase during the 2022-2023 school year. The certified teacher salary schedule was adjusted to add experience steps for years 28 to 30. Certified teaching staff received a cost of living increase of \$2,260. The aide salary schedule was adjusted to provide a more competitive salary schedule. Salaries increased \$4.4 million above 2022. An employee appreciation bonus was issued during 2023 for \$250 in two installments. Employee benefits increased \$3.0 million above fiscal year 2021-2022 primarily from increases in retirement and health insurance.

Supporting Services increased primarily due to:

- All employees received an experience and a cost of living increase during the 2022-2023 school year. The school district adjusted the salary schedule for maintenance, custodians, and bus drivers to provide a more competitive salary schedule. These salaries increased \$1.0 million for maintenance, custodians, bus drivers. The school district added athletic trainers, nurses, and psychologist during 2023. Total salaries increased \$2.6 million above the 2022 school year. An employee appreciation bonus was issued during 2022 for \$250 in two installments.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Intergovernmental increased 110.7% primarily due to nonemployer contributions for retirement and OPEB and payments to R.D. Anderson Career and Technology Center.

Debt service decreased \$7.0 million due to decreases in principal and interest expenditures related to Bonds and Bond anticipation notes.

Capital Outlay increased \$14.9 million as the district continued its capital improvement plan including equipment and school addition planning expenditures.

General Fund

The general fund is the chief operating fund of SD6. At the end of the fiscal year 2023 and 2022, the total fund balance of the general fund was \$20.3 million and \$18.5 respectively. The total fund balance of the general fund increased by \$1.8 million in fiscal year 2023.

GENERAL FUND REVENUES

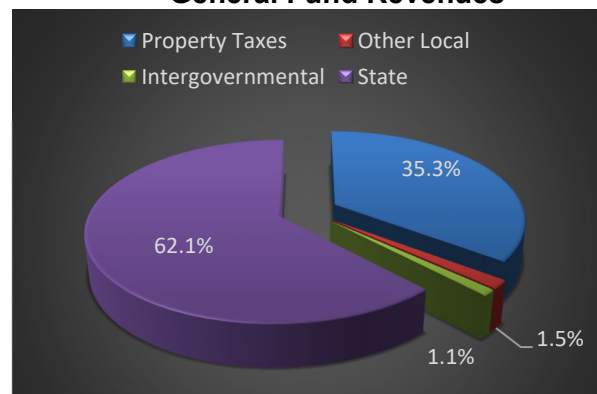
For the Year End June 30

| | 2023 | 2022 | 2023 Percent of Total | Increase (Decrease) from 2022 | Percent Increase (Decrease) from 2022 |
|----------------------|----------------|----------------|--------------------------|-------------------------------------|--|
| Local property taxes | \$ 43,777,818 | \$ 41,861,630 | 35.3% | \$ 1,916,188 | 4.6% |
| Other local | 1,893,275 | 311,133 | 1.5% | 1,582,142 | 508.5% |
| Intergovernmental | 1,361,707 | 1,255,780 | 1.1% | 105,927 | 8.4% |
| State | 77,075,812 | 71,635,684 | 62.1% | 5,440,128 | 7.6% |
| Total | \$ 124,108,612 | \$ 115,064,227 | 100.0% | \$ 9,044,385 | 7.9% |

General Fund Revenues.

Revenues for the General Fund totaled \$124,108,612, an increase of \$9.0 million above fiscal year 2022. Local property taxes increased from assessment growth within the school district. Spartanburg County approved the Teacher Equalization fund in 2022. The taxes collected countywide is reallocated to each of the seven Spartanburg school districts based upon the Education Finance Act formula. \$511,471 was recognized as new revenue during the 2022-23 school year.

General Fund Revenues



The District's local property taxes account for 35.3% of the District's General Fund revenues while state revenues account for 62.1%. Other local increased \$1.6 million as earning on investments increased above 2022.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Intergovernmental revenues increased \$105,927 primarily from an increase in McCarthy/Teszler satellite class billing. State funding increased \$5.4 million as the State aid to classrooms was adopted as the new funding formula shifting existing funding from Special Revenue funds to the General Fund. Property tax relief increased by \$732,990, Manufacturing Depreciation Reimbursement by \$1.0 million, and retiree insurance increased by \$565,147.

GENERAL FUND EXPENDITURES

For the Year Ending June 30

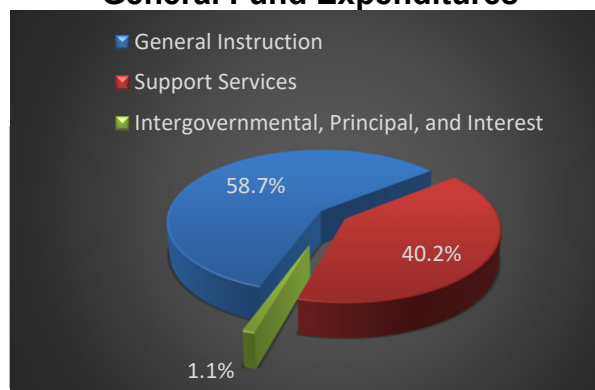
| | 2023 | 2022 | 2023 Percent of Total | Increase (Decrease) from 2022 | Percent Increase (Decrease) from 2022 |
|---------------------|-----------------------|-----------------------|-----------------------------|-------------------------------------|--|
| Current: | | | | | |
| Instruction | \$ 73,083,796 | \$ 65,111,236 | 58.7% | \$ 7,972,560 | 12.2% |
| Supporting Services | 50,039,257 | 45,242,623 | 40.2% | 4,796,634 | 10.6% |
| Intergovernmental | 1,294,225 | 1,555,705 | 1.1% | (261,480) | -16.8% |
| Total | <u>\$ 124,417,278</u> | <u>\$ 111,909,564</u> | <u>100.0%</u> | <u>\$ 12,507,714</u> | <u>11.2%</u> |

General Fund Expenditures.

Expenditures for the general fund totaled \$124,417,278 an increase of 11.2% above fiscal year 2022. Instructional expenditures increased 12.2% and support services increased 10.6%. Instructional expenditures increased \$8.0 million primarily in salaries due to experience increases and additional positions to maintain student teacher ratios. Health insurance and employer retirement contributions increased instructional and support service expenditures. In addition, positions

funded with ESSER II were transitioned to the general fund. As a result of the consolidation of funds with the new state funding formula, expenditures previously charged to At Risk and Aid to District funding were moved to the General Fund. In addition, the school district granted an appreciation bonus to all employees. The district increased security expenditures \$838,902 primarily from the addition of armed security officers at each school. School bus driver expenditures increased by \$879,597. General Liability insurance increased \$136,561. Other maintenance and operations increases were in HVAC supplies, grounds keeping supplies, and grounds equipment. The district's expenditures for athletics and fine arts programs increased \$320,322. General instruction accounts for 58.7% of general fund expenditures while support cost is 40.2% which includes district support, school administrators, nursing, guidance, school media, school psychologist, school operations and maintenance, pupil transportation, and professional development.

General Fund Expenditures



SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Special Revenue Funds. Special revenue fund revenues have increased \$14.6 million or 40.0% above fiscal 2022. Special revenue-Special Projects revenues increased \$13.1 million primarily from increased revenues in Title I, ESSER II and ESSER III. Special revenue-EIA increased \$2.8 million from increases CERDEP and State Aid reduced by decreases in Aid to District and At Risk funding.

Special revenue-Food Service decreased \$124,885 from decreased meal reimbursements from the USDA. As a result of the closure of waivers for a school free lunch program established during COVID, reimbursements to the food service funds were reduced. Funding for special revenue is dependent upon state revenue sources such as sales tax, state lottery, federal appropriations, or state general fund revenues.

Special revenue funds are allocated to each school district based on factors such as student enrollment, school poverty, or student achievement but are all dependent upon the total state allocation.

SPECIAL REVENUE EXPENDITURES

For the year ended June 30

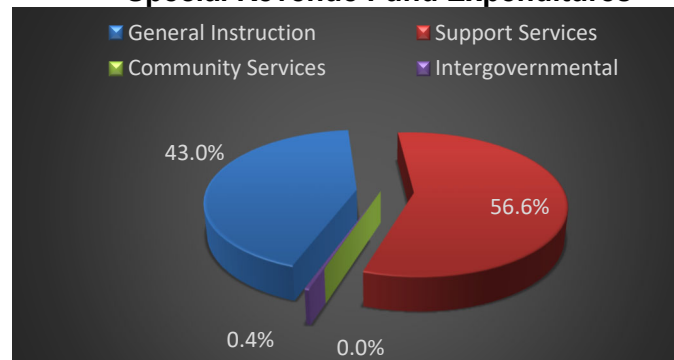
| | 2023 | 2022 | 2023 Percent of Total | Increase (Decrease) from 2022 | Percent Increase (Decrease) from 2022 |
|---------------------|----------------------|----------------------|--------------------------|-------------------------------------|--|
| Current: | | | | | |
| Instruction | \$ 20,740,030 | \$ 18,960,471 | 42.9% | \$ 1,779,559 | 9.4% |
| Supporting Services | 18,167,629 | 15,856,865 | 37.6% | 2,310,764 | 14.6% |
| Community Services | 3,735 | 4,506 | 0.0% | (771) | -17.1% |
| Intergovernmental | 196,500 | 216,758 | 0.4% | (20,258) | -9.3% |
| Capital Outlay | 9,264,223 | - | 19.1% | 9,264,223 | 100.0% |
| Total | <u>\$ 48,372,117</u> | <u>\$ 35,038,600</u> | <u>100.0%</u> | <u>\$ 13,333,517</u> | <u>38.1%</u> |

Special Revenue Fund Expenditures.

Expenditures for special revenue funds were \$48.4 million, an increase of \$13.3 million or 38.1%. Special revenue-special projects expenditures increased \$11.6 million from additional expenditures funded with ESSER II and ESSER III funding. The federal funds included additional teachers to maintain lower class size and interventionist for learning loss experienced during the pandemic.

ESSER funding also included funding for the classroom addition at Fairforest Elementary School. Additional counselors and psychologist were added for social emotional learning. Special Revenue-EIA increased \$557,514 as programs to support 4K, assistance in the classroom, summer reading, and science kits increased during 2023.

Special Revenue Fund Expenditures



SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

DEBT SERVICE EXPENDITURES

For the year ended June 30

| | 2022 | 2022 | 2023 Percent of Total | Increase (Decrease) from 2022 | Percent Increase (Decrease) from 2022 |
|-------------------|----------------------|----------------------|--------------------------|-------------------------------------|--|
| Debt Service Fund | | | | | |
| Principal | \$ 29,278,000 | \$ 35,437,000 | 96.5% | \$ (6,159,000) | -17.4% |
| Interest | 921,237 | 1,670,912 | 3.0% | (749,675) | -44.9% |
| Other Objects | 129,870 | 171,639 | 0.4% | (41,769) | -24.3% |
| Total | <u>\$ 30,329,107</u> | <u>\$ 37,279,551</u> | <u>100.0%</u> | <u>\$ (6,950,444)</u> | <u>-18.6%</u> |

Debt Service Fund.

Debt service expenditures decreased \$7.0 million from the defeasance of a bond anticipation notes of \$10.0 million. Fund balance for the debt service fund increased \$1.1 million as collection rates and assessment values particularly in real property increased resulting in an increase to fund balance.

CAPITAL PROJECT EXPENDITURES

For the year ended June 30

| | 2023 | 2022 | 2023 Percent of Total | Increase (Decrease) from 2022 | Percent Increase (Decrease) from 2022 |
|----------------------|----------------------|---------------------|--------------------------|-------------------------------------|--|
| Capital Project Fund | | | | | |
| Support | 3,103,188 | 1,982,870 | 22.2% | 1,120,318 | 56.5% |
| Intergovernmental | 2,243,381 | - | 16.0% | 2,243,381 | |
| Capital Outlay | 8,639,162 | 2,952,899 | 61.8% | 5,686,263 | 192.6% |
| Total | <u>\$ 13,985,731</u> | <u>\$ 4,935,769</u> | <u>100.0%</u> | <u>\$ 9,049,962</u> | <u>183.4%</u> |

Capital Project Fund.

Capital Project fund expenditures increased \$9.0 million as the district began construction for Arcadia, Fairforest, and Lone Oak Elementary. Support services increased by \$1.1 million. Capital outlay increased \$5.7 million as the district continued to expend funds for preventative maintenance projects and technology. Fund balance for capital projects decreased \$4.2 million as the district utilized fund balance for school construction and other projects.

Economic Factors and Next Year's Budget

We are pleased that the school district continues to operate on the foundation of a strong financial position. Every budget year there are uncertainties with the state budget and this year there are even greater uncertainties on the sustainability of ESSER funding and the impact on local school districts. We still face similar debates such as fully funding the South Carolina public education funding formula and funding mandated increases which create greater challenges as the state moves to become more competitive in teacher salaries. With the passage of the new state funding formula and the consolidation of existing programmatic funding, local school districts have less to fund other educational programs to support the individual student needs within the school district. The new funding formula shifts the funding model from student allocated and base student cost to teacher allocated and state aid to classroom. Funding for teacher shortages, teacher salaries, special needs services, competitive wages for support positions such as bus drivers, and the further need to educate the whole child through the arts and athletics is even more critical as accountability increases in public education. The decisions of the board of trustees have guided the school district through the challenges of fiscal uncertainties. The school board's continued understanding of building fiscal capacity to protect the SD6 experience long term allows Spartanburg County School District Six to minimize the impact of fiscal constraints.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

The budget plan allows the district to continue funding for the District Six experience for the children in the SD6 community. We are fortunate that our local economy revenue sources have remained relatively stable. The district's \$6.5 billion tax base will experience continued growth given the ongoing expansion of the county's manufacturing sector. The financial impact of new manufacturers is dependent upon the fee in lieu agreements negotiated between Spartanburg County and the manufacturer. Although beneficial to the economic development of Spartanburg County, the fee in lieu agreement erode the tax base of the school district if the impact on school funding is not reflected in the fee in lieu agreements.

2022 commitments to Spartanburg County in investments exceeded \$3.2 billion in 2022 compared to the \$1.9 billion million in 2021. The 2021 capital investments were for 36 projects and 1,742 new jobs. The regional economy is driven by a strong manufacturing sector, with Spartanburg County alone containing over 500 manufacturers, 80 of which are international firms from over 20 countries. Major employers in the area include BMW, Michelin, and Milliken & Company. The unemployment rate in June 2023 was 3.6%.

We expect our student enrollment to continue to increase slightly particularly at the high school level. The school district has managed growth by continuously revising facilities plans and making operational decisions of staffing allocations based on actual data. The 2023-24 budget as with prior fiscal year budgets was created based on conservative revenue estimates and the prioritization of expenditures in the district. The conservative budget approach creates a budget plan that focuses on learning loss, class size, special needs, and social emotional learning. The budget sustains programs with supplemented with federal funds. The adopted budget accounts for the funding cliff of ESSER funds and includes 42.0 FTEs included in ESSER budget. The budget includes a \$2,825 cost of living increase for teacher salaries and competitive adjustments to the bus driver salary moving the starting pay to \$18.50/hour. In addition, the budget includes funding for career development facilitators, school nurses, and physical education teachers that were previously funded with special revenue funds. As a provision of the Spartanburg County equalization fund, a 2% adjustment was made to the teacher salary scale for years 18 and 19 and 1% for each subsequent year. The budget also includes a 5.0% increase in health insurance benefits including a 1% increase in employer retirement contributions. The budget includes support for the Early Learning Center that provides childcare from birth to 3 years old to district employees as a retention and recruitment initiative. The district also continued to absorb the increasing cost of other services including special education services to serve the needs of the special education population and English speaking other languages. SD6 increased resources for school safety and security due to lapse of federal funding for school resource officers. SD6 is continuing monitor capital needs including building, infrastructure, equipment, and technology.

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.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

General Fund Budget to Actual

For the Year Ending June 30

| | Original Budget | Actual | Variance | Percent Above (below) |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Revenues | | | | |
| Local | \$ 40,984,207 | \$ 45,671,093 | \$ (4,686,886) | -10.3% |
| State | 75,971,578 | 77,075,812 | (1,104,234) | -1.4% |
| Intergovernmental | 1,310,658 | 1,361,707 | (51,049) | -3.7% |
| Total | \$ 118,266,443 | \$ 124,108,612 | \$ (5,842,169) | -4.7% |
| Expenditures | | | | |
| Instruction | \$ 77,406,151 | \$ 73,083,796 | \$ 4,322,355 | 5.9% |
| Support Services | 48,348,857 | 50,039,257 | \$ (1,690,400) | -3.4% |
| Intergovernmental | 1,021,222 | 1,294,225 | \$ (273,003) | -21.1% |
| Total | \$ 126,776,230 | \$ 124,417,278 | \$ 2,358,952 | 1.9% |
| Other Financial Sources (Uses) | 8,367,819 | 2,071,587 | 6,296,232 | 303.9% |

In June 2022, the Board adopted a general fund budget for fiscal year 2023 that reflected total resources and annual appropriations of \$126,776,230. Actual general operating fund revenues for fiscal year 2023 were \$124,108,612 and actual general operating fund expenditures were \$124,417,278. There were no changes from the original and final budget for 2023.

Revenues

Local Revenues-The growth in assessment and increases of fee in lieu revenues was not budgeted and materialized in actual revenues during 2023 and the teacher equalization fund revenue was not included in the original budget.

State Revenues-The district conservatively budgets state revenues due to state funding uncertainties. State revenues such as Property Tax Relief and manufacturing reimbursement were unknown at the time of budget adoption. State revenues exceeded budget by \$1.1 million.

Intergovernmental-McCarthy satellite programs were increased within the district and billing for the satellite programs increased above budget.

Expenditures

Instruction - The school district utilized ESSER funds to support instructional expenditures allowable under ESSER. Classroom teachers and assistants to maintain class size ratios within the district and support intervention were budgeted in the General Fund to identify future funding needed at the expiration of ESSER.

Support services – Actual expenditures decreased under budget due to changes in funding streams for support services from General fund to special revenue funds. As ESSER funds were allocated many supplemental staff were allowable under federal funds reducing actual support expenditures.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2023

Other Financial Sources (Uses)

The Transfer to EIA funds exceeded budget by \$1.0 million as additional general fund support was needed for expenses. The transfer to Food Service account exceeded budget by \$1.3 million as the actual fringe benefit allocation to food service increased and support of other food service programs.

Contacting the District's Financial Management

The financial report is designed to provide a general overview of Spartanburg County School District Six 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 Assistant Superintendent for Finance, Spartanburg County School District Six, 1390 Cavalier Way, Roebuck, SC 29376.

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

| | Governmental Activities |
|---|------------------------------------|
| ASSETS | |
| Cash | \$ 39,681,604 |
| Cash with County Government | 99,940 |
| Investments | 9,971,850 |
| Taxes receivable | 13,846,728 |
| Less allowance for uncollectibles | (3,159,953) |
| Accounts receivable | 789,910 |
| Prepays | 18,885 |
| Due from State Department of Education | 61,095 |
| Due from Federal Government | 10,431,265 |
| Due from other school districts | 1,089,182 |
| Commodities | 22,495 |
| Inventories | 205,506 |
| Capital Assets: | |
| Non-Depreciable | 23,054,589 |
| Depreciable, net | 184,494,697 |
| Total Assets | 280,607,793 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred amounts related to pensions | 23,625,630 |
| Deferred amounts related to OPEB | 42,081,603 |
| Total Deferred Outflows of Resources | 65,707,233 |
| LIABILITIES | |
| Accounts payable | 7,182,330 |
| Retainage payable | 525,529 |
| Payable to fiduciary fund | 2,205,601 |
| Due to State Department of Education | 1,200 |
| Accrued salaries and withholdings | 10,349,829 |
| Unearned revenue | 2,998,110 |
| Accrued interest payable | 314,091 |
| Noncurrent liabilities: | |
| Due within one year | 7,606,700 |
| Due in more than one year | 5,720,248 |
| Net pension liability | 156,668,997 |
| Net OPEB liability | 125,729,700 |
| Total Liabilities | 319,302,335 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred amounts related to pensions | 803,638 |
| Deferred amounts related to OPEB | 51,470,743 |
| Total Deferred Inflows of Resources | 52,274,381 |
| NET POSITION | |
| Net investment in capital assets | 212,632,553 |
| Restricted for: | |
| Debt service | 7,696,094 |
| Unrestricted | (245,590,337) |
| Total Net Position | \$ (25,261,690) |

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION |
|--|-----------------------|-------------------------|--|--|
| | Expenses | Charges for Services | Operating Grants and Contributions | Primary Government Governmental Activities |
| PRIMARY GOVERNMENT: | | | | |
| Governmental activities: | | | | |
| Instruction | \$ 108,898,367 | \$ 2,425,567 | \$ 78,409,391 | \$ (28,063,409) |
| Support services | 74,117,953 | 4,221,960 | 23,422,463 | (46,473,530) |
| Community services | 3,735 | - | 2,940 | (795) |
| Interest and other charges | 534,240 | - | - | (534,240) |
| TOTAL PRIMARY GOVERNMENT | \$ 183,554,295 | \$ 6,647,527 | \$ 101,834,794 | (75,071,974) |
| GENERAL REVENUES: | | | | |
| Property taxes levied for general purposes | | | | 43,939,210 |
| Property taxes levied for debt service | | | | 18,703,884 |
| Unrestricted state grants | | | | 21,941,289 |
| Miscellaneous | | | | 1,054,036 |
| Unrestricted investment earnings | | | | 1,893,670 |
| Total general revenues | | | | 87,532,089 |
| CHANGE IN NET POSITION | | | | 12,460,115 |
| NET POSITION - JULY 1, 2022 | | | | (37,721,805) |
| NET POSITION - JUNE 30, 2023 | | | | \$ (25,261,690) |

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

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

| ASSETS | | | | | | | | | |
|--|---------------|-----------------------|-------------------|-----------------------|--------------|----------------------|----------------------|----------------------------|----------------|
| | General Fund | Special Revenue Funds | Debt Service Fund | Capital Projects Fund | Other Funds | Interfund Receivable | Due from Other Funds | Due from Other Governments | Total |
| Cash | \$ 39,681,454 | \$ - | \$ - | \$ 150 | \$ - | - | - | - | \$ 39,681,604 |
| Cash with County Government | 50,750 | - | - | - | 49,190 | - | - | - | 99,940 |
| Investments | 9,971,850 | - | - | - | - | - | - | - | 9,971,850 |
| Taxes receivable | 11,900,927 | - | - | - | 1,945,801 | - | - | - | 13,846,728 |
| Less allowance for uncollectibles | (2,355,437) | - | - | - | (804,516) | - | - | - | (3,159,953) |
| Accounts receivable | 47,596 | 115,451 | - | 535,813 | - | - | - | 91,050 | 789,910 |
| Prepays | 18,885 | - | - | - | - | - | - | - | 18,885 |
| Due from other funds | - | - | 2,698,830 | 1,746,431 | 6,819,710 | - | - | 21,212,770 | 32,477,741 |
| Due from State Department of Education | - | 61,095 | - | - | - | - | - | - | 61,095 |
| Due from Federal Government | - | 10,325,990 | - | 105,275 | - | - | - | - | 10,431,265 |
| Due from other school districts | 852,541 | 236,641 | - | - | - | - | - | - | 1,089,182 |
| Commodities | - | - | - | 22,495 | - | - | - | - | 22,495 |
| Inventories | 205,506 | - | - | - | - | - | - | - | 205,506 |
| <hr/> | | | | | | | | | |
| Total Assets | \$ 60,374,072 | \$ 10,739,177 | \$ 2,698,830 | \$ 2,410,164 | \$ 8,010,185 | \$ 21,303,820 | - | - | \$ 105,536,248 |

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

| | | | | | | | | |
|--------------------------------------|--------------|--------------|------------|-----------|------|--------------|------|--------------|
| Liabilities: | | | | | | | | |
| Accounts payable | \$ 3,427,335 | \$ 1,004,092 | \$ 327,623 | \$ 55,204 | \$ - | \$ 2,368,076 | \$ - | \$ 7,182,330 |
| Retainage payable | - | - | - | - | - | 525,529 | - | 525,529 |
| Due to other funds | 25,286,182 | 9,397,160 | - | - | - | - | - | 34,683,342 |
| Due to State Department of Education | - | - | 1,200 | - | - | - | - | 1,200 |
| Accrued salaries and withholdings | 10,349,829 | - | - | - | - | - | - | 10,349,829 |
| Unearned revenue | - | 605,807 | 2,370,007 | 22,296 | - | - | - | 2,998,110 |
| Total Liabilities | 39,063,346 | 11,007,059 | 2,698,830 | 77,500 | - | 2,893,605 | - | 55,740,340 |

Deferred Inflows of Resources:

| | | | | | | | | |
|--------------------------------------|-----------|---|---|---|---------|---|---|-----------|
| Unavailable revenue - property taxes | 1,009,473 | - | - | - | 344,792 | - | - | 1,354,265 |
|--------------------------------------|-----------|---|---|---|---------|---|---|-----------|

Fund Balances:

| | | | | | | | | |
|---------------------|------------|-----------|---|-----------|-----------|------------|---|------------|
| Nonspendable | | | | | | | | |
| Prepays | 18,885 | - | - | - | - | - | - | 18,885 |
| Inventories | 205,506 | - | - | 199 | - | - | - | 205,705 |
| Restricted | | | | | | | | |
| Debt service | - | - | - | - | 7,665,393 | - | - | 7,665,393 |
| Capital projects | - | - | - | - | - | 18,410,215 | - | 18,410,215 |
| Assigned | | | | | | | | |
| Food service | - | - | - | 2,332,465 | - | - | - | 2,332,465 |
| Unassigned | 20,076,862 | (267,882) | - | - | - | - | - | 19,808,980 |
| Total Fund Balances | 20,301,253 | (267,882) | - | 2,332,664 | 7,665,393 | 18,410,215 | - | 48,441,643 |

Total Liabilities, Deferred Inflows of Resources and Fund Balances

| | | | | | | | | |
|--|---------------|---------------|--------------|--------------|--------------|---------------|---|----------------|
| | \$ 60,374,072 | \$ 10,739,177 | \$ 2,698,830 | \$ 2,410,164 | \$ 8,010,185 | \$ 21,303,820 | - | \$ 105,536,248 |
|--|---------------|---------------|--------------|--------------|--------------|---------------|---|----------------|

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2023

TOTAL GOVERNMENTAL FUND BALANCES **\$ 48,441,643**

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 207,549,286

Taxes receivable are not available to pay for current
period expenditures and, therefore, are deferred in the funds. 1,354,265

Some liabilities are not due and payable in the current
period and, therefore, are not reported in the funds:

| | | |
|-----------------------------------|----------------------|---------------|
| Accrued interest payable | \$ (314,091) | |
| Bond premium, net of amortization | (508,948) | |
| Notes payable | (3,573,000) | |
| Bonds payable | (9,245,000) | |
| Net pension liability | (156,668,997) | |
| Net OPEB liability | <u>(125,729,700)</u> | (296,039,736) |

Deferred outflows and inflows of resources are not available to
use in the current period and, therefore, are not reported
in the funds:

| | | |
|-----------------------------------|---------------------|-------------------|
| Pension related deferred outflows | 23,625,630 | |
| OPEB related deferred outflows | 42,081,603 | |
| Pension related deferred inflows | (803,638) | |
| OPEB related deferred inflows | <u>(51,470,743)</u> | <u>13,432,852</u> |

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (25,261,690)**

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
(GOVERNMENTAL FUNDS)
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | General Fund | Special Projects | EIA | Food Service | Debt Service Fund | Capital Projects Fund | Total Governmental Funds |
|---|---------------|------------------|-------------|--------------|-------------------|-----------------------|--------------------------|
| Revenues | | | | | | | |
| Local property taxes | \$ 43,777,818 | \$ - | \$ - | \$ - | \$ 18,703,884 | \$ - | \$ 62,481,702 |
| Other local | 1,893,275 | 5,726,668 | - | 1,563,284 | 222,245 | 202,266 | 9,607,738 |
| Total local | 45,671,093 | 5,726,668 | - | 1,563,284 | 18,926,129 | 202,266 | 72,089,440 |
| Intergovernmental | 1,361,707 | 203,662 | - | - | - | - | 1,565,369 |
| State | 77,075,812 | 1,230,630 | 10,807,975 | - | 1,609,940 | - | 90,724,357 |
| Federal | - | 24,269,551 | - | 7,216,805 | - | - | 31,486,356 |
| Total Revenues | 124,108,612 | 31,430,511 | 10,807,975 | 8,780,089 | 20,536,069 | 202,266 | 195,865,522 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Instruction | 73,083,796 | 15,288,833 | 5,451,197 | - | - | - | 93,823,826 |
| Support services | 50,039,257 | 7,967,596 | 754,488 | 9,445,545 | - | 3,103,188 | 71,310,074 |
| Community services | - | 3,735 | - | - | - | - | 3,735 |
| Intergovernmental | 1,294,225 | 196,500 | - | - | - | 2,243,351 | 3,734,076 |
| Debt Service | - | - | - | - | 29,278,000 | - | 29,278,000 |
| Principal | - | - | - | - | 921,237 | - | 921,237 |
| Interest | - | - | - | - | 129,870 | - | 129,870 |
| Other objects | - | - | - | - | - | - | - |
| Capital Outlay | - | 9,199,664 | 48,304 | 16,255 | - | 8,639,162 | 17,903,385 |
| Total Expenditures | 124,417,278 | 32,656,328 | 6,253,989 | 9,461,800 | 30,329,107 | 13,985,701 | 217,104,203 |
| Excess (Deficiency) of Revenues over Expenditures | (308,666) | (1,225,817) | 4,553,986 | (681,711) | (9,793,038) | (13,783,435) | (21,238,681) |
| Other Financing Sources (Uses) | | | | | | | |
| Premium on bonds sold | - | - | - | - | - | 503,046 | 503,046 |
| Issuance of general obligation bonds | - | - | - | - | - | 17,000,000 | 17,000,000 |
| Lease purchases | - | - | - | - | - | 3,000,000 | 3,000,000 |
| Transfers in | 8,256,326 | 1,728,228 | 2,137,788 | 2,318,723 | 10,890,322 | - | 25,331,387 |
| Transfers out | (6,184,739) | (386,060) | (6,691,774) | (1,178,492) | - | (10,890,322) | (25,331,387) |
| Total Other Financing Sources (Uses) | 2,071,587 | 1,342,168 | (4,553,986) | 1,140,231 | 10,890,322 | 9,612,724 | 20,503,046 |
| Total Net Change in Fund Balances | 1,762,921 | 116,351 | - | 458,520 | 1,097,284 | (4,170,711) | (735,635) |
| Fund Balances - July 1, 2022 | 18,538,332 | (384,233) | - | 1,874,144 | 6,568,109 | 22,580,926 | 49,177,278 |
| Fund Balances - June 30, 2023 | \$ 20,301,253 | \$ (267,882) | \$ - | \$ 2,332,664 | \$ 7,665,393 | \$ 18,410,215 | \$ 48,441,643 |

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
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, 2023

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ (735,635)**

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, (90,894)
but is accrued on outstanding debt in the Statement of Activities.

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 premiums and discounts 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 | 29,278,000 |
| Bond premium | (503,046) |
| Amortization of bond premium | 607,762 |

The cost of pension benefits earned net of employee contributions is reported in the Statement of Activities as an element of pension expense. The governmental funds report pension contributions as expenditures. (1,876,353)

The cost of OPEB benefits earned net of employee contributions is reported in the Statement of Activities as an element of OPEB expense. The governmental funds report OPEB contributions as expenditures. (3,950,919)

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. (20,000,000)

| | |
|--|---------|
| Revenues reported on the Statement of Activities that do not provide current financial resources and, therefore, are not reported as revenues in governmental funds. | |
| Taxes receivable | 161,392 |
| Nonemployer contributions related to pension | 637,099 |
| Nonemployer contributions related to OPEB | 20,060 |

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the Statement of Activities, a gain or loss is reported for each disposal. This is the difference between the proceeds received from the sale of assets and the gain or loss on the sale. (12,504)

| | |
|---|-----------|
| Governmental funds report capital outlay of \$17,469,319 as expenditures while governmental activities report depreciation expense of \$8,544,166 to allocate those expenditures over the life of the assets. | 8,925,153 |
|---|-----------|

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 12,460,115**

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2023

| | CUSTODIAL FUNDS |
|-----------------------------------|----------------------------|
| ASSETS | |
| Receivable from General Fund | \$ 2,205,601 |
| Accounts receivable | 12,993 |
| Taxes receivable | 304,332 |
| Less allowance for uncollectibles | (192,423) |
| Cash with County Treasurer | 3,743,649 |
| Due from Federal Government | 49,712 |
| Due from other districts | 70,213 |
| Inventory | 4,772 |
| Total Assets | 6,198,849 |
| LIABILITIES | |
| Accounts payable | 308,502 |
| Unearned revenue | 233,901 |
| Total Liabilities | 542,403 |
| NET POSITION | |
| Unrestricted | 5,656,446 |
| Total Net Position | \$ 5,656,446 |

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | CUSTODIAL FUNDS |
|---|----------------------------|
| ADDITIONS | |
| Local revenues | \$ 7,156,343 |
| Intergovernmental revenues | 2,243,351 |
| State revenues | 998,348 |
| Federal revenues | 147,815 |
| Lease proceeds | 210,761 |
| Total Additions | <u>10,756,618</u> |
| DEDUCTIONS | |
| Salaries | 3,982,052 |
| Employee benefits | 1,722,535 |
| Purchased services | 2,757,621 |
| Supplies and materials | 1,082,208 |
| Capital outlay | 498,732 |
| Other objects | 65,636 |
| Lease payments | 55,333 |
| Total Deductions | <u>10,164,117</u> |
| Net increase (decrease) in fiduciary net position | 592,501 |
| NET POSITION - JULY 1, 2022 | <u>5,063,945</u> |
| NET POSITION - JUNE 30, 2023 | <u><u>\$ 5,656,446</u></u> |

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Spartanburg County School District Six ("District") is one of seven school districts in Spartanburg County, South Carolina and is located in the western area of Spartanburg County. The District is governed by a nine-member Board of Trustees and 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 accounting policies used by the District 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 financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify relationships between the government-wide financial statements and the governmental funds 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 are clearly identifiable to a particular function. Program revenues include amounts paid by the recipient for the goods or services offered by the program, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

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 the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Fiduciary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting.

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 SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

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

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

- 1) Special Projects – is used to account for financial resources provided by federal and state grants; and is used to account for student admissions, organization membership, bookstore sales, and other related receipts and disbursements.
- 2) Education Improvement Act (EIA) – is used to account for the proceeds of the additional one percent sales and use tax revenues that are legally restricted to expenditures for the South Carolina Education Improvement Act of 1984 standards.
- 3) Food Service – is used to account for cafeteria operations at school locations. The fund is financed by user charges and subsidized by USDA school lunch and breakfast programs.
- 4) Alternative Program – is designed to provide additional learning opportunities within and beyond the regular school setting. The goal of the program is to provide additional educational choices and support for students through innovative initiatives such as the Spartanburg County Virtual School. The fund is financed by state and federal grants and payments from other districts. The program serves students from the District as well as from the other six school districts in Spartanburg County.

Debt Service Fund – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned for the payment of general long-term debt principal and interest and related costs.

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

Additionally, the District reports the following fund type:

Fiduciary Funds - Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. The District's only fiduciary fund is a custodial fund for R.D. Anderson Applied Technology Center, which is used to account for the revenues and expenditures related to the operations of the Center.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus and Basis of Accounting

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

Revenues – Exchange and 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 financial statements, resources received that are “intended to finance” a future period are reported as unearned revenue. In subsequent periods, the liability for unearned revenue is removed from the Statement of Net Position and governmental funds balance sheet and revenue is recognized.

Expenditures/Expenses

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

D. Budget

The District adopts an annual budget for the General Fund and Debt Service Fund prior to the beginning of each fiscal year. The adopted budget specifies expenditure limits appropriate 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 SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. 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. Cash with 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 current and delinquent taxes being processed for collection by the Spartanburg County Delinquent Tax Office, originally assessed for District Six. 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. Below is a breakdown of current and delinquent taxes receivable as of June 30, 2023:

| | <u>General Fund</u> | <u>Debt Service Fund</u> |
|------------|----------------------|--------------------------|
| Current | \$ 8,586,285 | \$ 780,977 |
| Delinquent | <u>3,314,642</u> | <u>1,164,824</u> |
| | <u>\$ 11,900,927</u> | <u>\$ 1,945,801</u> |

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.

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the District for the 2022 tax levy was assessed at \$341,565,784. In addition, the District's 2022 tax levy included property with an assessed value totaling \$33,885,469 that was billed under fee-in-lieu agreements. The District's operating tax rate is currently 165.0 mills, with an additional 52.6 mills for debt retirement.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Inventory and Prepaids

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

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

K. Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value 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 |
|-----------------------------------|-------------|
| Buildings | 10-40 years |
| Improvements other than buildings | 5-25 years |
| Equipment and furniture | 5-15 years |
| Vehicles | 7-10 years |

L. Interfund Transactions

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

M. Vacation and Sick Pay

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' 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.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Accrued Liabilities and Long-Term Debt – Continued

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 when due and payable. Compensated absences are reported in governmental funds only if they have matured. In general, payments made within sixty days after year-end are considered to have been made with current available resources. Long-term debts paid from governmental funds are not recognized as a liability in the fund financial statements until due.

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

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

O. Deferred Outflows and Inflows of Resources

In the financial statements, in addition to assets and liabilities, separate sections for deferred outflows and deferred inflows of resources are reported. Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an expenditure until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and will not be recognized as revenue until that time. The District's deferred outflows and inflows of resources are related to unavailable property taxes, pensions and OPEB.

P. Retirement Plans

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

Q. Other Post-Employment Benefit (OPEB) Plan

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

R. Governmental Fund Balance Classifications

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

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

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

Committed – This classification includes amounts that can only be used for specific purposes pursuant to constraints determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District 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. The Board of Trustees has, by resolution, authorized the Superintendent and Assistant Superintendent of Finance to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. This classification also includes the remaining positive fund balance for all governmental funds, except for the General Fund, as governed by the State Department of Education.

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

Spending Policy

The District would typically use restricted fund balances first, followed by committed resources and 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 funds balance sheet.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

R. Governmental Fund Balance Classifications – Continued

Fiscal Stabilization Reserve

The District will maintain a stabilization reserve of a minimum of 1% of the school district's subsequent year's general fund budgeted expenditures. The primary purpose of this reserve is to minimize the need for mid-year instructional reductions in the event that economic downturn causes revenues to come in lower than budget. If the reserves are drawn down below the minimum required level of 1%, then a budgetary plan shall be implemented to return the reserve to the minimum level in no more than a 5-year period.

Minimum Unassigned Fund Balance

The primary purpose of this reserve is to protect against cash flow shortfalls related to the timing of revenue receipts and reduce the use of debt issuance in the form of anticipation notes. The Board of Trustees intends to maintain a fund balance of one month's general fund operating expenditures. If fund balance declines below one month's general fund operating expenditures, it shall be recovered by a plan approved by the Board of Trustees.

S. Net Position

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

T. Restricted Sources

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

U. 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.

V. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases its general liability, property, employee health and accident, and worker'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. Settlements of claims have not exceeded insurance coverage for each of the past three years.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

W. Excess of Expenditures over Appropriations

The following functions presented in the budgetary comparison schedule had excess expenditures over appropriations:

| | |
|-------------------|--------------|
| Support Services | \$ 1,690,400 |
| Intergovernmental | \$ 273,003 |

NOTE 2 – CASH AND INVESTMENTS

Cash

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

As of June 30, 2023, the District's cash deposits were as follows:

| | <u>Carrying Amount</u> | <u>Bank Balance</u> |
|-----------------|------------------------|----------------------|
| Demand deposits | <u>\$ 39,681,604</u> | <u>\$ 43,214,642</u> |

Of the District's bank balance, \$253,866 was covered by FDIC insurance and \$42,960,776 was collateralized by securities held by the pledging bank's trust department or agent in the District's name.

Investments

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

As of June 30, 2023, the District had the following types of investments:

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Maturity</u> | <u>Credit Rating</u> |
|-----------------------------------|-------------------|-----------------|----------------------|
| State Treasurer's Investment Pool | \$ 9,971,850 | <60 days | Not Rated |

South Carolina Pooled Investment Fund ("SC Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The SC Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. The SC Pool is a 2a7-like pool, which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but has a policy that it will operate in a manner consistent with the SEC's Rule 2a 7 of the Investment Company Act of 1940. Investments are carried at fair value and determined annually based upon quoted market prices in active markets for identical assets. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours' notice.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The District'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, 2023, is as follows:

| | Balance 6/30/2022 | Additions | Deductions | Balance 6/30/2023 |
|--|-----------------------|---------------------|---------------------|-----------------------|
| Governmental Activities | | | | |
| Capital Asset - Not Being Depreciated | | | | |
| Land | \$ 6,523,425 | \$ 3,500 | \$ - | \$ 6,526,925 |
| Construction in progress | 1,324,475 | 15,445,582 | (242,393) | 16,527,664 |
| Total Capital Assets - Not Being Depreciated | <u>7,847,900</u> | <u>15,449,082</u> | <u>(242,393)</u> | <u>23,054,589</u> |
| Capital Assets - Being Depreciated | | | | |
| Buildings | 296,785,422 | 581,426 | - | 297,366,848 |
| Improvements other than building | 14,894,090 | 41,039 | - | 14,935,129 |
| Equipment, furniture and vehicles | 18,374,119 | 1,640,165 | (20,595) | 19,993,689 |
| Total Capital Assets - Being Depreciated | <u>330,053,631</u> | <u>2,262,630</u> | <u>(20,595)</u> | <u>332,295,666</u> |
| Less Accumulated Depreciation | | | | |
| Buildings | (119,000,242) | (6,712,868) | - | (125,713,110) |
| Improvements other than building | (7,607,415) | (538,876) | - | (8,146,291) |
| Equipment, furniture and vehicles | (12,657,237) | (1,292,422) | 8,091 | (13,941,568) |
| Total Accumulated Depreciation | <u>(139,264,894)</u> | <u>(8,544,166)</u> | <u>8,091</u> | <u>(147,800,969)</u> |
| Capital Assets - Being Depreciated, Net | <u>190,788,737</u> | <u>(6,281,536)</u> | <u>(12,504)</u> | <u>184,494,697</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 198,636,637</u> | <u>\$ 9,167,546</u> | <u>\$ (254,897)</u> | <u>\$ 207,549,286</u> |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 3 – CAPITAL ASSETS – CONTINUED

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

| | |
|----------------------------|---------------------|
| Instruction | \$ 7,978,525 |
| Support services | <u>565,641</u> |
| Total Depreciation Expense | <u>\$ 8,544,166</u> |

NOTE 4 – LONG-TERM DEBT

The following is a summary of the District's long-term debt for the year ended June 30, 2023:

| | Balance at June 30, 2022 | Additions | Deductions | Balance at June 30, 2023 | Amounts Due Within One Year |
|--------------------------|-----------------------------|----------------------|----------------------|-----------------------------|--------------------------------|
| General Obligation Bonds | \$ 20,290,000 | \$ 17,000,000 | \$ 28,045,000 | \$ 9,245,000 | \$ 6,445,000 |
| Notes Payable | <u>1,806,000</u> | <u>3,000,000</u> | <u>1,233,000</u> | <u>3,573,000</u> | <u>1,161,700</u> |
| | 22,096,000 | 20,000,000 | 29,278,000 | 12,818,000 | 7,606,700 |
| Deferred Amounts: | | | | | |
| Bond Premiums | <u>613,664</u> | <u>503,046</u> | <u>607,762</u> | <u>508,948</u> | <u>-</u> |
| | <u>\$ 22,709,664</u> | <u>\$ 20,503,046</u> | <u>\$ 29,885,762</u> | <u>\$ 13,326,948</u> | <u>\$ 7,606,700</u> |

Long-term debt at June 30, 2023, was comprised of the following individual issuances:

| | General Obligation Bonds | Notes Payable | Total |
|--|--------------------------------|---------------------|----------------------|
| \$16,000,000 2021 general obligation bond due in annual installments of \$9,630,000 to \$1,980,000 at a rate of 2.00-4.00% through April 2024. | \$ 1,980,000 | \$ - | \$ 1,980,000 |
| \$17,000,000 2022 general obligation bond due in annual installments of \$9,735,000 to \$2,800,000 at a rate of 5% through April 2025. | 7,265,000 | - | 7,265,000 |
| \$3,000,000 note due in annual installments of \$592,000 to \$607,000 at a rate of 0.85% through April 2025. | - | 1,209,000 | 1,209,000 |
| \$3,000,000 note due in annual installments of \$559,000 to \$636,000 at a rate of 3.75% through April 2027. | <u>-</u> | <u>2,364,000</u> | <u>2,364,000</u> |
| | <u>\$ 9,245,000</u> | <u>\$ 3,573,000</u> | <u>\$ 12,818,000</u> |

The Debt Service Fund makes the payments on the general obligation bonds and notes payable.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 4 – LONG-TERM DEBT – CONTINUED

The annual requirements to amortize all long-term debt outstanding as of June 30, 2023, including interest payments are as follows:

| Year Ending June 30 | General Obligation Bonds | | Notes Payable | | Total |
|------------------------|--------------------------|-------------------|---------------------|-------------------|----------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 6,445,000 | \$ 442,450 | \$ 1,161,000 | \$ 27,226 | \$ 8,075,676 |
| 2025 | 2,800,000 | 140,000 | 1,187,000 | 72,848 | 4,199,848 |
| 2026 | - | - | 601,000 | 45,938 | 646,938 |
| 2027 | - | - | 624,000 | 23,400 | 647,400 |
| | <u>\$ 9,245,000</u> | <u>\$ 582,450</u> | <u>\$ 3,573,000</u> | <u>\$ 169,412</u> | <u>\$ 13,569,862</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, 2023, the District had no arbitrage rebate liability.

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.

Bonds in the governmental funds will be retired by future property tax levies accumulated by the Debt Service Fund. As of June 30, 2023, \$7,665,393 was available in the Debt Service Fund to service these long-term obligations.

NOTE 5 – RETIREMENT PLANS

A. South Carolina Retirement System

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System - Continued

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

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

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

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System – Continued

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

Required employee (both Class II and III) contribution rates for the year ended June 30, 2023, were 9.00%. Required employer contribution rates for the year ended June 30, 2023, were 17.41%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.15% of earnable compensation, if participating in the death benefit program.

Contributions to the Plan from the District were \$13,952,653, for the year ended June 30, 2023. For the State's year-end June 30, 2023, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2023, \$636,438 of contributions paid on behalf of the District by the General Assembly for SCRS was recognized as other operating revenues.

Employee and employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.0%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (12.41%) and an incidental death benefit contribution (0.15%), if applicable, which is retained by SCRS.

Pension Liabilities, Pension Expense, and Deferred Outflows (Inflows) of Resources Related to Pensions - At June 30, 2023, the District reported a net pension liability of \$156,520,474 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability, net pension liability, and sensitivity information are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled forward from the valuation date to the plan's fiscal year-end June 30, 2022, using generally accepted actuarial principles. The allocation of the District's proportionate share of the collective net pension liability and pension expense was calculated on the basis of the District's contributions remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2022. Based upon this information, the District's proportion of the collective net pension liability at June 30, 2023, is 0.645655%, an increase of 0.020628% since the prior measurement date.

For the year ended June 30, 2023, the District recognized pension expense of \$15,841,925. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System - Continued

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 1,359,871 | \$ 682,111 |
| Changes in assumptions | 5,019,979 | - |
| Net difference between projected and actual earnings on pension plan investments | 241,386 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 3,023,040 | 102,438 |
| District contributions subsequent to the measurement date | 13,952,653 | - |
| Total | <u>\$ 23,596,929</u> | <u>\$ 784,549</u> |

Deferred outflows of resources of \$13,952,653 related to pensions in 2023, resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|-----------------------|
| 2024 | \$ (4,809,579) |
| 2025 | (3,096,483) |
| 2026 | 3,229,201 |
| 2027 | (4,182,866) |
| | <u>\$ (8,859,727)</u> |

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2019.

The June 30, 2022, total pension liability, net pension liability, and sensitivity information is determined by and based on an actuarial valuation performed as of July 1, 2021, using the following actuarial assumptions and methods:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System - Continued

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

There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions.

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

The long-term expected rate of return on pension plan investments is based upon the 20-year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building-block approach primarily based on consensus expectations and market-based inputs. Expected returns are net of investment fees. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

| Allocation/Exposure | Policy Target | Expected Arithmetic Real Rate of Return | Long-Term Expected Portfolio Real Rate of Return |
|----------------------------------|---------------|---|--|
| Public Equity | 46% | 6.79% | 3.12% |
| Bonds | 26% | -0.35% | -0.09% |
| Private Equity | 9% | 8.75% | 0.79% |
| Private Debt | 7% | 6.00% | 0.42% |
| Real Assets | | | |
| Real Estate | 9% | 4.12% | 0.37% |
| Infrastructure | 3% | 5.88% | 0.18% |
| Total Expected Return | 100% | | 4.79% |
| Inflation for Actuarial Purposes | | | 2.25% |
| | | | <u>7.04%</u> |

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System – Continued

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|--------------------------|------------------------|
| District's proportionate share of the net pension liability | \$200,678,559 | \$156,520,474 | \$119,808,761 |

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2022 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position has been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2022. The additional information is publicly available on PEBA's website at www.peba.sc.gov.

B. South Carolina Police Officers Retirement System

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

Benefits Provided/Membership - PORS provides retirement and other benefits for police officers and firemen of the state and its political subdivisions. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty. Membership and benefit terms are prescribed in Title 9 of the South Carolina Code of Laws, and PEBA does not have the authority to establish or amend benefit terms without a legislative change in the code of laws. Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. Key elements of the benefit calculation include the benefit multiplier, years of service, and average final compensation/current year salary.

To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

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

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

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

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

Required employee (both Class II and III) contribution rates for the year ended June 30, 2023, were 9.75%. Required employer contribution rates for the year ended June 30, 2023, were 19.84%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively.

Contributions to the Plan from the District were \$19,576, for the year ended June 30, 2023. For the State's year-end June 30, 2022, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2023, \$661 of contributions paid on behalf of the District by the General Assembly for PORS was recognized as other operating revenues.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

Pension Liabilities, Pension Expense, and Deferred Outflows (Inflows) of Resources Related to Pensions - At June 30, 2023, the District reported a net pension liability of \$148,523 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2021. The total pension liability was rolled forward from the valuation date to the plan's fiscal year-end June 30, 2022, using generally accepted actuarial principles. The allocation of the District's proportional share of the collective net pension liability and pension expense was calculated on the basis of the District's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2022. Based upon this information, the District's proportion of the collective net pension liability at June 30, 2023, is 0.004952%, a decrease of 0.000164% since the prior measurement date.

For the year ended June 30, 2023, the District recognized pension expense of \$7,375. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 2,492 | \$ 2,936 |
| Changes in assumptions | 6,185 | - |
| Net difference between projected and actual earnings on pension plan investments | 448 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | - | 16,153 |
| District contributions subsequent to the measurement date | 19,576 | - |
| Total | <u>\$ 28,701</u> | <u>\$ 19,089</u> |

Deferred outflows of resources of \$19,576 related to pensions in 2023, resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|-----------------|
| 2024 | \$ 4,136 |
| 2025 | 4,645 |
| 2026 | 6,957 |
| 2027 | (5,774) |
| | <u>\$ 9,964</u> |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2019.

The June 30, 2022, total pension liability, net pension liability, and sensitivity information is determined by and based on an actuarial valuation performed as of July 1, 2021, using the following actuarial assumptions and methods:

| | |
|---------------------------|--|
| Actuarial cost method | Entry age normal |
| Inflation | 2.25% |
| Salary increases | 3.0% to 10.5% (varies by service and includes 2.25% inflation) |
| Benefit adjustments | lesser of 1% or \$500 annually |
| Investment rate of return | 7.00% (includes 2.25% inflation) |

There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions.

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

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2022 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75% real rate of return and a 2.25% inflation component.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

| Allocation/Exposure | Policy Target | Expected Arithmetic Real Rate of Return | Long-Term Expected Portfolio Real Rate of Return |
|----------------------------------|---------------|---|--|
| Public Equity | 46% | 6.79% | 3.12% |
| Bonds | 26% | -0.35% | -0.09% |
| Private Equity | 9% | 8.75% | 0.79% |
| Private Debt | 7% | 6.00% | 0.42% |
| Real Assets | | | |
| Real Estate | 9% | 4.12% | 0.37% |
| Infrastructure | 3% | 5.88% | 0.18% |
| Total Expected Return | 100% | | 4.79% |
| Inflation for Actuarial Purposes | | | 2.25% |
| | | | <u>7.04%</u> |

Discount Rate - The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in PORS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.00%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate:

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|--------------------------|------------------------|
| District's proportionate share of the net pension liability | \$ 207,106 | \$ 148,523 | \$ 100,567 |

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2022 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2022. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 5 – RETIREMENT PLANS – CONTINUED

C. Reconciliation to Government-Wide Financial Statements

The net pension liability and related deferred inflows/outflows of resources, as reported on the government-wide financial statements, are reported after aggregating the total balances of the South Carolina Retirement system (SCRS) and the Police Officers' Retirement System (PORS). The following is a reconciliation of the aggregated amounts to the individual reporting plans:

| | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|------------------------------------|--------------------------|--------------------------------------|-------------------------------------|----------------------|
| South Carolina Retirement System | \$ 156,520,474 | \$ 23,596,929 | \$ 784,549 | \$ 15,841,925 |
| Police Officers' Retirement System | 148,523 | 28,701 | 19,089 | 7,375 |
| | <u>\$ 156,668,997</u> | <u>\$ 23,625,630</u> | <u>\$ 803,638</u> | <u>\$ 15,849,300</u> |

NOTE 6 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN

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

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

Contributions - Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA-Insurance Benefits. The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2023, was 6.25%. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

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

For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA-Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. It is also funded through investment income.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the District's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. The amount of revenue recognized in the current fiscal year was \$20,060.

Contributions to the OPEB plan from the District during the current fiscal year were \$5,515,827, which includes an implicit subsidy of \$31,235

OPEB Liabilities, OPEB Expense, and Deferred Outflows (Inflows) of Resources Related to OPEB - At June 30, 2023, the District reported a net OPEB liability of \$125,729,700 for its proportionate share of the collective net OPEB liability. The net OPEB liability was measured as of June 30, 2022. The total OPEB liability, net OPEB liability, and sensitivity information are based on an actuarial valuation performed as of June 30, 2021. The total OPEB liability was rolled forward from the valuation date to the plan's fiscal year-end June 30, 2022, using generally accepted actuarial principles. The allocation of the District's proportionate share of the collective net OPEB liability and collective OPEB expense were determined using the employer's payroll-related contributions over the measurement period, which is expected to be reflective of the employer's long-term contribution effort. Based upon this information, the District's proportion of the collective net OPEB liability at June 30, 2023, is 0.825788%, an increase of 0.025503% since June 30, 2021, the prior measurement date.

For the year ended June 30, 2023, the District recognized OPEB expense of \$8,961,321. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ 2,698,635 | \$ 11,055,176 |
| Changes in assumptions | 28,348,807 | 40,415,272 |
| Net difference between projected and actual earnings on OPEB plan investments | 988,601 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 4,529,733 | 295 |
| District contributions subsequent to the measurement date | 5,515,827 | - |
| Total | <u>\$ 42,081,603</u> | <u>\$ 51,470,743</u> |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

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

Deferred outflows of resources of \$5,515,827 related to OPEB in 2023, resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ended June 30,</u> | |
|----------------------------|----------------------|
| 2024 | \$ 1,898,689 |
| 2025 | 552,305 |
| 2026 | 203,929 |
| 2027 | 1,148,389 |
| 2028 | 4,406,827 |
| Thereafter | 6,694,828 |
| | <u>\$ 14,904,967</u> |

Actuarial Assumptions - Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the net OPEB liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending June 30, 2019. Demographic and salary increase assumptions were updated to reflect the most recent experience study and the healthcare trend rates were reset to better reflect the plan's anticipated experience.

The June 30, 2022, total OPEB liability, net OPEB liability, and sensitivity information are determined by and based on an actuarial valuation performed as of June 30, 2021, using the following actuarial assumptions and methods:

| | |
|------------------------------|---|
| Actuarial Cost Method: | Individual Entry Age Normal |
| Inflation: | 2.25% |
| Retiree Participation: | 79% for retirees eligible for funded premiums; 59% for partial-funded premiums; 20% for non-funded premiums |
| Investment rate of return: | 2.75%, net of OPEB Plan investment expense; includes inflation |
| Healthcare cost trend rates: | Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years |

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

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

| Asset Class | Target Asset Allocation | Expected Arithmetic Real Rate of Return | Allocation-Weighted Long-Term Expected Real Rate of Return |
|------------------------------|-------------------------------|---|--|
| U.S. Domestic Fixed Income | 80% | 0.95% | 0.76% |
| Cash equivalents | 20% | 0.35% | 0.07% |
| Total | 100% | | 0.83% |
| Expected Inflation | | | 2.25% |
| Total Return | | | 3.08% |
| Investment Return Assumption | | | 2.75% |

Discount Rate - The discount rate used to measure the total OPEB liability at June 30, 2023, was 3.69%, which is an increase from the previous year by 1.77%. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following table presents the District's proportionate share of the collective net OPEB liability calculated using the discount rate of 3.69%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (2.69%) or 1% higher (4.69%) than the current rate:

| | 1% Decrease 2.69% | Current Discount Rate 3.69% | 1% Increase 4.69% |
|--|----------------------|-----------------------------------|----------------------|
| District's proportionate share of the collective net OPEB liability | \$ 148,646,507 | \$ 125,729,700 | \$ 107,312,926 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following table presents the District's proportionate share of the collective net OPEB liability calculated using the healthcare cost trend rate of 6.0%, gradually decreasing to 4.0% over a 15-year period, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (5.0% decreasing to 3.00%) or 1% higher (7.0% decreasing to 5.00%) than the current rate:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|--|----------------|---------------------------------------|----------------|
| District's proportionate share of the collective net OPEB liability | \$ 103,400,388 | \$ 125,729,700 | \$ 151,800,387 |

OPEB Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the OPEB Trusts Fund audited financial statements for the fiscal year ended June 30, 2022 (including the unmodified opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2021. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 7 – DEFERRED COMPENSATION PLANS

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

NOTE 8 – INTERFUND TRANSACTIONS

Interfund Receivables and Payables

| | Interfund Receivables | Interfund Payables |
|---|--------------------------|-----------------------|
| General Fund | \$ - | \$ 25,286,182 |
| Special Revenue Fund - Special Projects | - | 9,397,160 |
| Special Revenue Fund - EIA | 2,698,830 | - |
| Special Revenue Fund - Food Service | 1,746,431 | - |
| Debt Service Fund | 6,819,710 | - |
| Capital Projects Fund | 21,212,770 | - |
| Fiduciary Fund | 2,205,601 | - |
| | <u>\$ 34,683,342</u> | <u>\$ 34,683,342</u> |

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

Interfund Transfers

| Transfer from | Transfer to | Amount |
|---|---|----------------------|
| General Fund | Special Revenue Fund - Special Projects | \$ 1,728,228 |
| General Fund | Special Revenue Fund - EIA | 2,137,788 |
| General Fund | Special Revenue Fund - Food Service | 2,318,723 |
| Special Revenue Fund - Special Projects | General Fund | 386,060 |
| Special Revenue Fund - EIA | General Fund | 6,691,774 |
| Special Revenue Fund - Food Service | General Fund | 1,178,492 |
| Capital Projects Fund | Debt Service Fund | 10,890,322 |
| | | <u>\$ 25,331,387</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 SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 10 – TAX ABATEMENTS

Spartanburg County

Beginning July 1, 2016, Spartanburg County changed the allocation of FILOT revenues amongst the seven school districts. Under these agreements, there is a countywide calculation of all Fee in Lieu of Ad Valorem Tax (FILOT) payments allocating revenue to all seven school districts based on a formula. Under these agreements, the District received \$820,956 of FILOT revenue. Because these agreements are written across the seven taxing school districts, the District is unable to determine the amount that the general fund property tax revenues were reduced as a result of these agreements, or the benefit recognized by taxpayers under either Special Source Revenue Credits (SSRC) or FILOT agreements.

Under agreements written prior to June 30, 2016, the District's general fund property tax revenues were reduced by \$11,297,537 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$5,048,724 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$9,202,684. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$2,094,853.

Under agreements written prior to June 30, 2016, the District's debt service fund property tax revenues were reduced by \$3,169,508 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$2,041,482 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$2,501,694. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$667,814.

Cherokee County

Cherokee County collects and remits FILOT revenue due to Spartanburg County related to a Multi-County Industrial Park located within Cherokee County. Due to this agreement and the agreement to allocate all FILOT related to school districts under these agreements equitably across all seven school districts, the District received \$34,604 in FILOT revenue from Cherokee County.

NOTE 11 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2023

NOTE 12 – RELATED ORGANIZATION

These financial statements exclude R.D. Anderson Applied Technology Center (the “Center”) in the government-wide statements and government fund statements. The Center operates a technology school, which serves the high schools and is jointly governed by Spartanburg County School Districts Four, Five, and Six. Two members of District Six's Board of Trustees serve as board members of the Center. Also, the superintendent of District Six is an ex-officer non-voting member of the Board of R.D. Anderson Applied Technology Center. The District currently serves as the fiscal agent for the Center. District Six remits tuition and other financial support to the Center to cover educational and other costs for the benefit of the District's students attending the Center. For the year ended June 30, 2023, \$1,165,092 was recorded as General Fund expenditures and \$2,243,351 was recorded as Capital Projects expenditures.

The District is also the fiscal agent of the Center. The District processes all payroll and accounts payable invoices, as well as collects all cash receipts and holds them in a fiduciary nature for the benefit of the Center. As of June 30, 2023, the District had \$2,205,601 as Payable to Fiduciary Fund representing assets held by the District for the Center.

NOTE 13 – SUBSEQUENT EVENTS

On September 21, 2023, the District issued an \$18,000,000 General Obligation Bond, Series 2023 at 101.138% for capital equipment, building improvements and construction. These bonds are due in annual installments, maturing April 1, 2025, at an interest rate of 5.00%.

Management has evaluated subsequent events through November 30, 2023, the date on which the financial statements were available to be issued.

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|----------------|----------------|----------------|----------------|----------------|
| District's Proportion of the Collective Net Pension Liability | 0.645655% | 0.625027% | 0.625860% | 0.624568% | 0.614801% |
| District's Proportionate Share of the Collective Net Pension Liability | \$ 156,520,474 | \$ 135,263,804 | \$ 159,918,245 | \$ 142,614,778 | \$ 137,757,313 |
| District's Covered Payroll | \$ 82,929,142 | \$ 74,556,038 | \$ 73,633,110 | \$ 69,822,455 | \$ 67,834,794 |
| District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll | 188.74% | 181.43% | 217.18% | 204.25% | 203.08% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 57.10% | 60.70% | 50.70% | 54.40% | 54.10% |
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| District's Proportion of the Collective Net Pension Liability | 0.608119% | 0.594549% | 0.604468% | 0.597753% | N/A |
| District's Proportionate Share of the Collective Net Pension Liability | \$ 136,897,367 | \$ 126,994,789 | \$ 114,640,271 | \$ 102,913,250 | N/A |
| District's Covered Payroll | \$ 66,066,643 | \$ 62,393,318 | \$ 61,373,615 | \$ 58,565,468 | N/A |
| District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll | 207.21% | 203.54% | 186.79% | 175.72% | N/A |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 53.30% | 52.90% | 57.00% | 59.90% | N/A |

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

Note to Schedule:

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

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---------------|---------------|---------------|---------------|---------------|
| Statutorily Required Contributions | \$ 13,952,653 | \$ 12,395,728 | \$ 10,357,284 | \$ 10,228,210 | \$ 8,963,412 |
| Contributions in Relation to the Statutorily Required Contributions | 13,952,653 | 12,395,728 | 10,357,284 | 10,228,210 | 8,963,412 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's Covered Payroll | \$ 87,653,487 | \$ 82,929,142 | \$ 74,556,038 | \$ 73,633,110 | \$ 69,822,455 |
| Contributions as a Percentage of Covered Payroll | 15.92% | 14.95% | 13.89% | 13.89% | 12.84% |
| Statutorily Required Contributions | \$ 8,005,716 | \$ 7,091,637 | \$ 6,367,696 | \$ 6,180,556 | N/A |
| Contributions in Relation to the Statutorily Required Contributions | 8,005,716 | 7,091,637 | 6,367,696 | 6,180,556 | N/A |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | N/A |
| District's Covered Payroll | \$ 67,834,794 | \$ 66,066,643 | \$ 62,393,318 | \$ 61,373,615 | N/A |
| Contributions as a Percentage of Covered Payroll | 11.80% | 10.73% | 10.21% | 10.07% | N/A |

Note to Schedule:

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

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|------------|------------|------------|------------|------------|
| District's Proportion of the Collective Net Pension Liability | 0.004952% | 0.005116% | 0.005918% | 0.005983% | 0.006154% |
| District's Proportionate Share of the Collective Net Pension Liability | \$ 148,523 | \$ 131,635 | \$ 196,254 | \$ 171,473 | \$ 174,363 |
| District's Covered Payroll | \$ 78,377 | \$ 76,931 | \$ 88,340 | \$ 86,782 | \$ 85,174 |
| District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll | 189.50% | 171.11% | 222.16% | 197.59% | 204.71% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 66.40% | 70.40% | 58.80% | 62.70% | 61.70% |
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| District's Proportion of the Collective Net Pension Liability | 0.005530% | 0.005040% | 0.004150% | 0.006650% | N/A |
| District's Proportionate Share of the Collective Net Pension Liability | \$ 151,498 | \$ 127,914 | \$ 90,362 | \$ 127,329 | N/A |
| District's Covered Payroll | \$ 74,906 | \$ 64,287 | \$ 51,359 | \$ 79,328 | N/A |
| District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll | 202.25% | 198.97% | 175.94% | 160.51% | N/A |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 60.90% | 60.40% | 64.60% | 67.50% | N/A |

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

Note to Schedule:

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

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

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|-----------|-----------|-----------|-----------|-----------|
| Statutorily Required Contributions | \$ 19,576 | \$ 14,419 | \$ 13,371 | \$ 15,452 | \$ 14,300 |
| Contributions in Relation to the Statutorily Required Contributions | 19,576 | 14,419 | 13,371 | 15,452 | 14,300 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | \$ - |
| District's Covered Payroll | \$ 99,985 | \$ 78,377 | \$ 76,931 | \$ 88,340 | \$ 86,782 |
| Contributions as a Percentage of Covered Payroll | 19.58% | 18.40% | 17.38% | 17.49% | 16.48% |
| Statutorily Required Contributions | \$ 13,171 | \$ 10,667 | \$ 8,833 | \$ 6,908 | N/A |
| Contributions in Relation to the Statutorily Required Contributions | 13,171 | 10,667 | 8,833 | 6,908 | N/A |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - | N/A |
| District's Covered Payroll | \$ 85,174 | \$ 74,906 | \$ 64,287 | \$ 51,359 | N/A |
| Contributions as a Percentage of Covered Payroll | 15.46% | 14.24% | 13.74% | 13.45% | N/A |

Note to Schedule:

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

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

| | 2023 | 2022 | 2021 |
|--|----------------|----------------|----------------|
| District's Proportion of the Collective Net OPEB Liability | 0.825788% | 0.800285% | 0.799773% |
| District's Proportionate Share of the Collective Net OPEB Liability | \$ 125,729,700 | \$ 166,644,794 | \$ 144,370,595 |
| District's Covered Payroll | \$ 83,007,519 | \$ 74,632,969 | \$ 73,721,450 |
| District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered Payroll | 151.47% | 223.29% | 195.83% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 9.64% | 7.48% | 8.39% |
| | 2020 | 2019 | 2018 |
| District's Proportion of the Collective Net OPEB Liability | 0.799343% | 0.787595% | 0.784403% |
| District's Proportionate Share of the Collective Net OPEB Liability | \$ 120,872,848 | \$ 111,606,819 | \$ 106,246,102 |
| District's Covered Payroll | \$ 69,909,237 | \$ 67,919,970 | \$ 66,147,433 |
| District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered Payroll | 172.90% | 164.32% | 160.62% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 8.44% | 7.91% | 7.60% |

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

Notes to Schedule:

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

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

| | 2023 | 2022 | 2021 |
|---|---------------|---------------|---------------|
| Statutorily Required Contributions | \$ 5,515,827 | \$ 5,213,907 | \$ 4,584,167 |
| Contributions in Relation to the Statutorily Required Contributions | 5,515,827 | 5,213,907 | 4,584,167 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - |
| District's Covered Payroll | \$ 87,753,472 | \$ 83,007,519 | \$ 74,632,969 |
| Contributions as a Percentage of Covered Payroll | 6.29% | 6.28% | 6.14% |
| Statutorily Required Contributions | \$ 4,292,505 | \$ 4,217,149 | \$ 3,651,140 |
| Contributions in Relation to the Statutorily Required Contributions | 4,292,505 | 4,217,149 | 3,651,140 |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - |
| District's Covered Payroll | \$ 73,721,450 | \$ 69,909,237 | \$ 67,919,970 |
| Contributions as a Percentage of Covered Payroll | 5.82% | 6.03% | 5.38% |

Note to Schedule:

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

REQUIRED SUPPLEMENTARY INFORMATION
SPARTANBURG COUNTY SCHOOL DISTRICT SIX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Budgeted Amounts | | Actual | Variance with Final Budget - Positive (Negative) |
|--|------------------|---------------|---------------|---|
| | Original | Final | | |
| REVENUE | | | | |
| Local | \$ 40,984,207 | \$ 40,984,207 | \$ 45,671,093 | \$ 4,686,886 |
| State | 75,971,578 | 75,971,578 | 77,075,812 | 1,104,234 |
| Intergovernmental | 1,310,658 | 1,310,658 | 1,361,707 | 51,049 |
| Total Revenue | 118,266,443 | 118,266,443 | 124,108,612 | 5,842,169 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 77,406,151 | 77,406,151 | 73,083,796 | 4,322,355 |
| Support services | 48,348,857 | 48,348,857 | 50,039,257 | (1,690,400) |
| Intergovernmental | 1,021,222 | 1,021,222 | 1,294,225 | (273,003) |
| Total Expenditures | 126,776,230 | 126,776,230 | 124,417,278 | 2,358,952 |
| Excess (deficiency) of revenues over expenditures | (8,509,787) | (8,509,787) | (308,666) | 8,201,121 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 11,057,767 | 11,057,767 | 8,256,326 | (2,801,441) |
| Transfers out | (2,689,948) | (2,689,948) | (6,184,739) | (3,494,791) |
| Net change in fund balances | \$ (141,968) | \$ (141,968) | 1,762,921 | \$ 1,904,889 |
| Fund Balances - July 1, 2022 | | | 18,538,332 | |
| Fund Balances - June 30, 2023 | | | \$ 20,301,253 | |

Note to Schedule:

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

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

| | Final Budget | Actual | Variance Positive (Negative) |
|--|-----------------|---------------|------------------------------------|
| REVENUES | | | |
| 1000 Revenue from Local Sources | | | |
| 1100 Taxes Levied/Assessed by the LEA | | | |
| 1110 Ad Valorem Taxes - Including Delinquent | \$ 36,439,777 | \$ 37,873,534 | \$ 1,433,757 |
| 1200 Revenue from Local Governmental Units Other than LEAs | | | |
| 1280 Revenue in Lieu of Taxes | 4,461,332 | 5,904,284 | 1,442,952 |
| 1300 Tuition | | | |
| 1310 Tuition from Patrons for Regular Day School | 13,475 | 33,085 | 19,610 |
| 1500 Earnings on Investments | | | |
| 1510 Interest on Investments | 21,719 | 1,665,423 | 1,643,704 |
| 1900 Other Revenue from Local Sources | | | |
| 1910 Rentals | - | 392 | 392 |
| 1990 Miscellaneous Local Revenue | | | |
| 1993 Receipt of Insurance Proceeds | - | 4,014 | 4,014 |
| 1999 Revenue from Other Local Sources | 47,904 | 190,361 | 142,457 |
| Total Local Sources | 40,984,207 | 45,671,093 | 4,686,886 |
| 2000 Intergovernmental Revenue | | | |
| 2100 Payments from Other Governmental Units | 1,310,658 | 1,361,707 | 51,049 |
| Total Intergovernmental Revenue | 1,310,658 | 1,361,707 | 51,049 |
| 3000 Revenue from State Sources | | | |
| 3100 Restricted State Funding | | | |
| 3130 Special Programs | | | |
| 3103 State Aid to Classrooms | 51,952,972 | 51,577,599 | (375,373) |
| 3131 Handicapped Transportation | - | 675 | 675 |
| 3160 School Bus Driver Salary | 614,963 | 723,414 | 108,451 |
| 3161 EAA Bus Driver Salary and Fringe | - | 2,476 | 2,476 |
| 3162 Transportation Worker's Compensation | - | 25,733 | 25,733 |
| 3180 Fringe Benefits Employer Contributions | 1,506,567 | - | (1,506,567) |
| 3181 Retiree Insurance | 3,421,304 | 3,582,946 | 161,642 |
| 3300 State Aid to Classrooms - Education Finance Act | | | |
| 3330 Miscellaneous EFA Programs | | | |
| 3392 NBC Excess EFA Formula | - | 194,522 | 194,522 |
| 3800 State Revenue in Lieu of Taxes | | | |
| 3810 Reimbursement for Local Residential Property Tax Relief | 3,175,730 | 3,175,730 | - |
| 3820 Homestead Exemption | 1,096,861 | 1,096,862 | 1 |
| 3825 Reimbursement for Property Tax Relief | 12,634,411 | 12,934,177 | 299,766 |
| 3830 Merchant's Inventory Tax | 503,271 | 503,271 | - |
| 3840 Manufacturers Depreciation Reimbursement | 861,259 | 2,272,740 | 1,411,481 |
| 3890 Other State Property Tax Revenues | 204,240 | 346,253 | 142,013 |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|--|--------------------|--------------------|------------------------------------|
| 3900 Other State Revenue | | | |
| 3993 PEBA on-Behalf | - | 637,099 | 637,099 |
| 3999 Revenue from Other State Sources | - | 2,315 | 2,315 |
| Total State Sources | 75,971,578 | 77,075,812 | 1,104,234 |
| TOTAL REVENUE ALL SOURCES | 118,266,443 | 124,108,612 | 5,842,169 |
| EXPENDITURES | | | |
| 100 INSTRUCTION | | | |
| 110 General Instruction | | | |
| 111 Kindergarten Programs | | | |
| 100 Salaries | 3,918,108 | 3,527,866 | 390,242 |
| 200 Employee Benefits | 1,876,024 | 1,750,582 | 125,442 |
| 400 Supplies and Materials | 59,164 | 61,577 | (2,413) |
| | 5,853,296 | 5,340,025 | 513,271 |
| 112 Primary Programs | | | |
| 100 Salaries | 9,712,815 | 8,256,061 | 1,456,754 |
| 200 Employee Benefits | 4,281,628 | 3,652,824 | 628,804 |
| 400 Supplies and Materials | 367,370 | 269,921 | 97,449 |
| | 14,361,813 | 12,178,806 | 2,183,007 |
| 113 Elementary Programs | | | |
| 100 Salaries | 14,827,261 | 14,592,397 | 234,864 |
| 200 Employee Benefits | 6,592,534 | 6,614,191 | (21,657) |
| 300 Purchased Services | 46,317 | 190,008 | (143,691) |
| 400 Supplies and Materials | 1,396,025 | 791,383 | 604,642 |
| 500 Capital Outlay | 10,000 | - | 10,000 |
| 600 Other Objects | 12,000 | 15,900 | (3,900) |
| | 22,884,137 | 22,203,879 | 680,258 |
| 114 High School Programs | | | |
| 100 Salaries | 10,222,867 | 9,668,672 | 554,195 |
| 200 Employee Benefits | 4,850,774 | 4,395,414 | 455,360 |
| 300 Purchased Services | 449,440 | 180,897 | 268,543 |
| 400 Supplies and Materials | 636,921 | 412,760 | 224,161 |
| 600 Other Objects | 3,400 | 3,851 | (451) |
| | 16,163,402 | 14,661,594 | 1,501,808 |
| 115 Career and Technology Education Programs | | | |
| 100 Salaries | 995,322 | 941,301 | 54,021 |
| 200 Employee Benefits | 434,174 | 436,358 | (2,184) |
| 370 Purchased Services - Tuition | 1,531,030 | 1,165,092 | 365,938 |
| 400 Supplies and Materials | 10,000 | 427 | 9,573 |
| | 2,970,526 | 2,543,178 | 427,348 |
| 116 Career and Technology Education Programs - Middle School | | | |
| 400 Supplies and Materials | 30,000 | 22,177 | 7,823 |
| | 30,000 | 22,177 | 7,823 |
| Total General Instruction | 62,263,174 | 56,949,659 | 5,313,515 |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|------------------------------------|------------------|------------------|------------------------------------|
| 120 Exceptional Programs | | | |
| 121 Educable Mentally Handicapped | | | |
| 100 Salaries | 1,193,035 | 1,217,308 | (24,273) |
| 200 Employee Benefits | 603,502 | 597,668 | 5,834 |
| 300 Purchased Services | 25,711 | 59,340 | (33,629) |
| 400 Supplies and Materials | 36,914 | - | 36,914 |
| | <u>1,859,162</u> | <u>1,874,316</u> | <u>(15,154)</u> |
| 122 Trainable Mentally Handicapped | | | |
| 100 Salaries | 802,079 | 872,685 | (70,606) |
| 200 Employee Benefits | 386,387 | 433,193 | (46,806) |
| 300 Purchased Services | 251,130 | 507,794 | (256,664) |
| 400 Supplies and Materials | 8,428 | 561 | 7,867 |
| | <u>1,448,024</u> | <u>1,814,233</u> | <u>(366,209)</u> |
| 123 Orthopedically Handicapped | | | |
| 100 Salaries | 21,704 | 22,209 | (505) |
| 200 Employee Benefits | 12,470 | 12,361 | 109 |
| 300 Purchased Services | - | 5,557 | (5,557) |
| 400 Supplies and Materials | 1,600 | - | 1,600 |
| | <u>35,774</u> | <u>40,127</u> | <u>(4,353)</u> |
| 124 Visually Handicapped | | | |
| 100 Salaries | 28,807 | 21,667 | 7,140 |
| 200 Employee Benefits | 9,452 | 7,859 | 1,593 |
| 300 Purchased Services | 39,253 | 92,205 | (52,952) |
| 400 Supplies and Materials | 1,195 | - | 1,195 |
| | <u>78,707</u> | <u>121,731</u> | <u>(43,024)</u> |
| 125 Hearing Handicapped | | | |
| 100 Salaries | - | 12,580 | (12,580) |
| 200 Employee Benefits | - | 1,034 | (1,034) |
| 300 Purchased Services | 139,606 | 344,395 | (204,789) |
| 400 Supplies and Materials | 3,685 | - | 3,685 |
| | <u>143,291</u> | <u>358,009</u> | <u>(214,718)</u> |
| 126 Speech Handicapped | | | |
| 100 Salaries | 549,537 | 468,058 | 81,479 |
| 200 Employee Benefits | 244,773 | 214,904 | 29,869 |
| 300 Purchased Services | 65,000 | 36,890 | 28,110 |
| 400 Supplies and Materials | 15,000 | - | 15,000 |
| | <u>874,310</u> | <u>719,852</u> | <u>154,458</u> |
| 127 Learning Disabilities | | | |
| 100 Salaries | 2,773,801 | 2,816,820 | (43,019) |
| 200 Employee Benefits | 1,235,759 | 1,330,314 | (94,555) |
| 300 Purchased Services | 51,000 | 91,299 | (40,299) |
| 400 Supplies and Materials | 37,261 | - | 37,261 |
| | <u>4,097,821</u> | <u>4,238,433</u> | <u>(140,612)</u> |
| 128 Emotionally Handicapped | | | |
| 100 Salaries | 407,196 | 375,686 | 31,510 |
| 200 Employee Benefits | 208,559 | 178,008 | 30,551 |
| 300 Purchased Services | 50,363 | 42,957 | 7,406 |
| 400 Supplies and Materials | 3,377 | - | 3,377 |
| | <u>669,495</u> | <u>596,651</u> | <u>72,844</u> |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|---|----------------------|----------------------|------------------------------------|
| 129 Coordinated Early Intervening Services (CEIS) | | | |
| 100 Salaries | 84,539 | - | 84,539 |
| 200 Employee Benefits | 48,777 | - | 48,777 |
| | <u>133,316</u> | <u>-</u> | <u>133,316</u> |
| Total Exceptional Programs | <u>9,339,900</u> | <u>9,763,352</u> | <u>(423,452)</u> |
| 130 Pre-School Programs | | | |
| 137 Pre-School Handicapped-Self-Contained (3 & 4-year olds) | | | |
| 100 Salaries | 422,910 | 436,623 | (13,713) |
| 200 Employee Benefits | 212,647 | 212,907 | (260) |
| 400 Supplies and Materials | - | 348 | (348) |
| | <u>635,557</u> | <u>649,878</u> | <u>(14,321)</u> |
| 139 Early Childhood Programs | | | |
| 100 Salaries | 43,074 | 45,464 | (2,390) |
| 200 Employee Benefits | 21,980 | 23,168 | (1,188) |
| 400 Supplies and Materials | - | 13,011 | (13,011) |
| | <u>65,054</u> | <u>81,643</u> | <u>(16,589)</u> |
| Total Pre-School Programs | <u>700,611</u> | <u>731,521</u> | <u>(30,910)</u> |
| 140 Special Programs | | | |
| 141 Gifted and Talented - Academic | | | |
| 100 Salaries | 944,473 | 953,357 | (8,884) |
| 200 Employee Benefits | 423,554 | 437,868 | (14,314) |
| 300 Purchased Services | 24,250 | 22,314 | 1,936 |
| 400 Supplies and Materials | 11,000 | 13,214 | (2,214) |
| | <u>1,403,277</u> | <u>1,426,753</u> | <u>(23,476)</u> |
| 143 Advanced Placement | | | |
| 100 Salaries | 680,938 | 773,730 | (92,792) |
| 200 Employee Benefits | - | 243,418 | (243,418) |
| | <u>680,938</u> | <u>1,017,148</u> | <u>(336,210)</u> |
| 145 Homebound | | | |
| 100 Salaries | 100,000 | 140,430 | (40,430) |
| 200 Employee Benefits | 31,075 | 44,947 | (13,872) |
| 300 Purchased Services | 1,000 | - | 1,000 |
| | <u>132,075</u> | <u>185,377</u> | <u>(53,302)</u> |
| 147 CERDEP | | | |
| 400 Supplies and Materials | 11,465 | 28,705 | (17,240) |
| | <u>11,465</u> | <u>28,705</u> | <u>(17,240)</u> |
| 148 Gifted and Talented - Artistic | | | |
| 100 Salaries | 31,337 | 34,548 | (3,211) |
| 200 Employee Benefits | 13,152 | 14,478 | (1,326) |
| 300 Purchased Services | 9,250 | 9,086 | 164 |
| 400 Supplies and Materials | 7,000 | 5,915 | 1,085 |
| | <u>60,739</u> | <u>64,027</u> | <u>(3,288)</u> |
| 149 Other Special Programs | | | |
| 100 Salaries | 67,724 | - | 67,724 |
| 200 Employee Benefits | 44,224 | - | 44,224 |
| | <u>111,948</u> | <u>-</u> | <u>111,948</u> |
| Total Special Programs | <u>2,400,442</u> | <u>2,722,010</u> | <u>(321,568)</u> |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|---|-------------------|-------------------|------------------------------------|
| 160 Other Exceptional Programs | | | |
| 161 Autism | | | |
| 100 Salaries | 311,843 | 341,051 | (29,208) |
| 200 Employee Benefits | 148,231 | 177,201 | (28,970) |
| 300 Purchased Services | 265,782 | 523,136 | (257,354) |
| 400 Supplies and Materials | 1,584 | - | 1,584 |
| | <u>727,440</u> | <u>1,041,388</u> | <u>(313,948)</u> |
| 162 Limited English Proficiency | | | |
| 100 Salaries | 1,237,426 | 1,119,096 | 118,330 |
| 200 Employee Benefits | 594,061 | 549,059 | 45,002 |
| 300 Purchased Services | 80,328 | 166,606 | (86,278) |
| 400 Supplies and Materials | 39,971 | 8,955 | 31,016 |
| | <u>1,951,786</u> | <u>1,843,716</u> | <u>108,070</u> |
| Total Other Exceptional Programs | <u>2,679,226</u> | <u>2,885,104</u> | <u>(205,878)</u> |
| 170 Summer School Programs | | | |
| 172 Elementary Summer School | | | |
| 100 Salaries | 7,500 | 20,680 | (13,180) |
| 200 Employee Benefits | 2,298 | 6,835 | (4,537) |
| 300 Purchased Services | 6,000 | 3,000 | 3,000 |
| 400 Supplies and Materials | 7,000 | 1,635 | 5,365 |
| | <u>22,798</u> | <u>32,150</u> | <u>(9,352)</u> |
| Total Summer School Programs | <u>22,798</u> | <u>32,150</u> | <u>(9,352)</u> |
| TOTAL INSTRUCTION | <u>77,406,151</u> | <u>73,083,796</u> | <u>4,322,355</u> |
| 200 SUPPORT SERVICES | | | |
| 210 Pupil Services | | | |
| 211 Attendance and Social Work Services | | | |
| 100 Salaries | 147,310 | 96,829 | 50,481 |
| 200 Employee Benefits | 68,490 | 36,992 | 31,498 |
| 300 Purchased Services | 5,000 | 2,268 | 2,732 |
| 400 Supplies and Materials | 1,500 | - | 1,500 |
| | <u>222,300</u> | <u>136,089</u> | <u>86,211</u> |
| 212 Guidance Services | | | |
| 100 Salaries | 2,671,141 | 2,163,001 | 508,140 |
| 200 Employee Benefits | 1,040,606 | 984,469 | 56,137 |
| 300 Purchased Services | 11,000 | - | 11,000 |
| 400 Supplies and Materials | 16,423 | 15,217 | 1,206 |
| | <u>3,739,170</u> | <u>3,162,687</u> | <u>576,483</u> |
| 213 Health Services | | | |
| 100 Salaries | 952,694 | 848,922 | 103,772 |
| 200 Employee Benefits | 395,079 | 421,122 | (26,043) |
| 300 Purchased Services | 21,994 | 37,688 | (15,694) |
| 400 Supplies and Materials | 92,694 | 52,353 | 40,341 |
| | <u>1,462,461</u> | <u>1,360,085</u> | <u>102,376</u> |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|---|------------------|------------------|------------------------------------|
| 214 Psychological Services | | | |
| 100 Salaries | 834,907 | 524,600 | 310,307 |
| 200 Employee Benefits | 367,186 | 231,229 | 135,957 |
| 300 Purchased Services | - | 80,490 | (80,490) |
| 400 Supplies and Materials | 10,000 | - | 10,000 |
| | <u>1,212,093</u> | <u>836,319</u> | <u>375,774</u> |
| 215 Exceptional Program Services | | | |
| 100 Salaries | 235,749 | 239,538 | (3,789) |
| 200 Employee Benefits | 97,420 | 101,177 | (3,757) |
| 400 Supplies and Materials | 12,000 | 11,541 | 459 |
| | <u>345,169</u> | <u>352,256</u> | <u>(7,087)</u> |
| Total Pupil Services | <u>6,981,193</u> | <u>5,847,436</u> | <u>1,133,757</u> |
| 220 Instructional Staff Services | | | |
| 221 Improvement of Instruction - Curriculum Development | | | |
| 100 Salaries | 599,923 | 320,615 | 279,308 |
| 200 Employee Benefits | 234,533 | 128,482 | 106,051 |
| 300 Purchased Services | 13,000 | 2,994 | 10,006 |
| 400 Supplies and Materials | 15,801 | 17,678 | (1,877) |
| | <u>863,257</u> | <u>469,769</u> | <u>393,488</u> |
| 222 Library and Media Services | | | |
| 100 Salaries | 1,291,736 | 1,261,329 | 30,407 |
| 200 Employee Benefits | 587,944 | 590,871 | (2,927) |
| 400 Supplies and Materials | 237,637 | 209,549 | 28,088 |
| | <u>2,117,317</u> | <u>2,061,749</u> | <u>55,568</u> |
| 223 Supervision of Special Programs | | | |
| 100 Salaries | 197,695 | 128,738 | 68,957 |
| 200 Employee Benefits | 94,852 | 78,846 | 16,006 |
| 300 Purchased Services | - | 4,092 | (4,092) |
| 400 Supplies and Materials | 7,500 | 7,090 | 410 |
| | <u>300,047</u> | <u>218,766</u> | <u>81,281</u> |
| 224 Improvement of Instruction - Inservice and Staff Training | | | |
| 100 Salaries | 292,001 | 310,236 | (18,235) |
| 200 Employee Benefits | 56,847 | 114,576 | (57,729) |
| 300 Purchased Services | 5,331 | 53,337 | (48,006) |
| 400 Supplies and Materials | 7,543 | 55,936 | (48,393) |
| | <u>361,722</u> | <u>534,085</u> | <u>(172,363)</u> |
| Total Instructional Staff Services | <u>3,642,343</u> | <u>3,284,369</u> | <u>357,974</u> |
| 230 General Administration Services | | | |
| 231 Board of Education | | | |
| 300 Purchased Services | 74,178 | 77,582 | (3,404) |
| 318 Audit Services | 40,000 | 39,650 | 350 |
| 400 Supplies and Materials | 10,000 | 27,418 | (17,418) |
| 600 Other Objects | 30,000 | 29,765 | 235 |
| | <u>154,178</u> | <u>174,415</u> | <u>(20,237)</u> |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|--|-------------------|-------------------|------------------------------------|
| 232 Office of the Superintendent | | | |
| 100 Salaries | 502,049 | 536,090 | (34,041) |
| 200 Employee Benefits | 193,786 | 201,572 | (7,786) |
| 300 Purchased Services | 36,500 | 26,974 | 9,526 |
| 400 Supplies and Materials | 10,000 | 12,783 | (2,783) |
| 600 Other Objects | 1,500 | - | 1,500 |
| | <u>743,835</u> | <u>777,419</u> | <u>(33,584)</u> |
| 233 School Administration | | | |
| 100 Salaries | 5,925,922 | 5,794,881 | 131,041 |
| 200 Employee Benefits | 2,649,922 | 2,567,629 | 82,293 |
| 300 Purchased Services | 17,557 | 25,594 | (8,037) |
| 400 Supplies and Materials | 103,945 | 100,345 | 3,600 |
| | <u>8,697,346</u> | <u>8,488,449</u> | <u>208,897</u> |
| Total General Administration Services | <u>9,595,359</u> | <u>9,440,283</u> | <u>155,076</u> |
| 250 Finance and Operations Services | | | |
| 251 Student Transportation | | | |
| 300 Purchased Services | - | 1,614 | (1,614) |
| | <u>-</u> | <u>1,614</u> | <u>(1,614)</u> |
| 252 Fiscal Services | | | |
| 100 Salaries | 459,835 | 469,818 | (9,983) |
| 180 Head of Organizational Unit Salaries | 159,956 | 160,716 | (760) |
| 200 Employee Benefits | 275,117 | 280,452 | (5,335) |
| 300 Purchased Services | 143,000 | 194,023 | (51,023) |
| 400 Supplies and Materials | 162,352 | 153,704 | 8,648 |
| 600 Other Objects | 32,000 | 66,986 | (34,986) |
| | <u>1,232,260</u> | <u>1,325,699</u> | <u>(93,439)</u> |
| 254 Operation and Maintenance of Plant | | | |
| 100 Salaries | 5,670,182 | 6,225,272 | (555,090) |
| 200 Employee Benefits | 3,002,559 | 3,100,365 | (97,806) |
| 300 Purchased Services | 1,947,776 | 2,238,189 | (290,413) |
| 321 Public Utilities | 574,835 | 479,574 | 95,261 |
| 400 Supplies and Materials | 1,029,496 | 1,347,573 | (318,077) |
| 470 Energy | 2,550,563 | 2,690,628 | (140,065) |
| | <u>14,775,411</u> | <u>16,081,601</u> | <u>(1,306,190)</u> |
| 255 Student Transportation | | | |
| 100 Salaries | 2,951,467 | 3,467,689 | (516,222) |
| 200 Employee Benefits | 1,363,849 | 1,465,865 | (102,016) |
| 300 Purchased Services | 237,372 | 345,526 | (108,154) |
| 400 Supplies and Materials | 108,782 | 80,703 | 28,079 |
| | <u>4,661,470</u> | <u>5,359,783</u> | <u>(698,313)</u> |
| 257 Internal Services | | | |
| 100 Salaries | 10,654 | 11,305 | (651) |
| 200 Employee Benefits | 5,453 | 5,730 | (277) |
| 300 Purchased Services | 2,500 | 79 | 2,421 |
| 400 Supplies and Materials | 7,500 | 17,912 | (10,412) |
| 600 Other Objects | 1,000 | 10,038 | (9,038) |
| | <u>27,107</u> | <u>45,064</u> | <u>(17,957)</u> |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|---|--------------------|--------------------|------------------------------------|
| 258 Security | | | |
| 100 Salaries | 442,135 | 711,063 | (268,928) |
| 200 Employee Benefits | 144,168 | 224,575 | (80,407) |
| 300 Purchased Services | 1,711,153 | 2,581,733 | (870,580) |
| 400 Supplies and Materials | 60,000 | 89,099 | (29,099) |
| | <u>2,357,456</u> | <u>3,606,470</u> | <u>(1,249,014)</u> |
| Total Finance and Operations Services | <u>23,053,704</u> | <u>26,420,231</u> | <u>(3,366,527)</u> |
| 260 Central Support Services | | | |
| 263 Information Services | | | |
| 100 Salaries | 134,030 | 135,777 | (1,747) |
| 200 Employee Benefits | 51,766 | 51,569 | 197 |
| 300 Purchased Services | 19,500 | 4,763 | 14,737 |
| 400 Supplies and Materials | 29,500 | 19,548 | 9,952 |
| | <u>234,796</u> | <u>211,657</u> | <u>23,139</u> |
| 264 Staff Services | | | |
| 100 Salaries | 201,111 | 235,206 | (34,095) |
| 200 Employee Benefits | 87,454 | 94,347 | (6,893) |
| 300 Purchased Services | 61,000 | 87,932 | (26,932) |
| 400 Supplies and Materials | 40,500 | 55,373 | (14,873) |
| | <u>390,065</u> | <u>472,858</u> | <u>(82,793)</u> |
| 266 Technology and Data Processing Services | | | |
| 100 Salaries | 669,751 | 629,119 | 40,632 |
| 180 Head of Organizational Unit Salaries | 136,792 | 136,791 | 1 |
| 200 Employee Benefits | 316,329 | 326,138 | (9,809) |
| 300 Purchased Services | 52,000 | 24,025 | 27,975 |
| 400 Supplies and Materials | 270,500 | 372,815 | (102,315) |
| | <u>1,445,372</u> | <u>1,488,888</u> | <u>(43,516)</u> |
| Total Central Support Services | <u>2,070,233</u> | <u>2,173,403</u> | <u>(103,170)</u> |
| 270 Support Services Pupil Activity | | | |
| 271 Pupil Services Activities | | | |
| 100 Salaries | 1,405,817 | 1,714,164 | (308,347) |
| 200 Employee Benefits | 569,875 | 670,804 | (100,929) |
| 300 Purchased Services | 157,400 | 182,602 | (25,202) |
| 400 Supplies and Materials | 749,083 | 218,299 | 530,784 |
| 500 Capital Outlay | 50,000 | - | 50,000 |
| 660 Supporting Services Pupil Activity | 73,850 | 87,666 | (13,816) |
| | <u>3,006,025</u> | <u>2,873,535</u> | <u>132,490</u> |
| Total Support Services Pupil Activity | <u>3,006,025</u> | <u>2,873,535</u> | <u>132,490</u> |
| | <u>48,348,857</u> | <u>50,039,257</u> | <u>(1,690,400)</u> |
| 410 INTERGOVERNMENTAL EXPENDITURES | | | |
| 412 Payments to Other Governmental Units | | | |
| 720 Transits | 1,021,222 | 1,294,225 | (273,003) |
| TOTAL INTERGOVERNMENTAL EXPENDITURES | <u>1,021,222</u> | <u>1,294,225</u> | <u>(273,003)</u> |
| TOTAL EXPENDITURES | <u>126,776,230</u> | <u>124,417,278</u> | <u>2,358,952</u> |

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

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---------------------|----------------------|------------------------------------|
| OTHER FINANCING SOURCES (USES) | | | |
| Interfund Transfers, from (to) Other Funds | | | |
| 5220 Transfer from Special Revenue Fund - Special Projects | 3,888,353 | 24,880 | (3,863,473) |
| 5230 Transfer from Special Revenue Fund - EIA | 6,190,974 | 6,691,774 | 500,800 |
| 5240 Transfer from Debt Service Fund | 369,132 | - | (369,132) |
| 5280 Transfer from Other Funds Indirect Costs | 609,308 | 1,539,672 | 930,364 |
| 421-710 Transfer to Special Revenue Fund - Special Projects | (610,336) | (1,728,228) | (1,117,892) |
| 422-710 Transfer to Special Revenue Fund - EIA | (1,100,000) | (2,137,788) | (1,037,788) |
| 425-710 Transfer to Special Revenue Fund - Food Service | (979,612) | (2,318,723) | (1,339,111) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>8,367,819</u> | <u>2,071,587</u> | <u>(6,296,232)</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>\$ (141,968)</u> | 1,762,921 | <u>\$ 1,904,889</u> |
| FUND BALANCES - JULY 1, 2022 | | <u>18,538,332</u> | |
| FUND BALANCES - JUNE 30, 2023 | | <u>\$ 20,301,253</u> | |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING BALANCE SHEET
JUNE 30, 2023

ASSETS

Accounts receivable
Due from State Department of Education
Due from other school districts
Due from Federal Government

| Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|---------------------|-------------------|--------------------------|-------------|--|---|------------------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 115,451 | \$ - | \$ 115,451 |
| - | - | - | - | 61,095 | - | - | 61,095 |
| - | - | - | - | - | 236,641 | - | 236,641 |
| 1,647,537 | 857,185 | 30,469 | - | - | 7,790,799 | - | 10,325,990 |
| <u>\$ 1,647,537</u> | <u>\$ 857,185</u> | <u>\$ 30,469</u> | <u>\$ -</u> | <u>\$ 61,095</u> | <u>\$ 8,142,891</u> | <u>\$ -</u> | <u>\$ 10,739,177</u> |

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable
Due to other funds
Unearned revenue

| | | | | | | | |
|------------------|----------------|---------------|----------|---------------|------------------|----------------|-------------------|
| \$ 4,193 | \$ 24,546 | \$ - | \$ - | \$ 25,000 | \$ 949,575 | \$ 778 | \$ 1,004,092 |
| 1,643,344 | 832,639 | 30,469 | - | 36,095 | 6,587,509 | 267,104 | 9,397,160 |
| - | - | - | - | - | 605,807 | - | 605,807 |
| <u>1,647,537</u> | <u>857,185</u> | <u>30,469</u> | <u>-</u> | <u>61,095</u> | <u>8,142,891</u> | <u>267,882</u> | <u>11,007,059</u> |

Fund Balances:

Unassigned

| | | | | | | | |
|---|---|---|---|---|---|-----------|-----------|
| - | - | - | - | - | - | (267,882) | (267,882) |
|---|---|---|---|---|---|-----------|-----------|

Total Fund Balances

| | | | | | | | |
|---|---|---|---|---|---|-----------|-----------|
| - | - | - | - | - | - | (267,882) | (267,882) |
|---|---|---|---|---|---|-----------|-----------|

Total Liabilities and Fund Balances

| | | | | | | | |
|---------------------|-------------------|------------------|-------------|------------------|---------------------|-------------|----------------------|
| <u>\$ 1,647,537</u> | <u>\$ 857,185</u> | <u>\$ 30,469</u> | <u>\$ -</u> | <u>\$ 61,095</u> | <u>\$ 8,142,891</u> | <u>\$ -</u> | <u>\$ 10,739,177</u> |
|---------------------|-------------------|------------------|-------------|------------------|---------------------|-------------|----------------------|

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|---|---------|------|--------------------------|---------|--|---|------------------------------|--------------|
| REVENUES | | | | | | | | |
| 1000 Revenue from Local Sources | | | | | | | | |
| 1300 Tuition | \$ | - | \$ | - | \$ | \$ | - | \$ 1,573,930 |
| 1310 Tuition from Patrons for Regular Day School | | | | | | | | |
| 1700 Pupil Activities | | | | | | | | |
| 1710 Admissions | - | - | - | - | - | - | 590,892 | 590,892 |
| 1720 Bookstore Sales | - | - | - | - | - | - | 349,213 | 349,213 |
| 1730 Pupil Organization Membership Dues & Fees | - | - | - | - | - | - | 44,293 | 44,293 |
| 1740 Student Fees | - | - | - | - | - | - | 359,698 | 359,698 |
| 1790 Other Pupil Activity Income | - | - | - | - | - | - | 1,350,688 | 1,350,688 |
| 1900 Other Revenue From Local Sources | | | | | | | | |
| 1910 Rentals | - | - | - | - | - | - | 17,807 | 17,807 |
| 1920 Contributions and Donations from Private Sources | - | - | - | - | - | - | 147,198 | 147,198 |
| 1930 Special Needs Transportation - Medicaid | - | - | - | - | 2,726 | 815,826 | - | 818,552 |
| 1999 Revenue from Other Local Sources | - | - | - | - | 339,091 | 123,804 | 11,502 | 474,397 |
| Total Local Sources | - | - | - | - | 341,817 | 2,513,560 | 2,871,291 | 5,726,668 |
| 2000 Intergovernmental Revenue | | | | | | | | |
| 2100 Payments from Other Governmental Units | - | - | - | - | - | 203,662 | - | 203,662 |
| Total Intergovernmental Revenue | - | - | - | - | - | 203,662 | - | 203,662 |
| 3000 Revenue from State Sources | | | | | | | | |
| 3100 Restricted State Funding | | | | | | | | |
| 3110 Occupational Education | - | - | - | - | 471,538 | - | - | 471,538 |
| 3118 EEDA Career Specialist | - | - | - | - | - | - | - | - |
| 3120 General Education | - | - | - | - | 74,649 | - | - | 74,649 |
| 3127 Student Health & Fitness - PE Teachers | - | - | - | - | - | - | - | - |
| 3130 Special Programs | - | - | - | - | - | - | - | - |
| 3134 CERDEP - Full Day 4K | - | - | - | - | 95,572 | - | - | 95,572 |
| 3135 Reading Coaches | - | - | - | - | 533,344 | - | - | 533,344 |
| 3187 Teacher Supplies (No Carryover Provision) | - | - | - | - | 31,800 | - | - | 31,800 |
| 3190 Miscellaneous Restricted State Grants | - | - | - | - | - | - | - | - |
| 3193 Education License Plates | - | - | - | - | 1,159 | - | - | 1,159 |
| 3199 Other Restricted State Grants | - | - | - | - | 2,508 | - | - | 2,508 |
| 3900 Other State Revenue | - | - | - | - | 20,060 | - | - | 20,060 |
| 3994 PEBA Nonemployer Contributions | - | - | - | - | - | - | - | - |
| Total State Sources | - | - | - | - | 1,230,630 | - | - | 1,230,630 |
| 4000 Revenue from Federal Sources | | | | | | | | |
| 4200 Occupational Education | - | - | - | - | - | - | - | - |
| 4210 Perkins Aid, Title I | - | - | - | 154,292 | - | - | - | 154,292 |

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|---|-----------|-----------|--------------------------|---------|--|---|------------------------------|------------|
| 4300 Elementary and Secondary Education Act of 1965 | | | | | | | | |
| 4310 Title I, Basic State Grant Programs | 3,788,821 | - | - | - | - | 201,525 | - | 3,990,346 |
| 4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III | - | - | - | - | - | 153,276 | - | 153,276 |
| 4351 Supporting Effective Instruction | - | - | - | - | - | 416,179 | - | 416,179 |
| 4500 Programs for Children with Disabilities | | | | | | | | |
| 4510 Individuals with Disabilities Education Act (IDEA) | - | 2,904,385 | - | - | - | 6,137 | - | 2,910,522 |
| 4520 Pre-School Grants for Children with Disabilities (IDEA) | - | - | 111,745 | - | - | - | - | 111,745 |
| 4900 Other Federal Sources | | | | | | | | |
| 4931 ARP IDEA | - | - | - | - | - | 56,963 | - | 56,963 |
| 4933 ARP IDEA Preschool | - | - | - | - | - | 12,903 | - | 12,903 |
| 4937 ARP Homeless Children & Youth | - | - | - | - | - | 111,895 | - | 111,895 |
| 4974 ESSER III | - | - | - | - | - | 13,246,622 | - | 13,246,622 |
| 4977 ESSER II | - | - | - | - | - | 2,594,001 | - | 2,594,001 |
| 4997 Title IV, SSAE | - | - | - | - | - | 365,710 | - | 365,710 |
| 4999 Revenue from Other Federal Sources | - | - | - | - | - | 145,097 | - | 145,097 |
| Total Federal Sources | 3,788,821 | 2,904,385 | 111,745 | 154,292 | - | 17,310,308 | - | 24,269,551 |
| TOTAL REVENUE ALL SOURCES | 3,788,821 | 2,904,385 | 111,745 | 154,292 | 1,572,447 | 20,027,530 | 2,871,291 | 31,430,511 |
| EXPENDITURES | | | | | | | | |
| 100 INSTRUCTION | | | | | | | | |
| 110 General Instruction | - | - | - | - | - | 723 | - | 723 |
| 111 Kindergarten Programs | - | - | - | - | - | 723 | - | 723 |
| 400 Supplies and Materials | | | | | | | | |
| 112 Primary Programs | | | | | | | | |
| 100 Salaries | 712,613 | - | - | - | 11,256 | 1,335,435 | - | 2,059,304 |
| 200 Employee Benefits | 360,617 | - | - | - | 6,178 | 740,134 | - | 1,106,929 |
| 300 Purchased Services | - | - | - | - | - | 68,494 | - | 68,494 |
| 400 Supplies and Materials | 1,332 | - | - | - | - | 786,563 | - | 787,895 |
| | 1,074,562 | - | - | - | 17,434 | 2,930,626 | - | 4,022,622 |
| 113 Elementary Programs | | | | | | | | |
| 100 Salaries | 325,730 | - | - | - | 53,626 | 269,306 | - | 648,662 |
| 200 Employee Benefits | 177,817 | - | - | - | 27,792 | 134,689 | - | 340,298 |
| 300 Purchased Services | 39,150 | - | - | - | 31,800 | 764,179 | - | 835,129 |
| 400 Supplies and Materials | 542,697 | - | - | - | 113,218 | 1,168,174 | - | 1,824,089 |
| 114 High School Programs | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 171,913 | - | 171,913 |
| 200 Employee Benefits | - | - | - | - | - | 80,474 | - | 80,474 |
| 300 Purchased Services | - | - | - | - | - | 909,713 | - | 909,713 |
| 400 Supplies and Materials | - | - | - | - | - | 180,218 | - | 180,218 |
| | - | - | - | - | - | 1,342,318 | - | 1,342,318 |

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|---|---------|---------|--------------------------|---------|--|---|------------------------------|-----------|
| 115 Career and Technology Education Programs | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 8,744 | - | 8,744 |
| 200 Employee Benefits | - | - | - | - | - | 2,794 | - | 2,794 |
| 300 Purchased Services | - | - | - | 5,400 | - | - | - | 5,400 |
| 400 Supplies and Materials | - | - | - | 52,590 | - | - | - | 52,590 |
| | - | - | - | 57,990 | - | 11,538 | - | 69,528 |
| 116 Career and Technology Education (Vocational) Programs - Middle School | | | | | | | | |
| 300 Purchased Services | - | - | - | 2,850 | - | - | - | 2,850 |
| 400 Supplies and Materials | - | - | - | 93,452 | - | - | - | 93,452 |
| | - | - | - | 96,302 | - | - | - | 96,302 |
| 1,617,259 | - | - | - | 154,292 | 130,652 | 5,453,379 | - | 7,355,582 |
| Total General Instruction | | | | | | | | |
| 120 Exceptional Programs | | | | | | | | |
| 121 Educable Mentally Handicapped | | | | | | | | |
| 100 Salaries | - | 43,672 | - | - | - | - | - | 43,672 |
| 200 Employee Benefits | - | 20,379 | - | - | - | - | - | 20,379 |
| 300 Purchased Services | - | 8,400 | - | - | - | - | - | 8,400 |
| 400 Supplies and Materials | - | 20,581 | - | - | - | - | - | 20,581 |
| | - | 93,032 | - | - | - | - | - | 93,032 |
| 122 Trainable Mentally Handicapped | | | | | | | | |
| 300 Purchased Services | - | - | - | - | 2,508 | - | - | 2,508 |
| 400 Supplies and Materials | - | 35,121 | - | - | - | 520 | - | 35,641 |
| | - | 35,121 | - | - | 2,508 | 520 | - | 38,149 |
| 123 Orthopedically Handicapped | | | | | | | | |
| 100 Salaries | - | 85 | - | - | - | 192 | - | 277 |
| 200 Employee Benefits | - | 27 | - | - | - | 63 | - | 90 |
| | - | 112 | - | - | - | 255 | - | 367 |
| 124 Visually Handicapped | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 2,400 | - | 2,400 |
| 200 Employee Benefits | - | - | - | - | - | 829 | - | 829 |
| 300 Purchased Services | - | 102,338 | - | - | - | - | - | 102,338 |
| | - | 102,338 | - | - | - | 3,229 | - | 105,567 |
| 125 Hearing Handicapped | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 280 | - | 280 |
| 200 Employee Benefits | - | - | - | - | - | 93 | - | 93 |
| 400 Supplies and Materials | - | 4,053 | - | - | - | - | - | 4,053 |
| | - | 4,053 | - | - | - | 373 | - | 4,426 |
| 126 Speech Handicapped | | | | | | | | |
| 100 Salaries | - | 346,772 | - | - | - | 33,569 | - | 380,341 |
| 200 Employee Benefits | - | 152,184 | - | - | - | 10,916 | - | 163,100 |
| 300 Purchased Services | - | 371,108 | - | - | - | 56,081 | - | 427,189 |
| 400 Supplies and Materials | - | 7,882 | - | - | - | - | - | 7,882 |
| 600 Other Objects | - | - | - | - | - | 5,302 | - | 5,302 |
| | - | 877,946 | - | - | - | 105,868 | - | 983,814 |
| 127 Learning Disabilities | | | | | | | | |
| 100 Salaries | - | 390,148 | - | - | - | 235,278 | - | 625,426 |
| 200 Employee Benefits | - | 185,929 | - | - | - | 113,440 | - | 299,369 |
| 300 Purchased Services | - | 182,350 | - | - | - | - | - | 182,350 |
| 400 Supplies and Materials | - | 208,139 | - | - | - | 55,151 | - | 263,290 |
| | - | 966,566 | - | - | - | 403,869 | - | 1,370,435 |

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|---|---------|-----------|--------------------------|------|--|---|------------------------------|-----------|
| 128 Emotionally Handicapped | | | | | | | | |
| 100 Salaries | - | 20,642 | - | - | - | 361,259 | - | 381,901 |
| 200 Employee Benefits | - | 12,684 | - | - | - | 157,856 | - | 170,540 |
| 300 Purchased Services | - | 4,200 | - | - | - | 49,500 | - | 53,700 |
| 400 Supplies and Materials | - | 6,230 | - | - | - | - | - | 6,230 |
| | - | 43,756 | - | - | - | 568,615 | - | 612,371 |
| Total Exceptional Programs | - | 2,122,924 | - | - | 2,508 | 1,082,729 | - | 3,208,161 |
| 130 Pre-School Programs | | | | | | | | |
| 137 Pre-School Handicapped Self-Contained (3 & 4-year olds) | | | | | | | | |
| 100 Salaries | - | 119,814 | 72,037 | - | - | 11,747 | - | 203,598 |
| 200 Employee Benefits | - | 73,341 | 36,181 | - | - | - | - | 109,522 |
| 400 Supplies and Materials | - | 19,799 | 919 | - | - | - | - | 20,718 |
| | - | 212,954 | 109,137 | - | - | 11,747 | - | 333,838 |
| 139 Early Childhood Programs | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 419,719 | - | 419,719 |
| 200 Employee Benefits | - | - | - | - | - | 202,105 | - | 202,105 |
| 400 Supplies and Materials | - | - | - | - | - | 40,221 | - | 40,221 |
| | - | - | - | - | - | 662,045 | - | 662,045 |
| Total Pre-School Programs | - | 212,954 | 109,137 | - | - | 673,792 | - | 995,853 |
| 140 Special Programs | | | | | | | | |
| 147 CERDEP | | | | | | | | |
| 100 Salaries | 171,922 | - | - | - | 53,651 | 1,903 | - | 227,476 |
| 200 Employee Benefits | 73,464 | - | - | - | 17,239 | 246 | - | 90,949 |
| 400 Supplies and Materials | - | - | - | - | 68,370 | 5,584 | - | 73,954 |
| | 245,386 | - | - | - | 139,260 | 7,733 | - | 392,379 |
| 149 Other Special Programs | | | | | | | | |
| 100 Salaries | - | 26,481 | 2,608 | - | - | 14,125 | - | 43,214 |
| 200 Employee Benefits | - | 13,817 | - | - | - | 2,361 | - | 16,178 |
| | - | 40,298 | 2,608 | - | - | 16,486 | - | 59,392 |
| Total Special Programs | 245,386 | 40,298 | 2,608 | - | 139,260 | 24,219 | - | 451,771 |
| 160 Other Exceptional Programs | | | | | | | | |
| 161 Autism | | | | | | | | |
| 100 Salaries | - | 171,676 | - | - | - | 64,708 | - | 236,384 |
| 200 Employee Benefits | - | 70,999 | - | - | - | 29,252 | - | 100,251 |
| 300 Purchased Services | - | 3,482 | - | - | - | - | - | 3,482 |
| 400 Supplies and Materials | - | 447 | - | - | - | - | - | 447 |
| | - | 246,604 | - | - | - | 93,960 | - | 340,564 |
| 162 Limited English Proficiency | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 145,652 | - | 145,652 |
| 200 Employee Benefits | - | - | - | - | - | 59,993 | - | 59,993 |
| | - | - | - | - | - | 205,645 | - | 205,645 |
| Total Other Exceptional Programs | - | 246,604 | - | - | - | 299,605 | - | 546,209 |

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|--|-----------|-----------|--------------------------|---------|--|---|------------------------------|------------|
| 170 Summer School Programs | | | | | | | | |
| 172 Elementary Summer School | | | | | | | | |
| 100 Salaries | 292,663 | - | - | - | - | 253,713 | - | 546,376 |
| 200 Employee Benefits | 88,744 | - | - | - | - | 108,169 | - | 196,913 |
| | 381,407 | - | - | - | - | 361,882 | - | 743,289 |
| 173 High School Summer School | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 34,136 | - | 34,136 |
| 200 Employee Benefits | - | - | - | - | - | 11,282 | - | 11,282 |
| | - | - | - | - | - | 45,418 | - | 45,418 |
| 175 Instructional Programs Beyond Regular School Day | | | | | | | | |
| 100 Salaries | 540,830 | - | - | - | - | 70,292 | - | 611,122 |
| 200 Employee Benefits | 124,074 | - | - | - | - | 20,567 | - | 144,641 |
| | 664,904 | - | - | - | - | 90,859 | - | 755,763 |
| Total Summer School Programs | 1,046,311 | - | - | - | - | 498,159 | - | 1,544,470 |
| 180 Adult/Continuing Educational Programs | | | | | | | | |
| 181 Adult Basic Education Programs | | | | | | | | |
| 300 Purchased Services | - | - | - | - | - | 180 | - | 180 |
| | - | - | - | - | - | 180 | - | 180 |
| 188 Parenting/Family Literacy | | | | | | | | |
| 100 Salaries | 50,146 | - | - | - | - | - | - | 50,146 |
| 200 Employee Benefits | 24,838 | - | - | - | - | - | - | 24,838 |
| 300 Purchased Services | 201 | - | - | - | - | - | - | 201 |
| 400 Supplies and Materials | 42,441 | - | - | - | - | - | - | 42,441 |
| | 117,626 | - | - | - | - | - | - | 117,626 |
| Total Adult/Continuing Educational Programs | 117,626 | - | - | - | - | 180 | - | 117,806 |
| 190 Instructional Pupil Activity | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 572,223 | 572,223 |
| 200 Employee Benefits | - | - | - | - | - | - | 159,321 | 159,321 |
| 400 Supplies and Materials | - | - | - | - | - | - | 12,795 | 12,795 |
| 660 Pupil Activity | - | - | - | - | - | - | 324,612 | 324,612 |
| | - | - | - | - | - | - | 1,068,951 | 1,068,951 |
| Total Instructional Pupil Activity | - | - | - | - | - | - | 1,068,951 | 1,068,951 |
| TOTAL INSTRUCTION | 3,026,582 | 2,622,780 | 111,745 | 154,292 | 272,420 | 8,032,063 | 1,068,951 | 15,288,833 |
| 200 SUPPORT SERVICES | | | | | | | | |
| 210 Pupil Services | | | | | | | | |
| 211 Attendance and Social Work Services | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 269,108 | - | 269,108 |
| 200 Employee Benefits | - | - | - | - | - | 121,644 | - | 121,644 |
| 400 Supplies and Materials | - | - | - | - | - | 3,546 | - | 3,546 |
| | - | - | - | - | - | 394,298 | - | 394,298 |
| 212 Guidance Services | | | | | | | | |
| 100 Salaries | - | - | - | - | 24,010 | 98,401 | - | 122,411 |
| 200 Employee Benefits | - | - | - | - | 10,186 | 36,988 | - | 47,174 |
| 300 Purchased Services | - | - | - | - | - | 140,000 | - | 140,000 |
| | - | - | - | - | 34,196 | 275,389 | - | 309,585 |

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|--|----------------|----------------|--------------------------|----------|--|---|------------------------------|------------------|
| 213 Health Services | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 379,888 | - | 379,888 |
| 200 Employee Benefits | - | - | - | - | - | 123,953 | - | 123,953 |
| 300 Purchased Services | - | - | - | - | 335,888 | 59,145 | - | 395,033 |
| 400 Supplies and Materials | - | - | - | - | 3,203 | 855 | - | 4,058 |
| | - | - | - | - | 339,091 | 563,841 | - | 902,932 |
| 214 Psychological Services | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 158,470 | - | 158,470 |
| 200 Employee Benefits | - | - | - | - | - | 61,974 | - | 61,974 |
| 400 Supplies and Materials | - | 17,937 | - | - | - | - | - | 17,937 |
| | - | 17,937 | - | - | - | 220,444 | - | 238,381 |
| 215 Exceptional Program Services | | | | | | | | |
| 100 Salaries | 124,319 | - | - | - | - | 54,184 | - | 178,503 |
| 200 Employee Benefits | 66,223 | - | - | - | - | 25,903 | - | 92,126 |
| 300 Purchased Services | - | - | - | - | - | 2,308 | - | 2,308 |
| 400 Supplies and Materials | - | - | - | - | - | 3,150 | - | 3,150 |
| | 190,542 | - | - | - | - | 85,545 | - | 276,087 |
| 217 Career Specialist Services | | | | | | | | |
| 100 Salaries | - | - | - | - | 366,727 | - | - | 366,727 |
| 200 Employee Benefits | - | - | - | - | 153,092 | - | - | 153,092 |
| | - | - | - | - | 519,819 | - | - | 519,819 |
| Total Pupil Services | 190,542 | 17,937 | - | - | 893,106 | 1,539,517 | - | 2,641,102 |
| 220 Instructional Staff Services | | | | | | | | |
| 221 Improvement of Instruction - Curriculum Development | | | | | | | | |
| 100 Salaries | 78,571 | - | - | - | 589,821 | 119,087 | - | 787,479 |
| 200 Employee Benefits | 31,931 | - | - | - | 268,728 | 43,393 | - | 344,052 |
| | 110,502 | - | - | - | 858,549 | 162,480 | - | 1,131,531 |
| 223 Supervision of Special Programs | | | | | | | | |
| 100 Salaries | 118,626 | 182,781 | - | - | - | 187,596 | - | 489,003 |
| 200 Employee Benefits | 47,336 | 76,896 | - | - | - | 78,684 | - | 202,916 |
| 400 Supplies and Materials | - | 3,991 | - | - | - | 2,734 | - | 6,725 |
| | 165,962 | 263,668 | - | - | - | 269,014 | - | 698,644 |
| 224 Improvement of Instruction - Inservice and Staff Training | | | | | | | | |
| 100 Salaries | 153,129 | - | - | - | - | 60,130 | - | 213,259 |
| 200 Employee Benefits | 70,283 | - | - | - | - | 27,849 | - | 98,132 |
| 300 Purchased Services | - | - | - | - | - | 237,387 | - | 238,051 |
| 400 Supplies and Materials | 1,918 | - | - | - | - | 1,455 | - | 3,373 |
| 600 Other Objects | - | - | - | - | - | 230 | - | 230 |
| | 225,994 | - | - | - | - | 327,051 | - | 553,045 |
| Total Instructional Staff Services | 502,458 | 263,668 | - | - | 858,549 | 758,545 | - | 2,383,220 |
| 230 General Administrative Services | | | | | | | | |
| 233 School Administration | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 123,684 | - | 123,684 |
| 200 Employee Benefits | - | - | - | - | - | 65,700 | - | 65,700 |
| 400 Supplies and Materials | - | - | - | - | - | 6,211 | - | 6,211 |
| | - | - | - | - | - | 195,595 | - | 195,595 |
| Total General Administrative Services | - | - | - | - | - | 195,595 | - | 195,595 |

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|---|---------|---------|--------------------------|------|--|---|------------------------------|------------|
| 250 Finance and Operations Services | | | | | | | | |
| 251 Student Transportation | - | - | - | - | - | 38,404 | - | 38,404 |
| 300 Purchased Services | - | - | - | - | - | 38,404 | - | 38,404 |
| 252 Fiscal Services | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 23,980 | - | 23,980 |
| 200 Employee Benefits | - | - | - | - | - | 9,774 | - | 9,774 |
| | - | - | - | - | - | 33,754 | - | 33,754 |
| 253 Facilities Acquisition and Construction | | | | | | | | |
| 520 Construction Services | - | - | - | - | - | 9,199,664 | - | 9,199,664 |
| | - | - | - | - | - | 9,199,664 | - | 9,199,664 |
| 254 Operation and Maintenance of Plant | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 78,982 | - | 78,982 |
| 200 Employee Benefits | - | - | - | - | - | 38,790 | - | 38,790 |
| | - | - | - | - | - | 117,772 | - | 117,772 |
| 255 Student Transportation | | | | | | | | |
| 300 Purchased Services | - | - | - | - | 2,726 | 4,618 | - | 7,344 |
| | - | - | - | - | 2,726 | 4,618 | - | 7,344 |
| 258 Security | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 1,424 | - | 1,424 |
| 200 Employee Benefits | - | - | - | - | - | 455 | - | 455 |
| | - | - | - | - | - | 1,879 | - | 1,879 |
| Total Finance and Operations Services | - | - | - | - | 2,726 | 9,396,091 | - | 9,398,817 |
| 260 Central Support Services | | | | | | | | |
| 266 Technology and Data Processing Services | | | | | | | | |
| 100 Salaries | - | - | - | - | - | 46,111 | - | 46,111 |
| 200 Employee Benefits | - | - | - | - | - | 16,745 | - | 16,745 |
| 400 Supplies and Materials | - | - | - | - | 1,159 | 11,391 | - | 12,550 |
| | - | - | - | - | 1,159 | 74,247 | - | 75,406 |
| | - | - | - | - | 1,159 | 74,247 | - | 75,406 |
| Total Central Support Services | - | - | - | - | | | - | |
| 270 Support Services - Pupil Activity | | | | | | | | |
| 271 Pupil Services Activities | | | | | | | | |
| 100 Salaries | - | - | - | - | - | - | 291,773 | 291,773 |
| 200 Employee Benefits | - | - | - | - | - | - | 94,160 | 94,160 |
| 300 Purchased Services | - | - | - | - | - | - | 422,887 | 422,887 |
| 400 Supplies and Materials | - | - | - | - | - | - | 11,586 | 11,586 |
| 600 Other Objects | - | - | - | - | - | - | 397,824 | 397,824 |
| 660 Support Services Pupil Activity | 16,142 | - | - | - | - | - | 1,238,748 | 1,254,890 |
| | 16,142 | - | - | - | - | - | 2,456,978 | 2,473,120 |
| | 16,142 | - | - | - | - | - | 2,456,978 | 2,473,120 |
| Total Support Services - Pupil Activity | 709,142 | 281,605 | - | - | 1,755,540 | 11,963,995 | 2,456,978 | 17,167,260 |
| TOTAL SUPPORT SERVICES | | | | | | | | |

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

| | Title I | IDEA | Preschool Handicapped | CATE | Other Restricted State Grants | Other Special Revenue Programs | Student Activity Funds | Total |
|---|-----------|-----------|--------------------------|---------|--|---|------------------------------|--------------|
| 300 COMMUNITY SERVICES | | | | | | | | |
| 390 Other Community Services | 3,735 | - | - | - | - | - | - | 3,735 |
| 400 Supplies and Materials | 3,735 | - | - | - | - | - | - | 3,735 |
| TOTAL COMMUNITY SERVICES | 3,735 | - | - | - | - | - | - | 3,735 |
| 410 INTERGOVERNMENTAL EXPENDITURES | | | | | | | | |
| 411 Payments to State Department of Education | | | | | | | | |
| 720 Transits | - | - | - | - | - | 166,882 | - | 166,882 |
| 413 Payments to Nonpublic Schools | | | | | | | | |
| 720 Transits | - | - | - | - | - | 9,558 | - | 9,558 |
| 419 Payments to PEBA | | | | | | | | |
| 720 Transits | - | - | - | - | 20,060 | - | - | 20,060 |
| | - | - | - | - | 20,060 | 176,440 | - | 196,500 |
| TOTAL INTERGOVERNMENTAL EXPENDITURES | - | - | - | - | 20,060 | 176,440 | - | 196,500 |
| TOTAL EXPENDITURES | 3,739,459 | 2,904,385 | 111,745 | 154,292 | 2,048,020 | 20,172,498 | 3,525,929 | 32,656,328 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Interfund Transfers, from (to) Other Funds | | | | | | | | |
| 5210 Transfer from General Fund | - | - | - | - | 475,573 | 456,786 | 795,869 | 1,728,228 |
| 420-710 Transfer to General Fund | | | | | | | | |
| 431-791 Special Revenue Fund Indirect Costs | (49,362) | - | - | - | - | (311,818) | (24,880) | (24,880) |
| | (49,362) | - | - | - | 475,573 | 144,968 | 770,989 | 1,342,168 |
| TOTAL OTHER FINANCING SOURCES (USES) | - | - | - | - | 475,573 | 144,968 | 770,989 | 1,342,168 |
| Excess (Deficiency) of Revenues Over Expenditures | - | - | - | - | - | - | 116,351 | 116,351 |
| FUND BALANCES - JULY 1, 2022 | - | - | - | - | - | - | (384,233) | (384,233) |
| FUND BALANCES - JUNE 30, 2023 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (267,882) | \$ (267,882) |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| District Subfund Code | Other Designated State Grants | District Subfund Code | Other Special Revenue Programs |
|-----------------------------|---|-----------------------------|--|
| 800 | Special Needs Transportation | 102 | Early Learning Center |
| 800 | Profound Mentally Disabled | 199 | Alternative Program |
| 800 | Other State Restricted Grants | 210 | Title IV, SSAE |
| 824 | Onsite Health | 212 | Individuals With Disabilities Education Act (IDEA) (ESY) |
| 917 | Teacher Supply | 218 | ESSER III |
| 919 | Education License Plates | 225 | ESSER II |
| 924 | Child Early Reading Development & Education Program (CERDEP) - Full Day 4K | 230 | ARP IDEA |
| 928 | EEDA Career Specialist | 233 | ARP IDEA Preschool |
| 935 | Reading Coaches | 237 | Title I, School Improvement |
| 936 | Student Health & Fitness - Nurses | 263 | ARP Homeless II |
| 937 | Student Health & Fitness - PE Teachers | 264 | Title III, Language Instruction for Limited English Proficient and Immigrant Students |
| 994 | PEBA Nonemployer Contributions | 265 | Title III Prior Year - ESOL |
| | | 267 | Title II, Supporting Effective Instruction |
| | | 273 | Medicaid |
| | | 285 | Army JROTC |
| | | 299 | DHEC Nurse Bonuses |
| | | 801 | Contributions and Donations Private Sources |
| | | 801 | Other Local Revenue |
| | | 804 | Sharp Tech Grant |
| | | 805 | E-Rate |
| | | 809 | JBES Mary Black Foundation Grant |
| | | 810 | Spartanburg Academic Movement |
| | | 817 | ABC Arts in Education |
| | | 819 | CDC - Positive Parenting/MBF |
| | | 821 | Other Local Revenue |
| | | 827 | Mary Black Foundation - Healthy Schools Initiative |
| | | 828 | SC Farm to School |
| | | 829 | SRHC - In This Together |
| | | 830 | FMS Science Center |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| Subfund | Revenue | Program | Revenues | Expenditures | Other Fund Transfers In/(Out) | Unearned Revenue |
|---------|---------|--|---------------------|---------------------|-------------------------------------|---------------------|
| 928 | 3118 | EEDA Career Specialist | \$ 471,538 | \$ 554,014 | \$ 82,476 | \$ - |
| 937 | 3127 | Student Health & Fitness - PE Teachers | 74,649 | 98,852 | 24,203 | - |
| 924 | 3134 | CERDEP - Full Day 4K | 95,572 | 139,261 | 43,689 | - |
| 935 | 3135 | Reading Coaches | 533,344 | 858,549 | 325,205 | - |
| 917 | 3187 | Teacher Supply | 31,800 | 31,800 | - | - |
| 919 | 3193 | Education License Plates | 1,159 | 1,159 | - | - |
| 800 | 3199 | Other Restricted State Grants | 2,508 | 2,508 | - | - |
| 994 | 3994 | PEBA Nonemployer Contributions | 20,060 | 20,060 | - | - |
| | | | <u>\$ 1,230,630</u> | <u>\$ 1,706,203</u> | <u>\$ 475,573</u> | <u>\$ -</u> |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT (EIA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

REVENUES

| | |
|--|-------------------|
| 3000 Revenue From State Sources | |
| 3500 Education Improvement Act | |
| 3502 ADEPT | \$ 15,864 |
| 3503 State Aid to Classrooms | 6,691,774 |
| 3509 Arts in Education | 22,600 |
| 3518 Adoption List of Formative Assessment | 89,980 |
| 3519 Grade 10 Assessments | 25,266 |
| 3526 Refurbishment of Science Kits | 258,896 |
| 3528 Industry Certifications/Credentials | 10,241 |
| 3529 Career and Technical Education | 125,846 |
| 3532 National Board Salary Supplement | 384,521 |
| 3533 Teacher of the Year Awards | 1,077 |
| 3536 Student Health & Fitness | 315,691 |
| 3538 Students At Risk of School Failure | 621,833 |
| 3541 Child Early Reading Development & Education Program - Full Day 4K | 1,683,907 |
| 3557 Summer Reading Program | 130,704 |
| 3577 Teacher Supplies | 219,900 |
| 3594 EEDA Supplemental Programs | 150,000 |
| 3595 EEDA - Supplies and Materials | 25,481 |
| 3597 Aid to Districts | 34,394 |
| | <hr/> |
| Total State Sources | 10,807,975 |
| | <hr/> |
| TOTAL REVENUE ALL SOURCES | 10,807,975 |
| | <hr/> |

EXPENDITURES**100 INSTRUCTION**

| | |
|----------------------------|---------|
| 110 General Instruction | |
| 111 Kindergarten Programs | |
| 100 Salaries | 64,667 |
| 200 Employee Benefits | 41,910 |
| 112 Primary Programs | |
| 100 Salaries | 705,698 |
| 200 Employee Benefits | 335,405 |
| 300 Purchased Services | 12,600 |
| 400 Supplies and Materials | 180,110 |
| 113 Elementary Programs | |
| 100 Salaries | 279,613 |
| 200 Employee Benefits | 151,605 |
| 300 Purchased Services | 6,000 |
| 400 Supplies and Materials | 447,090 |
| 114 High School Programs | |
| 100 Salaries | 172,011 |
| 200 Employee Benefits | 70,883 |
| 300 Purchased Services | 107,482 |
| 400 Supplies and Materials | 6,481 |
| 500 Capital Outlay | 48,304 |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | |
|---|------------------|
| 115 Career and Technology Education Programs | |
| 100 Salaries | 43,190 |
| 200 Employee Benefits | 21,016 |
| 300 Purchased Services | 17,605 |
| 400 Supplies and Materials | 57,234 |
| 116 Career and Technology (Vocational) Programs - Middle School | |
| 400 Supplies and Materials | 5,324 |
| 120 Exceptional Programs | |
| 127 Learning Disabilities | |
| 100 Salaries | 15,000 |
| 200 Employee Benefits | 6,689 |
| 129 Coordinated Early Intervening Services (CEIS) | |
| 100 Salaries | 70,499 |
| 200 Employee Benefits | 38,896 |
| 140 Special Programs | |
| 147 CERDEP | |
| 100 Salaries | 1,624,499 |
| 200 Employee Benefits | 785,365 |
| 400 Supplies and Materials | 21,548 |
| 170 Summer School Program | |
| 172 Elementary Summer School | |
| 100 Salaries | 87,903 |
| 200 Employee Benefits | 27,392 |
| 400 Supplies and Materials | 43,521 |
| 173 High School Summer School | |
| 100 Salaries | 3,001 |
| 200 Employee Benefits | 960 |
| TOTAL INSTRUCTION | 5,499,501 |
| 200 SUPPORT SERVICES | |
| 210 Pupil Services | |
| 212 Guidance Services | |
| 100 Salaries | 42,940 |
| 200 Employee Benefits | 22,378 |
| 300 Purchased Services | 6,252 |
| 400 Supplies and Materials | 19,229 |
| 213 Health Services | |
| 100 Salaries | 241,509 |
| 200 Employee Benefits | 74,182 |
| 220 Instructional Staff Services | |
| 221 Improvement of Instruction - Curriculum Development | |
| 100 Salaries | 58,392 |
| 200 Employee Benefits | 25,965 |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | |
|---|--------------------|
| 222 Library and Media Services | |
| 100 Salaries | 7,500 |
| 200 Employee Benefits | 2,866 |
| 223 Supervision of Special Programs | |
| 100 Salaries | 70,829 |
| 200 Employee Benefits | 26,049 |
| 400 Supplies and Materials | 398 |
| 224 Improvement of Instruction - Inservice and Staff Training | |
| 100 Salaries | 32,189 |
| 200 Employee Benefits | 10,263 |
| 300 Purchased Services | 85,660 |
| 400 Supplies and Materials | 19,516 |
| 270 Support Services - Pupil Activity | |
| 271 Pupil Service Activities | |
| 660 Pupil Activity | 8,371 |
| TOTAL SUPPORT SERVICES | <u>754,488</u> |
| TOTAL EXPENDITURES | <u>6,253,989</u> |
| OTHER FINANCING SOURCES (USES) | |
| Interfund Transfers, from (to) Other Funds | |
| 5210 Transfer from General Fund | 2,137,788 |
| 420-710 Transfer to General Fund | <u>(6,691,774)</u> |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(4,553,986)</u> |
| Excess (Deficiency) of Revenues Over Expenditures | - |
| FUND BALANCES - JULY 1, 2022 | <u>-</u> |
| FUND BALANCES - JUNE 30, 2023 | <u><u>\$ -</u></u> |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT (EIA)
SUMMARY SCHEDULE BY PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| PROGRAM | Revenues | Expenditures | Other Fund Transfers In/(Out) | Unearned Revenue |
|--|----------------------|---------------------|-------------------------------------|---------------------|
| 3500 Education Improvement Act | | | | |
| 3502 ADEPT | \$ 15,864 | \$ 15,864 | \$ - | \$ 44 |
| 3503 State Aid to Classrooms | 6,691,774 | - | (6,691,774) | 2,234,483 |
| 3509 Arts in Education | 22,600 | 31,535 | 8,935 | - |
| 3518 Adoption List of Formative Assessment | 89,980 | 89,980 | - | 4,667 |
| 3519 Grade 10 Assessments | 25,266 | 25,266 | - | 21,426 |
| 3526 Refurbishment of Science Kits | 258,896 | 258,896 | - | 57,854 |
| 3528 Industry Certifications/Credentials | 10,241 | 10,241 | - | - |
| 3529 Career and Technical Education | 125,846 | 125,846 | - | 18,149 |
| 3532 National Board Salary Supplement | 384,521 | 442,976 | 58,455 | - |
| 3533 Teacher of the Year Awards | 1,077 | 1,713 | 636 | - |
| 3536 Student Health & Fitness | 315,691 | 315,691 | - | - |
| 3538 Students At Risk of School Failure | 621,833 | 1,257,982 | 636,149 | - |
| 3541 CERDEP - Full Day 4K | 1,683,907 | 2,431,412 | 747,505 | - |
| 3557 Summer Reading Program | 130,704 | 158,815 | 28,111 | - |
| 3577 Teacher Supplies | 219,900 | 219,900 | - | - |
| 3594 EEDA Supplemental Programs | 150,000 | 188,821 | 38,821 | - |
| 3595 EEDA - Supplies and Materials | 25,481 | 25,481 | - | 23,384 |
| 3597 Aid to Districts | 34,394 | 653,570 | 619,176 | 10,000 |
| Totals | <u>\$ 10,807,975</u> | <u>\$ 6,253,989</u> | <u>\$ (4,553,986)</u> | <u>\$ 2,370,007</u> |

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

REVENUES

| | |
|---|-------------------------|
| 1000 Revenues from Local Sources | |
| 1500 Earnings on Investments | |
| 1510 Interest on Investments | \$ 6,002 |
| 1600 Food Service | |
| 1610 Lunch Sales to Pupils | 581,204 |
| 1620 Breakfast Sales to Pupils | 93,120 |
| 1630 Special Sales to Pupils | 427,856 |
| 1640 Lunch Sales to Adults | 39,311 |
| 1650 Breakfast Sales to Adults | 559 |
| 1660 Special Sales to Adults | 21,245 |
| 1700 Pupil Activities | |
| 1720 Bookstore Sales | 210,985 |
| 1900 Other Revenue from Local Sources | |
| 1920 Contributions and Donations from Private Sources | 25 |
| 1990 Miscellaneous Local Revenue | |
| 1992 Canteen Operations | 152,896 |
| 1999 Revenue from Other Local Sources | 30,081 |
| Total Local Sources | <u>1,563,284</u> |
| 4000 Revenue from Federal Sources | |
| 4800 USDA Reimbursement | |
| 4810 School Lunch and After School Snacks Program | 4,246,760 |
| 4820 Supply Chain Assistance Funding | 344,222 |
| 4830 School Breakfast Program | 1,523,989 |
| 4880 Summer Feeding Program (SFSP) | 124,807 |
| 4899 Miscellaneous Food Service | 8,314 |
| 4900 Other Federal Sources | |
| 4991 USDA Commodities | 599,949 |
| 4999 Revenue from Other Federal Sources | 368,764 |
| Total Federal Sources | <u>7,216,805</u> |
| TOTAL REVENUES ALL SOURCES | <u>8,780,089</u> |
| EXPENDITURES | |
| 256 Food Service | |
| 100 Salaries | 2,814,711 |
| 200 Employee Benefits | 1,569,859 |
| 300 Purchased Services | 314,173 |
| 400 Supplies and Materials | 4,358,977 |
| 500 Capital Outlay | 16,255 |
| 600 Other Objects | 387,825 |
| TOTAL EXPENDITURES | <u>9,461,800</u> |

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

OTHER FINANCING SOURCES (USES)

| | |
|--|--------------------|
| Interfund Transfers, from (to) Other Funds | |
| 5210 Transfer from General Fund | 2,318,723 |
| 432-791 Special Revenue Fund - Food Service Indirect Costs | <u>(1,178,492)</u> |

| | |
|---|------------------|
| TOTAL OTHER FINANCING SOURCES (USES) | <u>1,140,231</u> |
|---|------------------|

| | |
|---|---------|
| Excess (Deficiency) of Revenues Over Expenditures | 458,520 |
|---|---------|

| | |
|-------------------------------------|------------------|
| FUND BALANCES - JULY 1, 2022 | <u>1,874,144</u> |
|-------------------------------------|------------------|

| | |
|--------------------------------------|----------------------------|
| FUND BALANCES - JUNE 30, 2023 | <u><u>\$ 2,332,664</u></u> |
|--------------------------------------|----------------------------|

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

| | Budget | Actual | Variance Favorable (Unfavorable) |
|---|---------------|---------------|--|
| REVENUES | | | |
| 1000 Revenue from Local Sources | | | |
| 1100 Taxes | | | |
| 1110 Ad Valorem Taxes - Including Delinquent | \$ 15,875,598 | \$ 16,662,402 | \$ 786,804 |
| 1200 Revenue From Local Governmental Units Other than LEA's | | | |
| 1280 Revenue in Lieu of Taxes | 1,639,824 | 2,041,482 | 401,658 |
| 1500 Earnings on Investments | | | |
| 1510 Interest on Investments | 21,000 | 222,245 | 201,245 |
| Total Local Sources | 17,536,422 | 18,926,129 | 1,389,707 |
| 3000 Revenue from State Sources | | | |
| 3800 State Revenue in Lieu of Taxes | | | |
| 3820 Homestead Exemption | 581,103 | 589,639 | 8,536 |
| 3830 Merchant's Inventory Tax | 186,330 | 149,064 | (37,266) |
| 3840 Manufacturers Depreciation Reimbursement | 274,559 | 724,522 | 449,963 |
| 3890 Other State Property Tax Revenues | 101,013 | 146,715 | 45,702 |
| Total State Sources | 1,143,005 | 1,609,940 | 466,935 |
| TOTAL REVENUES ALL SOURCES | 18,679,427 | 20,536,069 | 1,856,642 |
| EXPENDITURES | | | |
| 500 Debt Service | | | |
| 319 Legal Services | 91,000 | 71,520 | 19,480 |
| 610 Redemption of Principal | 28,307,000 | 29,278,000 | (971,000) |
| 620 Interest | 900,751 | 921,237 | (20,486) |
| 690 Other Objects | 89,500 | 58,350 | 31,150 |
| TOTAL EXPENDITURES | 29,388,251 | 30,329,107 | (940,856) |
| OTHER FINANCING SOURCES (USES) | | | |
| Interfund Transfers, from (to) Other Funds | | | |
| 5250 Transfer from Capital Projects Fund | 12,764,541 | 10,890,322 | (1,874,219) |
| 420-710 Transfer to General Fund (Exclude Indirect Costs) | (2,055,717) | - | 2,055,717 |
| TOTAL OTHER FINANCING SOURCES (USES) | 10,708,824 | 10,890,322 | 181,498 |
| Excess (Deficiency) of Revenues Over Expenditures | \$ - | \$ 1,097,284 | \$ 1,097,284 |
| FUND BALANCES - JULY 1, 2022 | | 6,568,109 | |
| FUND BALANCES - JUNE 30, 2023 | | \$ 7,665,393 | |

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

REVENUES

| | |
|---|----------------|
| 1000 Revenue from Local Sources | |
| 1900 Other Revenue from Local Sources | |
| 1920 Contributions and Donations from Private Sources | \$ 138,136 |
| 1990 Miscellaneous Local Revenue | |
| 1999 Revenue from Other Local Sources | 64,130 |
| | <hr/> |
| Total Local Sources | 202,266 |
| | <hr/> |
| TOTAL REVENUES ALL SOURCES | 202,266 |
| | <hr/> |

EXPENDITURES**200 SUPPORT SERVICES**

| | |
|--|-------------------|
| 250 Finance and Operations | |
| 253 Facilities Acquisition and Construction Services | |
| 300 Purchased Services | 1,370,552 |
| 400 Supplies and Materials | 1,732,636 |
| 500 Capital Outlay | |
| 520 Construction Services | 6,743,221 |
| 530 Improvements Other Than Buildings | 643,823 |
| 540 Equipment | 1,152,863 |
| 550 Vehicles | 99,255 |
| | <hr/> |
| TOTAL SUPPORT SERVICES | 11,742,350 |
| | <hr/> |

410 INTERGOVERNMENTAL EXPENDITURES

| | |
|---|------------------|
| 412 Payments to Other Governmental Units | |
| 720 Transits | 2,243,351 |
| | <hr/> |
| TOTAL INTERGOVERNMENTAL EXPENDITURES | 2,243,351 |
| | <hr/> |

| | |
|---------------------------|-------------------|
| TOTAL EXPENDITURES | 13,985,701 |
| | <hr/> |

OTHER FINANCING SOURCES (USES)

| | |
|---|------------------|
| 5110 Premium on Bonds Sold | 503,046 |
| 5120 Issuance of General Obligation Bonds | 17,000,000 |
| 5600 Lease Purchases | 3,000,000 |
| Interfund Transfers, from (to) Other Funds | |
| 423-710 Transfer to Debt Service Fund | (10,890,322) |
| | <hr/> |
| TOTAL OTHER FINANCING SOURCES (USES) | 9,612,724 |
| | <hr/> |

| | |
|---|-------------|
| Excess (Deficiency) of Revenues Over Expenditures | (4,170,711) |
| | <hr/> |

| | |
|-------------------------------------|-------------------|
| FUND BALANCES - JULY 1, 2022 | 22,580,926 |
| | <hr/> |

| | |
|--------------------------------------|----------------------|
| FUND BALANCES - JUNE 30, 2023 | \$ 18,410,215 |
| | <hr/> |

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
 SCHEDULE OF DUE TO SC DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 JUNE 30, 2023

| Program | Project/ Grant Number | Revenue Code | Description | Amount Due to SCDE/ Federal | Status of Amount Due |
|--|-----------------------------|-----------------|---------------|-----------------------------------|----------------------------|
| <u>Due to State Department of Education:</u> | | | | | |
| Teacher Supplies | N/A | 3577/377 | Unspent Funds | \$ 1,200.00 | Unpaid |

Due to Federal Government:

None.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2023

| Location ID | Location Description | Education Level | Cost Type | Total Expenditures |
|-------------|----------------------------------|-----------------|-----------|------------------------------|
| 000 | Districtwide | Districtwide | Central | \$ 60,179,671 |
| 053 | Paul M. Dorman High | High School | School | 45,741,351 |
| 054 | Fairforest Middle | Middle | School | 10,706,870 |
| 056 | L.E. Gable Middle | Middle | School | 8,608,713 |
| 057 | Arcadia Elementary | Elementary | School | 8,492,790 |
| 058 | Fairforest Elementary | Elementary | School | 18,595,743 |
| 060 | R.P. Dawkins Middle | Middle | School | 8,730,589 |
| 061 | Lone Oak Elementary | Elementary | School | 8,393,713 |
| 062 | Pauline-Glenn Springs Elementary | Elementary | School | 5,662,672 |
| 065 | Jesse S. Bobo Elementary | Elementary | School | 5,875,096 |
| 066 | West View Elementary | Elementary | School | 7,981,994 |
| 067 | Woodland Heights Elementary | Elementary | School | 6,363,232 |
| 086 | Roebuck Elementary | Elementary | School | 9,544,141 |
| 088 | Anderson Mill Elementary | Elementary | School | 7,775,281 |
| 800 | Child Development Center | Elementary | School | 4,452,347 |
| | | | | <u><u>\$ 217,104,203</u></u> |

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

| <u>Fund</u> | <u>Amount</u> |
|---|------------------------------|
| General Fund | \$ 124,417,278 |
| Special Revenue Fund - Special Projects | 32,656,328 |
| Special Revenue Fund - EIA | 6,253,989 |
| Special Revenue Fund - Food Service | 9,461,800 |
| Debt Service Fund | 30,329,107 |
| Capital Projects Fund | 13,985,701 |
| | <u><u>\$ 217,104,203</u></u> |

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

Independent Auditor's Report

To the Board of Trustees of
Spartanburg County School District Six
Roebuck, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Spartanburg County School District Six ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2023.

Report on Internal Control over Financial Reporting

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

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

Report on Compliance and Other Matters

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

To the Board of Trustees of
Spartanburg County School District Six
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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 30, 2023

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

Independent Auditor's Report

To the Board of Trustees of
Spartanburg County School District Six
Roebuck, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Spartanburg County School District Six complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 30, 2023

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

| Subfund Code | Federal Grantor/Pass-Through Grantor/Program Title | Federal ALN | Pass-through Grantor's Number | Expenditures |
|---|--|-------------|-------------------------------|--------------|
| <u>U.S. Department of Agriculture</u> | | | | |
| Pass-through S.C. Department of Education | | | | |
| 600 | State Administrative Expenses for Child Nutrition | 10.560 | Transportation Rebate | \$ 8,314 |
| Child Nutrition Cluster | | | | |
| Non-Cash Assistance: | | | | |
| Pass-through S.C. Department of Agriculture | | | | |
| 600 | National School Lunch Program | 10.555 | Local Food for Schools | \$ 6,883 |
| Pass-through S.C. Department of Education | | | | |
| 600 | National School Lunch Program | 10.555 | N/A | 535,495 |
| 600 | Summer Food Service Program for Children | 10.559 | N/A | 14,558 |
| Total Non-Cash Assistance: | | | | 556,936 |
| Cash Assistance: | | | | |
| 600 | School Breakfast Program | 10.553 | N/A | 1,523,989 |
| 600 | National School Lunch Program | 10.555 | N/A | 4,246,760 |
| 600 | COVID 19: National School Lunch Program | 10.555 | SCA Funding | 344,222 |
| 600 | Summer Food Service Program for Children | 10.559 | Summer Food Program | 124,807 |
| Total Cash Assistance: | | | | 6,239,778 |
| Total Child Nutrition Cluster | | | | 6,796,714 |
| Non-Cash Assistance: | | | | |
| Pass-through S.C. Department of Education | | | | |
| 600 | Child and Adult Care Food Program | 10.558 | N/A | 43,013 |
| Pass-through S.C. Department of Social Services | | | | |
| 600 | Child and Adult Care Food Program | 10.558 | N/A | 368,764 |
| Total U.S. Department of Agriculture | | | | 7,216,805 |
| <u>U.S. Department of Education</u> | | | | |
| Pass-through S.C. Department of Education | | | | |
| 201 | Title I, Regular | 84.010 | 23 Title I Regular | 2,683,789 |
| 202 | Title I, Regular | 84.010 | 22 Title I Regular | 1,009,925 |
| 202 | Title I, Regular | 84.010 | 21 Title I Regular | 95,107 |
| 202 | Title I, Regular | 84.010 | 22 Targeted School Impr | 140,807 |
| 237 | Title I, School Improvement | 84.010 | 21 Targeted School Impr | 8,503 |
| 237 | Title I, School Improvement | 84.010 | 20 Targeted School Impr | 52,215 |
| Special Education Cluster | | | | 3,990,346 |
| 203 | IDEA - Children with Disabilities | 84.027 | 23 IDEA | 2,320,840 |
| 204 | IDEA - Children with Disabilities | 84.027 | 22 IDEA | 583,545 |
| 212 | IDEA - Children with Disabilities | 84.027 | ESY | 6,137 |
| 230 | COVID 19: IDEA - Children with Disabilities | 84.027X | 22 ARP-IDEA | 56,963 |
| 233 | COVID 19: Handicapped Pre-School Grant | 84.173X | 22 ARP-IDEA Preschool | 12,903 |
| 205 | Handicapped Pre-School Grant | 84.173 | 23 IDEA Preschool | 110,826 |
| 206 | Handicapped Pre-School Grant | 84.173 | 21 IDEA Preschool | 919 |
| Total Special Education Cluster | | | | 3,092,133 |
| 207 | CATE (subprogram 01) | 84.048 | 23 CTE Federal | 154,292 |
| 210 | Title IV, SSAE | 84.424 | 23 Title IV, SSAE | 168,556 |
| 210 | Title IV, SSAE | 84.424 | 22 Title IV, SSAE | 197,154 |
| | | | | 365,710 |
| 264 | Title III, English Language Acquisition | 84.365 | 23 Title III | 132,960 |
| 264 | Title III, English Language Acquisition | 84.365 | 23 Title III-Immigrant | 6,255 |
| 265 | Title III, English Language Acquisition | 84.365 | 22 Title III | 14,061 |
| | | | | 153,276 |

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

| Subfund Code | Federal Grantor/Pass-Through Grantor/Program Title | Federal ALN | Pass-through Grantor's Number | Expenditures | |
|---|---|-------------|-------------------------------|------------------|----------------------|
| <u>U.S. Department of Education-Continued</u> | | | | | |
| Pass-through S.C. Department of Education-Continued | | | | | |
| 267 | Title II, Supporting Effective Instruction | 84.367 | 23 Title II | 412,257 | |
| 267 | Title II, Supporting Effective Instruction | 84.367 | 22 Title II | <u>3,922</u> | 416,179 |
| 263 | COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER) | 84.425 | 22 ARP - Homeless II | 111,895 | |
| 218 | COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER) | 84.425 | 21 ESSER III - ARP | 13,246,622 | |
| 225 | COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER) | 84.425 | 21 ESSER II | <u>2,594,001</u> | <u>15,952,518</u> |
| Total U.S. Department of Education | | | | | <u>24,124,454</u> |
| <u>U.S. Department of Defense</u> | | | | | |
| 285 | Army ROTC | 12.000 | N/A | | <u>66,633</u> |
| Total U.S. Department of Defense | | | | | <u>66,633</u> |
| <u>U.S. Department of Health and Human Services</u> | | | | | |
| Pass-through S.C. Department of Health & Environmental Control | | | | | |
| 299 | COVID-19: Public Health Emergency Responses: Cooperative Agreement for Emergency Response | 93.354 | ER-3-405 | | <u>51,907</u> |
| Total U.S. Department of Health and Human Services | | | | | <u>51,907</u> |
| <u>U.S. Department of Housing and Urban Development</u> | | | | | |
| Pass-through Spartanburg County Community Development CDBG-Entitlement Grants Cluster | | | | | |
| 829 | COVID 19: The Youthstop - In This Together | 14.218 | FY2020 CDBG-CV | <u>26,557</u> | |
| Total CDBG-Entitlement Grants Cluster | | | | | <u>26,557</u> |
| Total U.S. Department of Housing and Urban Development | | | | | <u>26,557</u> |
| Total Federal Financial Assistance | | | | | <u>\$ 31,486,356</u> |

See note to Schedule of Expenditures of Federal Awards.

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

NOTE 1 - BASIS OF PRESENTATION

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spartanburg County School District Six and is presented on the modified accrual basis of accounting.
- B. For the fiscal year ended June 30, 2023, the District has elected not to use the de minimis 10% indirect cost rate as allowed under the Uniform Guidance.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2023

No prior audit findings.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2023

Section I - Summary of Auditor's ResultsFinancial Statements

Type of auditor's report issued: Unmodified

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 programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Part 200? yes x no

Identification of major programs:

| <u>CFDA Number(s)</u> | <u>Name of Federal Program or Cluster</u> |
|------------------------|---|
| 10.553, 10.555, 10.559 | Child Nutrition Cluster |
| 84.425 | Elementary & Secondary School Emergency Relief Fund |

Dollar threshold used to distinguish between type A and type B programs: \$ 944,591

Auditee qualified as low-risk auditee? x yes no

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

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APPENDIX B

FORM OF OPINION OF BOND COUNSEL

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[Parker Poe Letterhead]

September 17, 2024

Spartanburg County School District Six,
South Carolina
Roebuck, South Carolina

\$30,000,000
Spartanburg County School District Six, South Carolina
General Obligation Bonds
Series 2024

Dear Ladies and Gentlemen:

We have acted as bond counsel to Spartanburg County School District Six, South Carolina ("School District"), in connection with the issuance of its \$30,000,000 General Obligation Bonds, Series 2024 ("Bonds"). In connection with the issuance of the Bonds, we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us including the Constitution and statutes of the State of South Carolina ("South Carolina").

The Bonds are issued in fully registered form, dated September 17, 2024, numbered R-1 upward, in denominations of 5,000 or any whole multiple thereof not exceeding the principal amount of the Bonds maturing in each year, bear interest from their dated date payable on April 1 and October 1 of each year, commencing April 1, 2025, and mature on April 1 in each of the years and in the principal amounts as stated in the Official Statement, dated August 28, 2024 ("Official Statement").

The Bonds recite that they are issued pursuant to and in accordance with the Constitution and statutes of South Carolina, including Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended; Title 59, Chapter 71, Article 1, Code of Laws of South Carolina ("Act"); Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended; and a resolution adopted by the Board of Trustees of the School District on August 5, 2024.

As to questions of fact material to our opinion, we have relied on the Transcript of Proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

In rendering the opinions expressed below, we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of South Carolina, and the opinions are limited to the federal laws of the United States of America and the laws of South Carolina.

Based on the stated examination and assumptions, and subject to the qualifications and limitations set out below, we are of the opinion, under existing law:

1. The Bonds have been duly authorized and executed by the School District, and are valid and legally binding general obligations of the School District.

2. The full faith, credit, taxing power and resources of the School District are irrevocably pledged for the payment of the principal and interest of the Bonds as they respectively mature and for the creation of such sinking fund as may be necessary to provide for the prompt payment thereof. At the issuance of the Bonds, there shall be levied and collected annually on all taxable property of the School District an *ad valorem* tax, without limitation as to rate or amount, sufficient for such purposes. The proceeds of such levy will be held by the Treasurer of Spartanburg County, South Carolina, in an account separate from all other funds of the School District (but which may contain other funds with respect to other general obligation bonds of the School District)

and the amounts in such account shall be used solely for the payment of the principal of and interest on the Bonds and any other outstanding general obligation bonds of the School District.

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual alternative minimum tax, although we observe that interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The School District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on the Bonds.

4. The Bonds and the interest thereon are presently exempt from all South Carolina, county, municipal, school district and all other taxes or assessments imposed within South Carolina, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except for inheritance, estate or transfer taxes; but the interest thereon may be includable for certain franchise taxes.

The rights of the registered owners of the Bonds and the Bonds' enforceability may be subject to judicial discretion, the valid exercise of the sovereign police powers of South Carolina and the constitutional powers of the United States of America, and valid bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, as well as other equitable principles.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement. Further, except as set forth above, we express no opinion in connection with the issuance and sale of the Bonds. The opinions expressed above are rendered solely for your benefit in connection with the issuance of the Bonds. These opinions may neither be relied on by you for any other purpose nor be furnished to, used, circulated, quoted or relied on by any other person or entity for any other purpose, without our prior written consent in each instance. We disclaim any obligation to update the opinions expressed above for events occurring or coming to our attention after the date of this letter.

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

APPENDIX C

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (“Disclosure Agreement”), dated September 17, 2024, is executed and delivered by Spartanburg County School District Six, South Carolina (“Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (“Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (defined below) of the Bonds (defined below) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Issuer through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Act”). DAC will not provide any advice or recommendation to the Issuer or anyone on the Issuer’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (defined below). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Issuer for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Bonds” means the bonds as listed in the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Issuer and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Dissemination Agent” or “DAC” means Digital Assurance Certification, L.L.C., acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Issuer pursuant to Section 9 hereof.

“Disclosure Representative” means the Assistant Superintendent for Finance, or his or her designee, or such other person as the Issuer shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the Issuer’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (b) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means any person, including the Issuer, who is either generally or through an enterprise, fund, or account of such person committed by contract or other arrangement to support payment of all, or part of the obligations on the Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities), as shown on Exhibit A.

“Official Statement” means that Official Statement prepared by the Issuer in connection with the Bonds, as listed in Exhibit A.

“Trustee” means the institution, if any, identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 after the end of each fiscal year of the Issuer, commencing with the February 1 following the fiscal year ended June 30, 2024. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the Issuer of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the Issuer will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 12:00 noon on the first business day following 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Issuer irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Issuer are prepared but not available prior to the Annual Filing Date, the Issuer shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the Issuer pursuant to Section 4(a) or 4(b)(ii) (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:
 - 1. Principal and interest payment delinquencies;
 - 2. Non-Payment related defaults, if material;
 - 3. Unscheduled draws on debt service reserves reflecting financial difficulties;
 - 4. Unscheduled draws on credit enhancements reflecting financial difficulties;
 - 5. Substitution of credit or liquidity providers, or their failure to perform;
 - 6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
 - 7. Modifications to rights of securities holders, if material;
 - 8. Bond calls, if material, and tender offers;
 - 9. Defeasances;

10. Release, substitution, or sale of property securing repayment of the securities, if material;
 11. Rating changes;
 12. Bankruptcy, insolvency, receivership or similar event of the obligated person;
 13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
 14. Appointment of a successor or additional trustee, or the change of name of a trustee, if material;
 15. Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material; and
 16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide annual financial information as required” when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Issuer pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
1. amendment to continuing disclosure undertaking;
 2. change in obligated person;
 3. notice to investors pursuant to bond documents;
 4. certain communications from the Internal Revenue Service, other than those communications included in the Rule;
 5. secondary market purchases;
 6. bid for auction rate or other securities;
 7. capital or other financing plan;
 8. litigation/enforcement action;
 9. change of tender agent, remarketing agent, or other on-going party;
 10. other event-based disclosures; and
 11. State-Mandated Continuing Disclosure. In addition to the requirements set forth in this Section 2(e)(vi) of this Disclosure Agreement, the Issuer further agrees, pursuant to the requirements of S.C. Code Section 1-11-85, to file with the Dissemination Agent (a) its annual independent audit within 30 days of its receipt, and (b) event-specific information within 30 days of an event adversely affecting more than five percent of its revenue or tax base. The Issuer expects that, in meeting the requirements of Section 3 and 4 of this Disclosure Agreement, it also will meet the requirements of this

Section 2(e)(vi)(12); however, to the extent that certain information is required to be filed pursuant to State law which is not required to be filed under the Rule or the other provisions of this Disclosure Agreement, the Issuer will provide notice of such information to the Dissemination Agent.

- (vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Issuer pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:
 - 1. quarterly/monthly financial information;
 - 2. change in fiscal year/timing of annual disclosure;
 - 3. change in accounting standard;
 - 4. interim/additional financial information/operating data;
 - 5. budget;
 - 6. investment/debt/financial policy;
 - 7. information provided to rating agency, credit/liquidity provider or other third party;
 - 8. consultant reports; and
 - 9. other financial/operating data.
- (viii) provide the Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Issuer may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Dissemination Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports. Each Annual Report shall contain Annual Financial Information with respect to the Issuer, including

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles, as described in the Official Statement. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles, as described in the Official Statement, will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

(b) The following operating data:

- (i) Financial information relating to the Issuer’s General Fund revenues and expenditures for the previous fiscal year.

- (ii) Information concerning the Issuer's budget for the fiscal year in which the Annual Report is issued.
- (iii) Information concerning the Issuer's sources of revenues for the previous fiscal year.
- (iv) Information concerning the assessed value and estimated true value of taxable real and personal property in the School District for the previous fiscal year.
- (v) (A) the millage levied on behalf of the Issuer during the previous fiscal year, (B) information concerning the *ad valorem* property taxes collected for the Issuer's operational and debt service purposes for the previous fiscal year, and (C) information concerning the ten largest taxpayers of the Issuer and the amounts of taxes paid by each during the previous fiscal year.
- (vi) (A) information showing the legal debt limit of the Issuer as of June 30 of the previous fiscal year, (B) information showing the outstanding indebtedness of the Issuer, including long term lease obligations and other long term liabilities, as of June 30 of the previous fiscal year, and (C) a composite debt service table of the Issuer.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the SEC or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided. The Issuer will reserve the right to modify from time to time the specific type of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Issuer; provided that the Issuer will agree that any such modification will be done in a manner consistent with the Rule.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(xii) of this Section 4: For the purposes of the event described in subsection (a)(xii) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to a series of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such series, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to

the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been

effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

SPARTANBURG COUNTY SCHOOL DISTRICT SIX,
SOUTH CAROLINA,
as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

| | |
|-----------------------------|--|
| Name of Issuer: | Spartanburg County School District Six, South Carolina |
| Obligated Person(s): | Spartanburg County School District Six, South Carolina |
| Name of Bond Issue: | \$30,000,000 General Obligation Bonds, Series 2024 |
| Date of Issuance: | September 17, 2024 |
| Date of Official Statement: | August 28, 2024 |

CUSIP Number

Maturity Date

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Spartanburg County School District Six, South Carolina
Obligated Person(s): Spartanburg County School District Six, South Carolina
Name of Bond Issue: \$30,000,000 General Obligation Bonds, Series 2024
Date of Issuance: September 17, 2024
Date of Official Statement: August 28, 2024

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by:_____.

Dated:_____

Digital Assurance Certification, L.L.C.,
as Disclosure Dissemination Agent,
on behalf of the Issuer

cc: [Disclosure Representative]

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying “event notice” will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer’s and/or Other Obligated Person’s Name: Spartanburg County School District Six, South Carolina

Issuer’s Six-Digit CUSIP Number: 847065

[or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:]

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ Principal and interest payment delinquencies;
2. _____ Non-Payment related defaults, if material;
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. _____ Substitution of credit or liquidity providers, or their failure to perform;
6. _____ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. _____ Modifications to rights of securities holders, if material;
8. _____ Bond calls, if material;
9. _____ Defeasances;
10. _____ Release, substitution, or sale of property securing repayment of the securities, if material;
11. _____ Rating changes;
12. _____ Tender offers;
13. _____ Bankruptcy, insolvency, receivership or similar event of the obligated person;
14. _____ Merger, consolidation, or acquisition of the obligated person, if material;
15. _____ Appointment of a successor or additional trustee, or the change of name of a trustee, if Material;
16. _____ Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
17. _____ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated, September 17, 2024, between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name: Spartanburg County School District Six, South Carolina

Issuer’s Six-Digit CUSIP Number: 847065

[or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:]

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ amendment to continuing disclosure undertaking;
2. _____ change in obligated person;
3. _____ notice to investors pursuant to bond documents;
4. _____ certain communications from the Internal Revenue Service;
5. _____ secondary market purchases;
6. _____ bid for auction rate or other securities;
7. _____ capital or other financing plan;
8. _____ litigation/enforcement action;
9. _____ change of tender agent, remarketing agent, or other on-going party;
10. _____ derivative or other similar transaction; and
11. _____ other event-based disclosures.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated September 17, 2024, between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name: Spartanburg County School District Six, South Carolina

Issuer’s Six-Digit CUSIP Number: 847065

[or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:]

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ quarterly/monthly financial information;
2. _____ change in fiscal year/timing of annual disclosure;
3. _____ change in accounting standard;
4. _____ interim/additional financial information/operating data;
5. _____ budget;
6. _____ investment/debt/financial policy;
7. _____ information provided to rating agency, credit/liquidity provider or other third party;
8. _____ consultant reports; and
9. _____ other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

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APPENDIX D

BOOK-ENTRY SYSTEM

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BOOK-ENTRY SYSTEM

Book-Entry System

Beneficial ownership interests in the Bonds will be available only in book-entry form. Beneficial owners of the Bonds (“**Beneficial Owners**”) will not receive a physical bond certificate representing their interests in the Bonds purchased. Unless and until the book-entry system has been discontinued, the Bonds will be available only in book-entry form in denominations of \$5,000, or any whole multiple thereof. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OF THE BONDS SHALL MEAN DTC OR ITS NOMINEE AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

THE FOLLOWING DESCRIPTION OF DTC, ITS PROCEDURES AND RECORDKEEPING ON BENEFICIAL OWNERSHIP INTEREST IN THE BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS ON THE BONDS TO DTC PARTICIPANTS (AS DEFINED BELOW) OR TO BENEFICIAL OWNERS OF THE BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC TO THE SCHOOL DISTRICT FOR INCLUSION IN THIS OFFICIAL STATEMENT. ACCORDINGLY, THE SCHOOL DISTRICT MAKES NO REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond in the aggregate principal amount of each maturity of the Bonds will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of certificated bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests with respect to the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, unless the use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all of the Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized

representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the enabling documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Registrar/Paying Agent as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE BONDS FOR SUBSTANTIALLY ALL PURPOSES, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF THE BENEFICIAL OWNERS IS UNKNOWN TO THE SCHOOL DISTRICT, TO DTC OR TO THE REGISTRAR/PAYING AGENT, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Payments of principal, interest and any redemption premiums on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Registrar/Paying Agent or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registrar/Paying Agent's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. THE SCHOOL DISTRICT CAN GIVE NO ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

DTC may discontinue providing its service as depository with respect to the Bonds at any time by giving reasonable notice to the Registrar/Paying Agent or the School District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The School District may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The School District and the Registrar/Paying Agent have no responsibility or obligation to DTC, the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant

of any amount due to any Beneficial Owner in respect of the Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the Resolution to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the Bonds, including any action taken pursuant to an omnibus proxy.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

The School District and the Registrar/Paying Agent cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the Bonds (1) payments of principal of, premium, if any, and interest with respect to the Bonds, (2) confirmations of their ownership interests in the Bonds or (3) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the Registrar/Paying Agent to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants. Issuance of the Bonds in book-entry form may reduce the liquidity of the Bonds in the secondary trading market since investors may be unwilling to purchase Bonds for which they cannot obtain physical certificates. In addition, because transactions in the Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to the lack of a physical certificate.

Discontinuance of Book-Entry System

In the event that the Bonds are no longer in book-entry-only form, the certificates held by DTC or a successor securities depository will be canceled and the School District will execute and deliver the Bonds in fully registered form to the Beneficial Owners of the Bonds as shown on the records of the DTC Participants or the nominee of a successor securities depository. If no other securities depository is named, interest on the Bonds will be paid by check or draft of the Registrar/Paying Agent, mailed to the person in whose name the Bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment, and principal shall be payable to the registered owner at maturity upon presentation and surrender thereof to the Registrar/Paying Agent at its principal corporate trust office. In such event, the School District will maintain through the Registrar/Paying Agent books of registry for the purpose of registering ownership and transfer of the Bonds. The Bonds would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the Bond to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The Registrar/Paying Agent will, upon receipt thereof, authenticate and deliver a new Bond or Bonds in like principal amount as the Bond so presented. The School District and the Registrar/Paying Agent will deem and treat the person in whose name each Bond is registered as the absolute owner thereof for all purposes.

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