



**CITY OF SPARTANBURG**  
SOUTH CAROLINA

# **CITY COUNCIL AGENDA**

**City Council Meeting**  
**County Council Chambers**  
**366 N. Church Street**  
**Monday, March 9, 2026**  
**5:30 PM**

- I. Moment of Silence**
- II. Pledge of Allegiance**
- III. Approval of the Minutes of the February 23, 2026 Meeting**
- IV. Approval of the Agenda of the March 9, 2026 Meeting**
- V. Public Comment**
- VI. A Proclamation Declaring March 2, 2026 through March 9, 2026 as XTL Charter Week in the City of Spartanburg**  
**Presenter: Jerome Rice, Jr., Mayor**
- VII. Declaration of Vacancies for the City of Spartanburg Boards and Commissions**  
**Presenter: Christie Lindsey, City Clerk**
- VIII. FY 2025 Annual Comprehensive Financial Report**  
**Presenters: Dennis Locke, Finance Director**  
**David Phillips, CPA- Greene Finney Cauley, LLP**
- IX. Staff Updates**
- X. City Council Updates**
- XI. Executive Session**
  - A. An Executive Session Pursuant to Section 30-4-70(a)(1) of the South Carolina Code of Laws to Discuss a Personnel Matter**
  - B. An Executive Session Pursuant to Section 30-4-70(a)(2) of the South Carolina Code of Laws in Regards to a Potential Real Estate Transaction.**
- XII. Adjournment.**

*City Code Sec. 2-57. Citizen Appearance. Any citizen of the City of Spartanburg may speak at a regular meeting on any matter pertaining to City Services and operations germane to items within the*

As required by the Americans with Disabilities Act, the City of Spartanburg will provide interpretive services for the City Council Meetings. Requests must be made to the Communications & Marketing Office (596-2020) 24 hours in advance of the meeting. This is a Public Meeting and notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information

*purview and authority of City Council, except personnel matters, by signing a Citizen's Appearance form prior to the meeting stating the subject and purpose for speaking. No item considered by Council within the past twelve (12) months may be added as an agenda item other than by decision of City Council. The forms may be obtained from the Clerk and maintained by the same. Each person who gives notice may speak at the designated time and will be limited to a two (2) minute presentation.*



**City Council Meeting  
County Council Chambers  
366 N. Church Street  
Monday, February 23, 2026  
5:30p.m.**

**(These minutes to be approved at the March 9, 2026 Council Meeting)**

**City Council met this date with the following Councilmembers present: Mayor Jerome Rice, Mayor Pro Tem Ruth Littlejohn, Councilmembers Jamie Fulmer, Janie Salley, Meghan Smith, Erica Brown and Leslie Rodgers. City Manager Chris Story, Deputy Assistant City Manager Mitch Kennedy, Assistant City Manager Kevin Limehouse, City Attorney Robert Coler and City Clerk Christie Lindsey were in attendance. Notice of the meeting was posted with the Media 24 hours in advance according to the Freedom of Information Act. All City Council meetings are live streamed/recorded. To view the video for a complete transcript, please visit <https://www.cityofspartanburg.org/city-council>**

**I. Moment of Silence – observed**

**II. Pledge of Allegiance - recited**

**III. Approval of the Minutes of the February 9, 2026 City Council Meeting**  
*Councilmember Fulmer made a motion to approve the minutes as received.*  
*Councilmember Brown seconded the motion, which carried unanimously 7 to 0.*

**IV. Approval of the Agenda for the February 23, 2026, City Council Meeting**  
*Mayor Pro Tem Littlejohn made a motion to approve the agenda.*  
*Councilmember Smith seconded the motion, which carried unanimously 7 to 0.*

**V. Public Comment –**

- 1. Hope Blackley-Presented Kim Brown/City of Spartanburg with a \$10,000.00 check from the Tory Dandy Foundation for youth programming.**
- 2. Livingston Hawkins-Spoke regarding the bike lane on Memorial Drive and thanked Councilmember Brown for addressing safety concerns on the bike lane.**
- 3. Jermaine Johnson-Introduced himself to Council and advised that he is currently running for Governor of South Carolina.**

**VI. Hub City Spartanburgers Update**

**Presenter: Tyson Jeffers, General Manager, Hub City Spartanburgers**

*Tyson presented Council with an update on the inaugural season of the Hub City Spartanburgers and all events that took place at Fifth Third Park. He also told Council about events on the calendar for 2026.*

*Council received as information only.*

**VII. Consent Agenda**

- A. An Ordinance Authorizing the City Manager to Execute an Agreement for the Lease and Sale of Property Located at 362 Union Street, Spartanburg, SC, Bearing Tax Map Number 7-12-15—336.00  
Ordinance # 2026-001**
- B. An Ordinance to Amend the City of Spartanburg, South Carolina Zoning Ordinance and Comprehensive Plan Land Use Element, By Amending Section 206, Changes to District Boundaries, Specifically, the Property Located at 1619 John B. White Sr. Blvd (TMS# 6-21-13-061.00) from the Current Zoning R-15, Single Family Residential, to B-1, Neighborhood Shopping District, and Providing for Severability and an Effective Date.  
Ordinance# 2026-002**

*Councilmember Fulmer made a motion to approve the consent agenda as presented. Mayor Pro Tem Littlejohn seconded the motion, which carried unanimously 7 to 0.*

**VIII. Staff Update**

Mr. Story gave Council an update regarding an affordable housing apartment development planned for downtown at the corner of Kennedy Street and Converse Street. The City was advised this week that tax credits for the project were awarded and the project would be moving forward to final design.

**XII. City Council Updates**

Each Councilmember gave updates on their activities since the previous council meeting.

*Councilmember Fulmer made a motion to adjourn to executive session. Mayor Pro Tem Littlejohn seconded the motion, which carried unanimously 7 to 0. Council adjourned to executive session at 6:13p.m.*

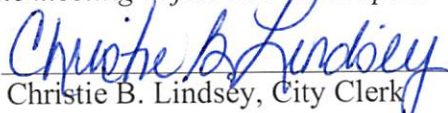
**XIII. Executive Session**

- A. An Executive Session Pursuant to Section 30-4-70(a)(1) of the South Carolina Code of Laws to Discuss a Personnel Matter.**

*Council convened to regular session at 7:07p.m. Mayor Rice stated that discussions were held with no decisions made.*

**XIV. Adjournment**

*Councilmember Brown made a motion to adjourn the meeting. Councilmember Fulmer seconded the motion, which carried unanimously 7 to 0. The meeting adjourned at 7:08p.m.*

  
Christie B. Lindsey, City Clerk

# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025





# **Annual Comprehensive Financial Report**

**City of Spartanburg, South Carolina**

Fiscal Year Ended June 30, 2025

Prepared by the City's Finance Division



City of  
**SPARTANBURG**  
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

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**City of Spartanburg**  
**Finance Department**  
PO Box 1749  
295 E Main Street  
Spartanburg, SC 29302  
Phone: 864-596-2055  
[www.cityofspartanburg.org](http://www.cityofspartanburg.org)

March 2, 2026

The Honorable Mayor  
Members of City Council  
Citizens of the City  
City of Spartanburg, South Carolina

We are pleased to present to you the City of Spartanburg’s (“City”) Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025. State law requires that all general-purpose local governments, at the close of each fiscal year, publish a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America (“GAAP”) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (“ACFR”) of the City.

This report includes management’s representations concerning the City’s finances. Consequently, management assumes full responsibility for the completeness and reliability of the report. To provide a reasonable basis for making these representations, City management has established a comprehensive internal control framework that is designed (a) to protect the government’s assets from loss, theft, or misuse, and (b) to assemble sufficiently reliable information for the preparation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance the financial statements will be free from material misstatement. We assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City’s financial statements have been audited by Greene Finney Cauley, LLP, a firm of licensed public accountants. The goal of the independent audit is to provide reasonable assurance that the City’s financial statements for the fiscal year ending June 30, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the numbers and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City’s financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with GAAP. The independent auditor’s report is presented in the Financial Section of this report.

The independent audit of the financial statements of the City is part of a broader, federally mandated “Single Audit” designed to meet the specific needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented in the Compliance Section of the ACFR.

GAAP requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management’s Discussion and Analysis (“MD&A”). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City’s MD&A can be found in the Financial Section of the ACFR.

## **Profile of the Government**

Spartanburg, South Carolina is located near the foothills of the beautiful Blue Ridge Mountains. The City of approximately 40,000, which is part of a county of approximately 370,000, is conveniently situated at the junction of I-26 and I-85. The area of the City covers approximately 20 square miles.

Although the City is restricted in its ability to expand, it draws on a population of nearly 750,000 within a 30-mile radius. The City operates under a Council-Manager form of government. The mayor and six Council Members serve staggered four-year terms. The mayor is elected at large, and Council Members represent single-member districts. The City Council appoints the City Manager, who is the chief administrative officer of the City, and who carries out the policies set by Council. The City Council also appoints the City Attorney and Municipal Judge. All other municipal officials are appointed by the City Manager.

## **Budget Process**

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the City Manager in the spring of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the City Council for review. The City Council is required to hold a public hearing on the proposed budget and to adopt a final budget no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is maintained by the City Manager at the fund level and may be amended as necessary during the fiscal year. Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual budget has been adopted. For the General Fund, this detailed comparison, as listed in the table of contents, is presented as part of the required supplementary information.

The City Council adopts annual operating budgets for the General Fund, certain Enterprise Funds, certain Debt Service Funds, and certain Special Revenue Funds. Following this process, the City distributes the budget, realizing that adjustments are sometimes necessary during the fiscal year. Any material changes are presented to the City Council.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenue being recorded when measurable and available. Expenditures are recorded when the related fund liability is incurred. As part of its management program, the City maintains an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances for later payment so that the appropriation may not be overspent. Throughout these processes, City management seeks to develop a comprehensive management and fiscal system aimed at achieving the objectives of each operating level, consistent with those set by the City Council. Subject to oversight by the City Manager, each department manager is held directly accountable, not only to accomplish his/her departmental goals, but also to monitor the use of budget allocations consistent with City Council policies.

## **Factors Affecting Financial Conditions**

### ***Local Economy***

Our local economy has grown from a frontier area to a major textile hub to a diversified manufacturing center. Spartanburg County is home to world-class international firms and the highest per-capita foreign investment in South Carolina. The City is at the Hub of this growth and development. The unemployment rate remained at 4.6% as it was the previous June 30<sup>th</sup>.

### ***Financial Policies and Practices***

The Finance Department is responsible for providing comprehensive financial management, management analysis and support services to City Council, City management, and City departments in order to promote fiscal accountability, enhance public services, maximize revenue collections, contain costs, and ensure accurate performance reporting consistent with governmental standards and regulations. Administrative policies and procedures are developed to facilitate accomplishing these goals by providing guidance to City management and supervisory personnel.

## **Major Initiatives and Long-Term Financial Planning**

### ***American Rescue Plan Act Funding and Significant City Initiatives***

During the fiscal year, Spartanburg City Council unanimously approved the allocation of the City's remaining federal American Rescue Plan Act ("ARPA") funds. The City was awarded a total of \$17.1 million in ARPA funding. As of August approximately \$9.8 million had been previously approved, leaving \$7.3 million available for allocation.

Previously approved ARPA expenditures included investments in early childhood and family support services, public safety facilities and technology, affordable housing development, owner-occupied home rehabilitation, park improvements, and zoning ordinance development. Notable allocations included \$2.9 million for renovation of the City's new Fire Department headquarters, \$2.5 million for affordable housing development, and \$1.5 million for police technology upgrades.

Under the newly approved plan, the remaining ARPA funds will support additional affordable housing initiatives, neighborhood and park improvements, workforce development programs, homelessness prevention and response strategies, downtown corridor planning, and small and minority-owned business support. These allocations are intended to promote housing stability, economic recovery, neighborhood preservation, and equitable community development.

City Council also approved a partnership with Northside Development Group to utilize \$600,000 of ARPA funding for an owner-occupied home repair program targeting low- and moderate-income areas. The program is designed to stabilize neighborhoods and prevent displacement by assisting older and disabled homeowners who lack the financial resources to make necessary home repairs.

### ***Hurricane Recovery Efforts***

During the fiscal year, the City responded to the impacts of Hurricane Helene, which caused widespread damage across Spartanburg. Nearly the entire area experienced power and telecommunications outages, and the City's Public Works department responded to hundreds of calls related to fallen trees obstructing public rights-of-way. Storm damage included significant structural damage to 170 structures, additional minor damage to 269 structures, and reported flood damage to 35 structures.

In response, the City prioritized emergency roadway clearance, infrastructure repair, and community recovery efforts. The City partnered with relief organizations to provide food and essential services to vulnerable residents, distributing approximately 2,500 food deliveries across multiple housing sites and serving over 3,500 meals through mobile relief services. City facilities were also utilized as recovery centers once power was restored.

### ***Fifth Third Park and Downtown Economic Activity***

During the fiscal year, the City celebrated the opening of Fifth Third Park, marking a significant milestone in downtown redevelopment and community investment. The stadium opened to strong public engagement, with the Hub City Spartanburgers launching their inaugural season to sold-out crowds during the first two weeks of home games, including a sold-out Opening Day. Attendance levels remained consistently high, with the stadium parking garage nearly full for each home game.

Beyond athletic performance, Fifth Third Park has contributed to increased downtown activity through themed events, enhanced concessions, and overall visitor engagement. The facility is intended to serve as a year-round destination, with future programming opportunities including concerts, special events, and private rentals, further supporting downtown vibrancy and economic development beyond the baseball season.

## **Acknowledgements**

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Division. We would like to express our appreciation to all members of other departments who assisted and contributed to its preparation and especially to the independent auditors.

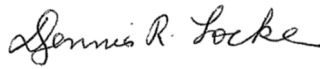
The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the 32<sup>nd</sup> consecutive year for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report that satisfies both generally accepted accounting principles and applicable legal requirements. We believe our current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Respectfully submitted,



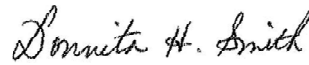
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Chris Story  
City Manager



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Dennis R. Locke, CGFO  
Finance and Budget Director



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Donnita H. Smith, CGFO  
Assistant Finance and Budget Director



## **PRINCIPAL OFFICIALS AS OF JUNE 30, 2025**

### **CITY COUNCIL**

**Jerome Rice, Mayor**

**Erica Brown, Mayor Pro Tem**

**Meghan Smith, Council Member**

**Ruth Littlejohn, Council Member**

**Jamie Fulmer, Council Member**

**Janie Salley, Council Member**

### **APPOINTED OFFICIALS**

**Chris Story  
City Manager**

**Robert P. Coler  
City Attorney**

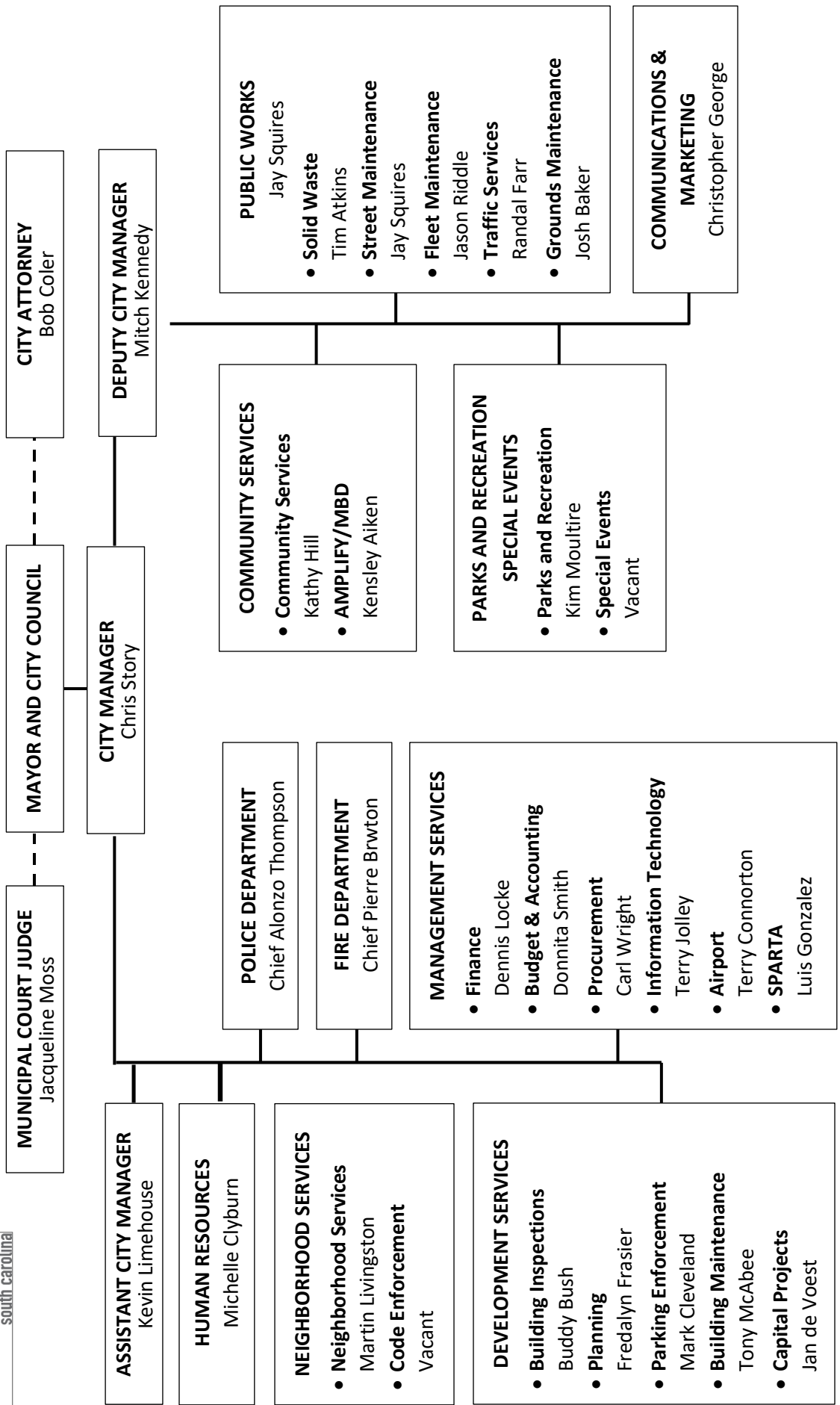
**Jacqueline Moss  
Chief Municipal Judge**



City of  
**SPARTANBURG**  
south carolina



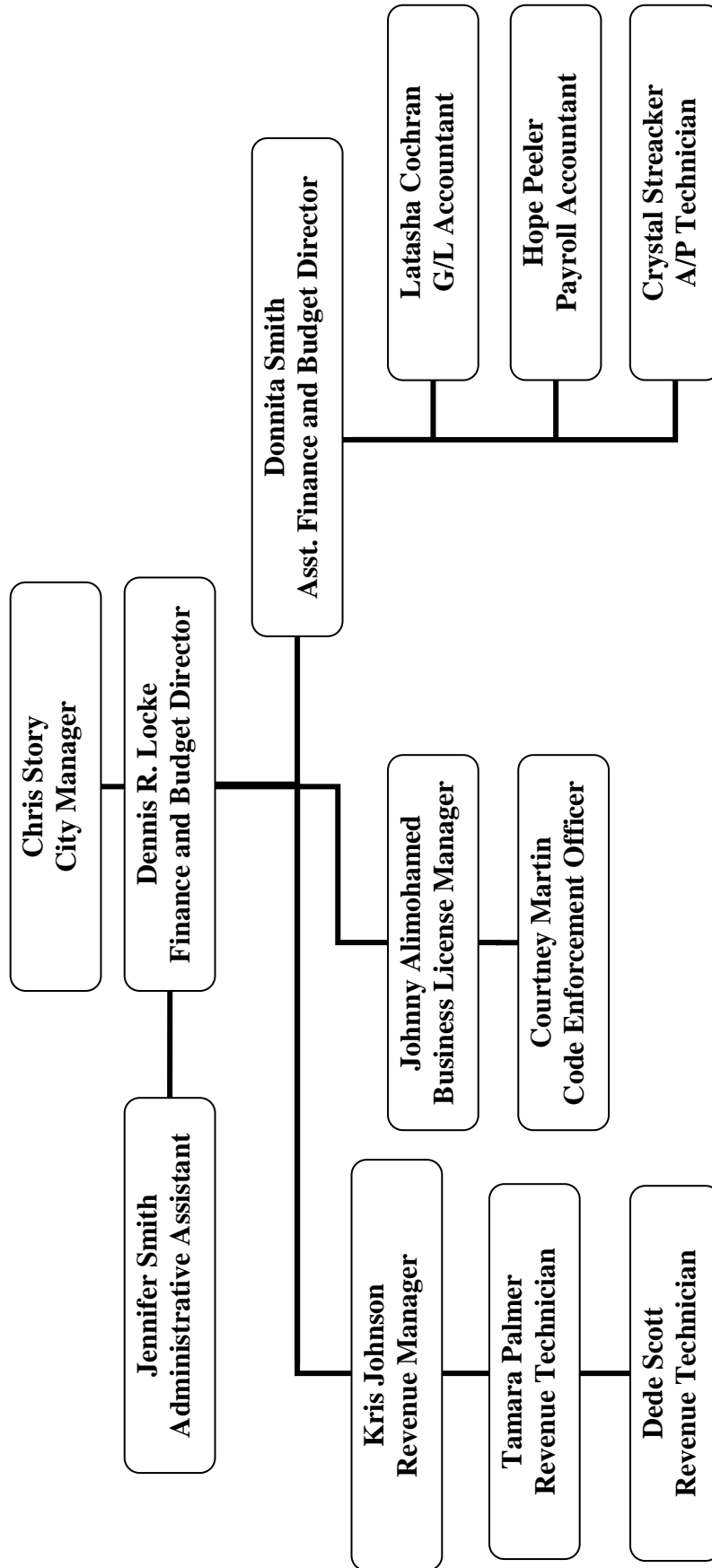
# City of Spartanburg Organization Chart





City of  
**SPARTANBURG**  
south carolina

# Finance Division





City of  
**SPARTANBURG**  
south carolina



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Spartanburg  
South Carolina**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



City of  
**SPARTANBURG**  
south carolina



**INDEPENDENT AUDITOR’S REPORT**

Honorable Mayor and Members of City Council  
City of Spartanburg  
Spartanburg, South Carolina

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Spartanburg, South Carolina (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof 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 the financial audits contained in *Government Auditing Standards* (“*Government Auditing Standards*”), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Prior Period Adjustment***

As discussed in Note IV.L in the notes to the financial statements, in the year ended June 30, 2025 the City discovered an error relating to the reporting of revenue and liabilities in its proprietary and government-wide financial statements as of June 30, 2024. As a result, the beginning net position has been restated in the current year financial statements to correct this error. Our opinions are not modified with respect to this matter.

***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City’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 *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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, the budgetary comparison schedules, the other postemployment benefit plan schedules, and the pension plan schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as listed in the table of contents, 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information 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 Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2026 on our consideration of the City'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 City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
March 2, 2026

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# CITY OF SPARTANBURG, SOUTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### YEAR ENDED JUNE 30, 2025

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As management of the City of Spartanburg ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended June 30, 2025 ("FY 2025" or "2025") compared to year ended June 30, 2024 ("FY 2024" or "2024"). The intent of this management's discussion and analysis ("MD&A") is to look at the City's financial performance as a whole. We would encourage readers to not only consider the information presented here, but also the information provided in letter of transmittal, the financial statements and notes to the financial statements to enhance their understanding the City's overall financial performance.

### FINANCIAL HIGHLIGHTS

Key financial highlights for 2025 were as follows:

- In FY 2024, the City approved a deal with Johnson Development Associates ("JDA") for the largest economic development project in the City's history (of approximately \$425 million). The centerpiece of the transformational development will be a new Minor League Baseball stadium to serve as the future home of the Hub City Spartanburgers (Single-A Texas Rangers affiliate). In addition to the 3,500-seat stadium, the development area will include 200,000 sq. ft. of office space, over 375 apartment units, a 150-room hotel, parking facilities to house at least 1,500 vehicles, and a large public plaza and event space. Under terms of the agreement, JDA will invest approximately \$305,000,000 to construct multiple structures for the development's office space and commercial component, a new 150-unit hotel, and three parking facilities. Public funding for the development will pay for the stadium and public infrastructure construction and comes in the form of \$54,000,000 in state funding, \$3,600,000 in Downtown Partnership Committee set aside for downtown development, \$1,800,000 in Spartanburg County Accommodations Tax funding, and approximately \$63,800,000 of City funding.

In order to effectuate the development project, the City created the Spartanburg Stadium Facilities Corporation ("SSFC"), a blended component unit (major special revenue fund) of the City. The SSFC is a South Carolina non-profit corporation organized in April 2024 to assist the City with the development of the baseball stadium by acquiring, selling, donating, contributing, owning, operating, leasing or managing, of real property and improvements thereon, for the use and benefit of the City and its citizens ("Baseball Stadium Project"). SSFC issued Installment Purchase Revenue Bonds in June 2024 (see Note III.D Long-Term Obligations in the notes to the financial statements for more details) to help finance/fund (a) a portion of the Baseball Stadium Project, (b) deposits related to the base lease rent, (c) capitalized interest, and (d) bond issuance costs. The City, SSFC, and baseball stadium developer entered into numerous agreements to effectuate this project (See Note IV.A Baseball Stadium Project Agreements in the notes to the financial statements for more details).

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by approximately \$195,373,000 (Net Position). Of this amount, approximately \$28,898,000 is a negative unrestricted net position and is the result of pension and other postemployment benefit ("OPEB") accounting standards that were implemented in 2015 and 2018, respectively.
- The City's total net position increased by approximately \$35,277,000 which consisted of increases in governmental activities of approximately \$30,579,000 and business-type activities of approximately \$4,698,000. Both increases were due to revenues exceeding expenses.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of approximately \$42,828,000, a decrease of approximately \$55,757,000 or approximately 57% in comparison with the prior year fund balance of approximately \$98,585,000. The fund balance for the General Fund increased approximately \$1,249,000 (12%) to approximately \$11,325,000 at June 30, 2025 compared to the prior year fund balance of approximately \$10,076,000. The increase is primarily due to revenues and net other financing sources exceeding expenditures in the current year. Approximately \$85,000 of the fund balance in the General Fund at year end is nonspendable (prepaids and inventories), approximately \$250,000 is assigned for insurance costs, and the remainder of approximately \$10,990,000 is unassigned.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund of approximately \$10,990,000 was approximately 21% of total General Fund expenditures.
- The City's total capital assets increased by approximately \$83,461,000 or 40% from the prior year balance. Total additions were approximately \$94,030,000 which were partially offset by depreciation and amortization expense of approximately \$7,878,000 and net disposals of approximately \$2,691,000.

# CITY OF SPARTANBURG, SOUTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

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### FINANCIAL HIGHLIGHTS (CONTINUED)

- The City's debt decreased by approximately \$7,552,000 or 7%. The decrease was due to the regularly scheduled principal payments of approximately \$5,322,000 and a write-off of subscription-based information technology arrangements ("SBITAs") of approximately \$2,230,000.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts – *Introductory Section*, *Financial Section* (which includes the MD&A, financial statements, notes to the financial statements, required supplementary information and supplementary information), *Statistical Section*, and the *Compliance Section*.

**Government-Wide Financial Statements.** The financial statements include two kinds of statements that present different views of the City. The first two statements are *government-wide financial statements* that provide a broad overview of the City's overall financial status, in a manner similar to a private-sector enterprise.

The financial statements include not only the City itself but also three component units - the Downtown Development Committee Nonprofit Corporation (nonmajor special revenue fund), the Spartanburg Recreational Facilities Corporation (major enterprise fund), and the SSFC (major special revenue fund). These are separate nonprofit corporations for which the City is financially accountable. Financial information for the Corporations are included in the amounts reported for the City ("Primary Government") because the nonprofit entities are considered blended component units, and as such, are included in the City's governmental activities and business-type activities, respectively.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these items reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The *Statement of Activities* presents information showing how the government's Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include Policy Formulation and Administration, Public Safety, Parks, Recreation, and Special Events, Development Services, Public Services, Finance and Administrative Services, Operating, and Interest and Bank Fees. The business-type activities of the City are Transit, Parking, Airport, Storm Water, and Spartanburg Recreational Facilities Corporation. The government-wide financial statements can be found as listed in the table of contents of this report.

**Fund Financial Statements.** The remaining financial statements are *fund financial statements* that focus on *individual parts* of the City, reporting the City's operations in *more detail* than the government-wide financial statements. 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. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

# CITY OF SPARTANBURG, SOUTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

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### OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

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. Such information may be useful in evaluating a 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 financial 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 balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains several different types of governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Projects Fund, Hospitality Tax Fund, ARPA Fund, SSFC Fund, and the Stadium Revenue Fund which are considered to be major funds. The remaining special revenue funds and debt service funds are combined in the balance sheet and the statement of revenues, expenditures, and changes in fund balance since they aren't considered major funds. The governmental fund financial statements can be found as listed in the table of contents of this report.

**Proprietary Funds.** The City maintains two types of proprietary funds – Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Transit, Parking, Airport, Storm Water, and Spartanburg Recreational Facilities Corporation operations. The Internal Service Funds include those that provide centralized services, usually on a citywide basis. The main purpose of these funds is to identify costs associated with these services. These funds include the Equipment Replacement Fund and the Medical Insurance Trust Fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail; therefore, the proprietary fund financial statements provide more detailed information for the Transit, Parking, Airport, Storm Water, and Spartanburg Recreational Facilities Corporation, which are all considered major funds of the City. The proprietary fund financial statements can be found as listed in the table of contents of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City's own programs. The City is the trustee, or fiduciary, for the Pension Trust Fund and Custodial Fund activity. The fiduciary fund financial statements can be found as listed in the table of contents of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents of this report.

**Other Information.** In addition to the financial statements and accompanying notes, this report includes certain required supplementary information. The City adopts an annual budget for its General Fund, Hospitality Tax Fund, and Stadium Revenue Fund, as required by General Statutes. A required budgetary comparison schedule has been provided for the General Fund, Hospitality Tax Fund, and Stadium Revenue Fund to demonstrate compliance with these budgets. The City has also provided the required schedules for the OPEB and Pension Plans as required by GAAP. Required supplementary information can be found as listed in the table of contents.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

**OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)**

Other supplementary information, referred to in the table of contents, is presented immediately following the required supplementary information. This information can be found as listed in the table of contents.

<b>Major Features of the City’s Government-Wide and Fund Financial Statements</b>				
	<b>Fund Financial Statements</b>			
	<b>Government-Wide Financial Statements</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</b>
<b>Scope</b>	Entire City government except for fiduciary funds.	The activities of the City that are not proprietary or fiduciary.	Activities the City operates similar to private businesses.	Instances in which the City is the trustee or agent for someone else’s resources.
<b>Required financial statements</b>	<ul style="list-style-type: none"> <li>▪ Statement of Net Position</li> <li>▪ Statement of Activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Balance sheet</li> <li>▪ Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of Net Position</li> <li>▪ Statement of revenues, expenses, and changes in Net Position</li> <li>▪ Statement of Cash Flows</li> </ul>	<ul style="list-style-type: none"> <li>▪ Statement of fiduciary Net Position</li> <li>▪ Statement of changes in fiduciary Net Position</li> </ul>
<b>Accounting basis and measurement focus</b>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<b>Type of balance sheet information</b>	All balance sheet elements – both financial and capital, and short-term and long-term	Only balance sheet elements that come due during the year or soon, thereafter. No capital assets or long-term debt.	All balance sheet elements - both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term.
<b>Type of inflow/outflow information</b>	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	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by approximately \$195,373,000 at the close of the most recent fiscal year. The following table provides a summary of the City's Net Position at June 30, 2025 compared to June 30, 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024 *	2025	2024 *
<b>Assets</b>						
Current & Other Assets	\$ 67,111,947	148,177,615	16,677,189	16,199,658	83,789,136	\$ 164,377,273
Capital Assets, Net	218,302,131	140,398,085	73,306,541	67,749,397	291,608,672	208,147,482
<b>Total Assets</b>	<b>285,414,078</b>	<b>288,575,700</b>	<b>89,983,730</b>	<b>83,949,055</b>	<b>375,397,808</b>	<b>372,524,755</b>
<b>Deferred Outflows of Resources</b>	<b>8,826,586</b>	<b>8,342,143</b>	<b>234,825</b>	<b>230,641</b>	<b>9,061,411</b>	<b>8,572,784</b>
<b>Liabilities</b>						
Long-Term Liabilities	94,613,599	101,843,475	15,174,947	15,159,992	109,788,546	117,003,467
Net Pension Liability	44,243,713	47,819,299	1,223,122	1,315,721	45,466,835	49,135,020
Net OPEB Liability	777,055	804,062	25,265	28,786	802,320	832,848
Other Liabilities	18,729,180	43,416,235	8,583,549	7,167,442	27,312,729	50,583,677
<b>Total Liabilities</b>	<b>158,363,547</b>	<b>193,883,071</b>	<b>25,006,883</b>	<b>23,671,941</b>	<b>183,370,430</b>	<b>217,555,012</b>
<b>Deferred Inflows of Resources</b>	<b>3,544,050</b>	<b>1,280,415</b>	<b>2,171,267</b>	<b>2,165,271</b>	<b>5,715,317</b>	<b>3,445,686</b>
<b>Net Position</b>						
Net Investment in						
Capital Assets (1)	151,690,498	114,571,963	57,031,761	51,739,120	205,802,675	162,746,840
Restricted	18,469,103	16,786,915	-	-	18,469,103	16,786,915
Unrestricted (1)	(37,826,534)	(29,604,521)	6,008,644	6,603,364	(28,898,306)	(19,436,914)
<b>Total Net Position</b>	<b>\$ 132,333,067</b>	<b>101,754,357</b>	<b>63,040,405</b>	<b>58,342,484</b>	<b>195,373,472</b>	<b>\$ 160,096,841</b>

\* Certain balances have been restated due to a prior period adjustment (overstatement of transit revenue). See Note IV.L in the notes to the financial statements for more details.

(1) The totals for Net Investment in Capital Assets and Unrestricted Net Position do not add/foot across. See Note III.F in the notes to the financial statements for more details.

The City's total assets increased approximately \$2,873,000 from the prior year balance to approximately \$375,398,000 at June 30, 2025. Current and other assets decreased approximately \$80,588,000 primarily due to a decrease in cash and cash equivalents due to the City expending grant funding and bond proceeds for the Baseball Stadium Project. Capital assets increased approximately \$83,461,000 as total additions were approximately \$94,030,000 (primarily due to construction of the new baseball stadium) which were partially offset by depreciation and amortization expense of approximately \$7,878,000 and net disposals of approximately \$2,691,000.

Total liabilities decreased approximately \$34,185,000 from the prior year. The decrease was primarily due to a decrease in long-term liabilities of approximately \$7,215,000 (primarily due to regularly scheduled principal payments and writeoff of SBITAs) and a decrease in other liabilities of approximately \$23,271,000 due to the use of unearned revenue of approximately \$18,562,000 (expenditure-driven grants being used for the Baseball Stadium Project) and lower retainage and construction payables of approximately \$7,022,000 due to the completion of the majority of the Baseball Stadium Project. The changes in net pension liabilities, deferred outflows of resources, and deferred inflows of resources were primarily due to service costs, contributions, differences between expected and actual liability/investment experience, changes in assumptions, and changes in the percentage of the City's share of the net pension liabilities in the State retirement plans.

The City's net position increased by approximately \$35,277,000 during the current fiscal year due to current year revenues exceeding current year expenses. Please see discussion following the next table regarding this increase.

**CITY OF SPARTANBURG, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED JUNE 30, 2025**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)**

The following table shows the changes in Net Position for 2025 compared to 2024:

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024 *	2025	2024 *
<b>Revenues</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 28,904,329	27,449,383	5,641,776	5,682,557	34,546,105	\$ 33,131,940
Operating Grants and Contributions	5,777,619	14,542,397	1,570,205	1,189,341	7,347,824	15,731,738
Capital Grants and Contributions	23,677,653	56,292,135	7,363,861	3,339,419	31,041,514	59,631,554
<b>General Revenue:</b>						
Property Taxes	23,168,895	24,081,588	-	-	23,168,895	24,081,588
Other Taxes	8,907,343	8,402,772	-	-	8,907,343	8,402,772
Intergovernmental Revenue	1,223,670	964,818	-	-	1,223,670	964,818
Other	4,666,946	5,120,351	729,987	663,943	5,396,933	5,784,294
<b>Total Revenues</b>	<b>96,326,455</b>	<b>136,853,444</b>	<b>15,305,829</b>	<b>10,875,260</b>	<b>111,632,284</b>	<b>147,728,704</b>
<b>Program Expenses</b>						
Policy Formulation & Administration	7,582,251	7,559,261	-	-	7,582,251	7,559,261
Public Safety	24,336,611	24,176,710	-	-	24,336,611	24,176,710
Parks, Recreation, and Special Events	4,175,215	3,518,841	-	-	4,175,215	3,518,841
Development Services	2,385,903	3,232,102	-	-	2,385,903	3,232,102
Public Services	12,782,650	12,173,746	-	-	12,782,650	12,173,746
Finance and Administrative Services	4,917,370	4,071,237	-	-	4,917,370	4,071,237
Operating	5,377,734	4,500,527	-	-	5,377,734	4,500,527
Interest and Other Charges	4,723,729	3,282,767	-	-	4,723,729	3,282,767
Transit	-	-	2,581,270	2,676,707	2,581,270	2,676,707
Parking	-	-	1,501,394	1,437,340	1,501,394	1,437,340
Airport	-	-	3,784,047	4,303,896	3,784,047	4,303,896
Storm Water	-	-	1,628,216	1,076,589	1,628,216	1,076,589
Spartanburg Recreational Facilities Corp.	-	-	579,263	581,263	579,263	581,263
<b>Total Expenses</b>	<b>66,281,463</b>	<b>62,515,191</b>	<b>10,074,190</b>	<b>10,075,795</b>	<b>76,355,653</b>	<b>72,590,986</b>
Change in Net Position Before Transfers	30,044,992	74,338,253	5,231,639	799,465	35,276,631	75,137,718
Transfers In (Out)	533,718	1,626,668	(533,718)	(1,626,668)	-	-
<b>Change in Net Position</b>	<b>30,578,710</b>	<b>75,964,921</b>	<b>4,697,921</b>	<b>(827,203)</b>	<b>35,276,631</b>	<b>75,137,718</b>
Net Position, Beginning of Year	101,754,357	25,789,436	58,342,484	59,169,687	160,096,841	84,959,123
<b>Net Position - End of Year</b>	<b>\$ 132,333,067</b>	<b>101,754,357</b>	<b>63,040,405</b>	<b>58,342,484</b>	<b>195,373,472</b>	<b>\$ 160,096,841</b>

\* Certain balances have been restated due to a prior period adjustment (overstatement of transit revenue). See Note IV.L in the notes to the financial statements for more details.

# CITY OF SPARTANBURG, SOUTH CAROLINA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2025

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### GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

#### Governmental Activities

Net Position increased by approximately \$30,579,000 for 2025 for governmental activities. Revenues decreased by approximately \$40,527,000 (30%) to approximately \$96,326,000 from the prior year. The overall decrease was primarily due to a decrease in operating and capital grants and contributions. Operating and capital grants and contributions decreased by approximately \$41,379,000 primarily due to less recognition of ARPA grants (primarily for loss revenue) of approximately \$9,570,000 and less capital grant revenue related to the Baseball Stadium Project (as the City used a large portion of these capital grants in the prior year and finished the rest of these capital grants in the current year before switching to bond proceeds for the rest of the project). These decreases were partially offset by increases in charges for services due to continued growth, increases other taxes due to higher assessed values and growth, and an increase in other revenues.

Expenses increased by approximately \$3,766,000 (6%) to approximately \$66,281,000 from the prior year. The overall increase was primarily due to (a) higher salaries (3% COLA and some step increases) and benefits, (b) a tax abatement settlement, and (c) higher operating costs, partially offset by not being fully staffed and decreased grant-related activity.

#### Business-Type Activities

Net Position increased by approximately \$4,698,000 for 2025 for business-type activities. In aggregate, business-type revenues increased approximately \$4,431,000 (41%) to approximately \$15,306,000 compared to approximately \$10,875,000 in the prior year. The increase in revenue was primarily due to an increase in capital grants related to the City's airport improvement project. Total expenses decreased approximately \$2,000 (<1%) to approximately \$10,074,000.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resource available for spending at the end of the fiscal year. The General Fund is the chief operating fund of the City.

At June 30, 2025, the City's governmental funds reported a combined ending fund balance of approximately \$42,828,000, a decrease of approximately \$55,757,000 from the prior year fund balance. Approximately 26% of this total amount (approximately \$10,942,000) constitutes unassigned fund balance. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been set aside/constrained for (1) prepaids and inventories (\$163,000; nonspendable), (2) restricted for debt service (\$867,000), (3) restricted for tourism related expenditures (\$2,662,000), (4) restricted for community development (\$3,068,000), (5) restricted for multi county parks (\$2,109,000), (6) restricted for baseball stadium capital projects (\$3,868,000), (7) restricted for baseball stadium base lease payments (\$8,399,000), (8) restricted for capital projects (\$4,633,000), (9) restricted for special revenue programs (\$357,000), (10) committed for special revenue programs (\$33,000), (11) assigned for American Rescue Plan costs (\$69,000), (12) assigned for insurance costs (\$250,000), and (13) assigned for capital projects (\$5,408,000).

The fund balance for the Capital Projects Fund decreased by approximately \$4,337,000 during the current fiscal year to a fund balance of approximately \$6,522,000. The overall decrease was due to capital outlay expenditures of approximately \$27,978,000 exceeding revenue of approximately \$25,305,000. The City also had a net transfer out to other funds of approximately \$1,664,000.

The fund balance for the Hospitality Tax Fund increased by approximately \$567,000 during the current fiscal year to approximately \$2,209,000, as revenues of approximately \$7,576,000 exceeded expenditures and transfers out of approximately \$7,009,000.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)**

**Governmental Funds (Continued)**

The fund balance for the ARPA Fund decreased approximately \$1,350,000 to a fund balance of approximately \$69,000. The decrease was due to expenditures and transfers out of approximately \$1,798,000 exceeding revenues of approximately \$448,000. The City received a total of approximately \$16,480,000 in stimulus funds and used approximately \$11,453,000 through the end of FY 2025 with the remaining balance of approximately \$5,027,000 in stimulus funds being unspent (unearned) at year end and approximately \$69,000 in investment earnings being assigned for American Rescue Plan Act costs. The City plans to spend the grant funds in future years.

The fund balance for the Spartanburg Stadium Facilities Corporation Fund decreased approximately \$56,535,000 to a fund balance of approximately \$3,868,000. The decrease was due to expenditures of approximately \$60,320,000 (primarily for the Baseball Stadium Project) exceeding revenues and transfers in from other funds of approximately \$3,785,000.

The fund balance for the Stadium Revenue Fund increased approximately \$2,486,000 to a fund balance of approximately \$8,399,000. The increase was due to revenues of approximately \$2,635,000 exceeding net transfers out of approximately \$148,000. This fund collects resources that will be used by the City to make base lease payments to SSFC – which will then in turn use these funds to make debt service payments on the installment purchase revenue bonds.

General Fund Revenues

The General Fund is the principal fund that accounts for the daily operations of the City. Total revenue for 2025 was approximately \$51,922,000, an increase of approximately \$2,053,000 (4%) from the previous year primarily due to an increase in property tax revenues (higher assessed values and growth) and fees, licenses, and permits due to an growing economy.

As with most municipalities in the State of South Carolina, the City is dependent on property taxes to pay for many of the services provided to its citizens. The current millage rate for property taxes is 103.2 mills (consistent with the prior year) assessed value increased 2%. Property taxes accounted for 40% or approximately \$20,692,000 of total General Fund revenue for 2025. The City received approximately \$23,018,000 (44%) in revenue from fees, licenses, and permits due to an growing economy. The remaining General Fund revenue sources were fines and forfeitures of approximately \$262,000, intergovernmental revenue of approximately \$4,145,000, charges for services of approximately \$3,275,000, investment earnings of approximately \$345,000, and other revenues of approximately \$185,000.

General Fund Expenditures

General Fund expenditures for 2025 totaled approximately \$53,099,000, which was an approximately \$1,944,000 (4%) increase over the previous fiscal year. This reflects an increase in salaries (3% COLA and some step increases) and benefits and higher operating costs. The largest General Fund departmental budget is Public Safety, which accounted for approximately 43% of total General Fund expenditures. Public Services accounted for the second largest departmental budget, which accounted for approximately 21% of total General Fund expenditures. Actual expenditures for these departments were approximately \$23,048,000 for Public Safety and approximately \$11,072,000 for Public Services. The remaining 36% of General Fund expenditures came from the areas of Policy Formulation and Administration of approximately \$8,462,000, Parks, Recreation, and Special Events of approximately \$2,709,000, Development Services of approximately \$2,672,000, Finance and Administrative Services of approximately \$2,839,000, and Capital Outlay of approximately \$2,298,000.

General Fund Balance

Total fund balance in the General Fund increased by approximately \$1,249,000 to approximately \$11,325,000 at June 30, 2025. The unassigned fund balance increased by approximately \$1,272,000 to approximately \$10,990,000. Unassigned fund balance represents approximately 21% of total General Fund expenditures.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

**FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)**

**Proprietary Funds**

The City’s *proprietary funds* provide the same type of information found in the government-wide financial statements but in more detail. Net Position of the Enterprise Funds at the end of the fiscal year amounted to approximately \$63,040,000. Factors concerning the operations of these funds have already been addressed in the discussion of the City’s business-type activities.

**General Fund Budgetary Highlights**

The City’s budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. The City adopted a balanced revenue/expenditure budget of approximately \$53,556,000 (including other financing sources/uses). The City’s actual revenues were over budget due to a growing economy. The City’s actual expenditures were over budget due to higher operating costs, maintenance, and overtime wages (due to not being fully staffed) for which the City elected not to amend the budget. The City’s net transfers out exceeded budget primarily due to transferring funds to support ongoing construction. More information about the City’s budgetary process can be found in Note II.A in the notes to the financial statements.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At June 30, 2025, the City had approximately \$291,609,000 in capital assets, net of depreciation and amortization. The total increase in the City’s capital assets was approximately \$83,461,000 (40%). Total additions were approximately \$94,030,000 which were partially offset by depreciation and amortization expense of approximately \$7,878,000 and net disposals of approximately \$2,691,000. The following table shows capital asset balances (net of depreciation) at June 30, 2025 compared to June 30, 2024:

	Government Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 35,409,566	33,359,566	6,855,143	6,855,143	42,264,709	\$ 40,214,709
Construction in Progress	5,285,208	51,553,972	10,655,657	2,993,637	15,940,865	54,547,609
Building & Improvements	155,055,171	30,227,271	26,763,224	28,130,609	181,818,395	58,357,880
Infrastructure	8,701,460	9,153,705	26,046,116	27,121,071	34,747,576	36,274,776
Machinery & Equipment	3,766,576	2,243,480	1,186,560	943,604	4,953,136	3,187,084
Vehicles	9,307,357	10,692,158	1,799,841	1,705,333	11,107,198	12,397,491
Furniture & Fixtures	235,481	275,849	-	-	235,481	275,849
Right-to-Use Asset - SBITA	541,312	2,892,084	-	-	541,312	2,892,084
<b>Totals</b>	<b>\$ 218,302,131</b>	<b>140,398,085</b>	<b>73,306,541</b>	<b>67,749,397</b>	<b>291,608,672</b>	<b>\$ 208,147,482</b>

More detailed information about the City’s capital assets is presented in Note III.C in the notes to the financial statements.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**Long-Term Debt**

At June 30, 2025, the City had debt of approximately \$104,371,000 versus approximately \$111,923,000 in the prior year, a decrease of approximately \$7,552,000 or 7%. The decrease was due to the regularly scheduled principal payments of approximately \$5,322,000 and a write-off of SBITAs of approximately \$2,230,000. The following table shows debt balances at June 30, 2025 compared to June 30, 2024:

Long-Term Obligations	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Debt:						
General Obligation Bonds	\$ 2,410,000	2,855,000	-	-	2,410,000	\$ 2,855,000
Tax Increment Bonds	-	610,000	-	-	-	610,000
Hospitality Tax/SOB Bonds	13,934,646	16,104,318	-	-	13,934,646	16,104,318
Installment Purchase Revenue Bonds	63,820,000	63,820,000	-	-	63,820,000	63,820,000
HUD 108 Loan	3,000,000	3,000,000	-	-	3,000,000	3,000,000
Promissory Note	-	-	15,000,000	15,000,000	15,000,000	15,000,000
Financed Purchases	6,206,565	8,303,420	-	-	6,206,565	8,303,420
SBITAs	-	2,230,013	-	-	-	2,230,013
Total	<u>\$ 89,371,211</u>	<u>96,922,751</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>104,371,211</u>	<u>\$ 111,922,751</u>

The State limits the amount of general obligation debt that cities can issue to 8% of the assessed value of all taxable property within the City's corporate limits. The City is authorized by state statute to exceed the legal debt margin of eight percent, if citizens of the City approve such additional debt. The City's outstanding general obligation debt is below this state-imposed legal debt limit of approximately \$16,851,000. The current amount of outstanding general obligation debt at June 30, 2025 is \$2,410,000 which leaves an unused legal debt margin of approximately \$14,441,000.

The City's revenue and tax increment bonds have an AA- rating from Standard & Poor's secured through bond insurance. The City's general obligation debt has a credit rating of AA- from Standard & Poor's.

More detailed information about the City's debt and long-term obligations is presented in Note III.D in the notes to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

The budget for FY 2026 did not include any changes to our tax rates or generally applicable fees. Strong local economic activity has resulted in projected revenues being 4.7% higher than the prior year’s budget. This revenue growth is allowing us to keep pace with inflationary cost pressures. The largest expenditure increase in personnel costs. The budget includes continued implementation of our revised compensation schedule which includes annual step increases for police and fire and it includes a 3% annual cost of living adjustment for all City employees. Additional expenditure costs include advancing our equipment replacement schedule and absorbing additional insurance costs. Our primary objective with our annual operating budget was to ensure structural alignment between our recurring expenses and recurring revenues.

The General Fund revenues and transfers in for FY 2026 are projected at approximately \$56,206,000, reflecting a 5% increase over the FY 2025 budget. Property tax collections are expected to rise by approximately 1%, driven by growth. The City has budgeted a 10% increase in revenues from Fees, Licenses, and Permits. Intergovernmental revenues are anticipated to remain relatively stable compared to the actual collections over the past several years. The majority of the General Fund expenditure increase is attributed to salary adjustments for employees, along with other adjustments to account for rising operating costs.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**YEAR ENDED JUNE 30, 2025**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (CONTINUED)**

Key items that factored into the budget preparations for FY 2026 are listed below:

- 3% cost-of-living wage adjustment for full-time City employees
- 11.8% increase in medical insurance premiums
- No change in millage rate of 103.2
- 15% increase in general liability insurance premiums (includes expanded cybersecurity coverage)
- 15% increase in contributions to the Equipment Replacement Fund due to rising equipment costs
- Operational budget increases for Public Works due to departmental needs

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide those interested with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Director of Finance & Budget, City of Spartanburg, Finance Department, 295 E Main Street, Spartanburg, South Carolina, 29302.



City of  
**SPARTANBURG**  
south carolina

# Basic Financial Statements

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2025

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-Type Activities	Adjustment	Totals
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 22,288,054	12,786,218	-	\$ 35,074,272
Restricted Cash and Cash Equivalents	24,896,363	512,057	-	25,408,420
Restricted Investments	5	-	-	5
Property Taxes Receivable, Net	1,826,231	-	-	1,826,231
Other Receivables, Net:				
Mortgage	70,035	-	-	70,035
Commercial Loan	49,682	-	-	49,682
Other	9,716,465	2,166,767	-	11,883,232
Internal Balances	1,080,826	(1,080,826)	-	-
Current Portion of Lease Receivable	-	27,252	-	27,252
Note Receivable	3,000,000	-	-	3,000,000
Other Assets	2,121,132	11,311	-	2,132,443
Prepays and Inventories	2,063,154	178,435	-	2,241,589
Lease Receivable, Less Current Portion	-	2,075,975	-	2,075,975
Capital Assets:				
Non-Depreciable	40,694,774	17,510,800	-	58,205,574
Depreciable, Net	177,607,357	55,795,741	-	233,403,098
<b>TOTAL ASSETS</b>	<b>285,414,078</b>	<b>89,983,730</b>	<b>-</b>	<b>375,397,808</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Pension Charges	8,604,828	227,615	-	8,832,443
Deferred Other Postemployment Benefit Charges ("OPEB")	221,758	7,210	-	228,968
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>8,826,586</b>	<b>234,825</b>	<b>-</b>	<b>9,061,411</b>
<b>LIABILITIES</b>				
Accounts Payable	6,055,416	1,903,077	-	7,958,493
Accrued Interest Payable	834,679	-	-	834,679
Accrued Salaries and Benefits	1,817,269	49,577	-	1,866,846
Due to Federal Agency	-	181,094	-	181,094
Retainage Payable	587,209	894,343	-	1,481,552
Intergovernmental Payable	277,283	-	-	277,283
Customer Deposits	96,212	38,341	-	134,553
Unclaimed Checks	109	-	-	109
Unearned Revenues	9,061,003	5,517,117	-	14,578,120
Non-Current Liabilities:				
Long-Term Obligations - Due Within One Year	4,149,382	17,495	-	4,166,877
Long-Term Obligations - Due in More Than One Year	90,464,217	15,157,452	-	105,621,669
Net Pension Liability - Due in More Than One Year	44,243,713	1,223,122	-	45,466,835
Net OPEB Liability - Due in More Than One Year	777,055	25,265	-	802,320
<b>TOTAL LIABILITIES</b>	<b>158,363,547</b>	<b>25,006,883</b>	<b>-</b>	<b>183,370,430</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension Credits	3,431,091	64,367	-	3,495,458
Deferred OPEB Credits	112,959	3,673	-	116,632
Deferred Lease Revenue	-	2,103,227	-	2,103,227
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,544,050</b>	<b>2,171,267</b>	<b>-</b>	<b>5,715,317</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	151,690,498	57,031,761	(2,919,584)	205,802,675
Restricted For:				
Debt Service	120,141	-	-	120,141
Tourism Related Costs	2,662,160	-	-	2,662,160
Multi County Parks	2,109,274	-	-	2,109,274
Baseball Stadium Base Lease Payments	8,398,580	-	-	8,398,580
Capital Projects	4,711,735	-	-	4,711,735
Other	467,213	-	-	467,213
Unrestricted	(37,826,534)	6,008,644	2,919,584	(28,898,306)
<b>TOTAL NET POSITION</b>	<b>\$ 132,333,067</b>	<b>63,040,405</b>	<b>-</b>	<b>\$ 195,373,472</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT:</b>							
<b>Governmental Activities:</b>							
Policy Formulation and Administration	\$ 7,582,251	-	-	2,073,108	(5,509,143)	-	\$ (5,509,143)
Public Safety	24,336,611	1,144,348	942,880	-	(22,249,383)	-	(22,249,383)
Parks, Recreation, and Special Events	4,175,215	279,543	2,634,795	18,949,104	17,688,227	-	17,688,227
Development Services	2,385,903	1,106,494	1,990,587	2,655,441	3,366,619	-	3,366,619
Public Services	12,782,650	3,996,499	43,357	-	(8,742,794)	-	(8,742,794)
Finance and Administrative Services	4,917,370	22,377,445	-	-	17,460,075	-	17,460,075
Operating	5,377,734	-	166,000	-	(5,211,734)	-	(5,211,734)
Interest and Bank Fees	4,723,729	-	-	-	(4,723,729)	-	(4,723,729)
<b>Total Governmental Activities</b>	<b>66,281,463</b>	<b>28,904,329</b>	<b>5,777,619</b>	<b>23,677,653</b>	<b>(7,921,862)</b>	<b>-</b>	<b>(7,921,862)</b>
<b>Business-Type Activities:</b>							
Transit	2,581,270	168,199	1,570,205	-	-	(842,866)	(842,866)
Parking	1,501,394	592,903	-	-	-	(908,491)	(908,491)
Airport	3,784,047	2,208,386	-	7,363,861	-	5,788,200	5,788,200
Storm Water	1,628,216	1,885,124	-	-	-	256,908	256,908
Spartanburg Recreational Facilities Corporation	579,263	787,164	-	-	-	207,901	207,901
<b>Total Business-Type Activities</b>	<b>10,074,190</b>	<b>5,641,776</b>	<b>1,570,205</b>	<b>7,363,861</b>	<b>-</b>	<b>4,501,652</b>	<b>4,501,652</b>
<b>TOTAL - PRIMARY GOVERNMENT</b>	<b>\$ 76,355,653</b>	<b>34,546,105</b>	<b>7,347,824</b>	<b>31,041,514</b>	<b>(7,921,862)</b>	<b>4,501,652</b>	<b>(3,420,210)</b>
General Revenues and Transfers:							
General Revenues:							
Taxes:							
Property Taxes Levied for General Purposes					20,544,122	-	20,544,122
Tax Increment					827,775	-	827,775
Motor Vehicle Taxes					1,796,998	-	1,796,998
Hospitality/Accommodation Taxes					7,972,844	-	7,972,844
Other Taxes					934,499	-	934,499
Intergovernmental Revenue - Unrestricted					1,223,670	-	1,223,670
Investment Income					3,668,274	729,987	4,398,261
Miscellaneous					293,176	-	293,176
Grants/Contributions Not Restricted to Specific Programs					705,496	-	705,496
Transfers In (Out)					533,718	(533,718)	-
<b>Total General Revenues and Transfers</b>					<b>38,500,572</b>	<b>196,269</b>	<b>38,696,841</b>
<b>CHANGE IN NET POSITION</b>					<b>30,578,710</b>	<b>4,697,921</b>	<b>35,276,631</b>
NET POSITION, Beginning of Year, As Previously Reported					101,754,357	58,523,578	160,277,935
Prior Period Adjustment					-	(181,094)	(181,094)
NET POSITION, Beginning of Year, As Restated					<u>101,754,357</u>	<u>58,342,484</u>	<u>160,096,841</u>
<b>NET POSITION, End of Year</b>					<b><u>132,333,067</u></b>	<b><u>63,040,405</u></b>	<b><u>\$ 195,373,472</u></b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

CITY OF SPARTANBURG, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2025

	GENERAL FUND	CAPITAL PROJECTS FUND	HOSPITALITY TAX FUND
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 75,072	-	-
Pooled Cash and Cash Equivalents	9,751,782	2,275,388	1,701,732
Restricted Cash and Cash Equivalents	-	5,094,197	-
Restricted Investments	-	-	-
Property Taxes Receivable, Net	1,745,121	-	-
Accounts Receivable, Net	3,514,610	4,218,875	507,105
Commercial Loan Receivables	-	-	-
Intergovernmental Receivables	-	89,773	-
Due From Other Funds	1,516,741	-	-
Prepays and Inventories	84,917	78,237	-
Mortgages Receivable	-	-	-
Note Receivable	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 16,688,243</b>	<b>11,756,470</b>	<b>2,208,837</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 978,915	2,446,569	-
Accrued Salaries and Benefits	1,775,072	-	-
Customer Deposits	96,212	-	-
Retainage Payable	-	-	-
Intergovernmental Payable	277,283	-	-
Due To Other Funds	-	-	-
Unearned Revenues	55,219	2,788,218	-
<b>TOTAL LIABILITIES</b>	<b>3,182,701</b>	<b>5,234,787</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Taxes and Sanitation Fees	1,818,680	-	-
Unavailable Business Licenses and Other	362,199	-	-
Unavailable Note Receivables	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>2,180,879</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	<b>5,363,580</b>	<b>5,234,787</b>	<b>-</b>
<b>FUND BALANCES</b>			
Nonspendable:			
Prepays and Inventories	84,917	78,237	-
Restricted for:			
Debt Service	-	-	-
Tourism Related Costs	-	-	2,208,837
Community Development	-	-	-
Multi County Parks	-	-	-
Baseball Stadium Base Lease Payment or Capital Project Costs	-	-	-
Baseball Stadium Base Lease Payments	-	-	-
Capital Projects	-	4,633,498	-
Other Special Revenue Programs	-	-	-
Committed for:			
Special Revenue Programs	-	-	-
Assigned for:			
American Rescue Plan Act Costs	-	-	-
Insurance Costs	250,000	-	-
Capital Projects	-	1,809,948	-
Unassigned	10,989,746	-	-
<b>TOTAL FUND BALANCES</b>	<b>11,324,663</b>	<b>6,521,683</b>	<b>2,208,837</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 16,688,243</b>	<b>11,756,470</b>	<b>2,208,837</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

ARPA FUND	SPARTANBURG STADIUM FACILITIES CORPORATION FUND	STADIUM REVENUE FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	-	-	28,673	\$ 103,745
-	-	-	8,455,407	22,184,309
5,261,924	6,414,588	8,041,643	84,011	24,896,363
-	-	-	5	5
-	-	-	81,110	1,826,231
-	-	356,937	188,647	8,786,174
-	-	-	49,682	49,682
-	-	-	840,518	930,291
-	-	-	-	1,516,741
-	-	-	-	163,154
-	-	-	70,035	70,035
-	-	-	3,000,000	3,000,000
<b>5,261,924</b>	<b>6,414,588</b>	<b>8,398,580</b>	<b>12,798,088</b>	<b>\$ 63,526,730</b>
-	1,959,541	-	659,752	\$ 6,044,777
-	-	-	42,197	1,817,269
-	-	-	-	96,212
-	587,209	-	-	587,209
-	-	-	-	277,283
166,000	-	-	269,915	435,915
5,027,001	-	-	1,190,565	9,061,003
<b>5,193,001</b>	<b>2,546,750</b>	<b>-</b>	<b>2,162,429</b>	<b>18,319,668</b>
-	-	-	87,664	1,906,344
-	-	-	-	362,199
-	-	-	110,299	110,299
-	-	-	197,963	2,378,842
<b>5,193,001</b>	<b>2,546,750</b>	<b>-</b>	<b>2,360,392</b>	<b>20,698,510</b>
-	-	-	-	163,154
-	-	-	867,156	867,156
-	-	-	453,323	2,662,160
-	-	-	3,067,525	3,067,525
-	-	-	2,109,274	2,109,274
-	3,867,838	-	-	3,867,838
-	-	8,398,580	-	8,398,580
-	-	-	-	4,633,498
-	-	-	356,914	356,914
-	-	-	33,426	33,426
68,923	-	-	-	68,923
-	-	-	-	250,000
-	-	-	3,598,126	5,408,074
-	-	-	(48,048)	10,941,698
<b>68,923</b>	<b>3,867,838</b>	<b>8,398,580</b>	<b>10,437,696</b>	<b>42,828,220</b>
<b>5,261,924</b>	<b>6,414,588</b>	<b>8,398,580</b>	<b>12,798,088</b>	<b>\$ 63,526,730</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2025

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ 42,828,220</b>
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:	
Property taxes, sanitation fees, and business licenses receivables that will be collected in the future, but are not available soon enough to pay for the current period's expenditures, and therefore are considered unavailable in the governmental funds.	2,268,543
Note and accounts receivables which are expected to be collected in future years, but are not available soon enough to pay for the current period's expenditures are unavailable and not recognized in the governmental funds but are recognized in the Statement of Net Position.	110,299
Capital assets used in governmental activities (excluding internal service funds) are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets was \$275,862,594 and the accumulated depreciation was \$67,812,571.	208,050,023
Land purchased for redevelopment/resale for Community Development is not a financial resource and therefore is not reported as an asset in the governmental funds but is in the Statement of Net Position	2,121,132
Accrued interest on the debt in governmental accounting are not due or payable in the current period, therefore, they have not been reported as a liability in the funds.	(834,679)
The City's (a) net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City pension plan and (b) proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(39,069,976)
The City's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB plan are not reported in the governmental funds but is in the Statement of Net Position.	(668,256)
Internal service funds are used by the City to charge the cost of medical insurance and replacement of equipment to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	5,934,795
Long-term liabilities, excluding internal service funds, are not due or payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consisted of the following:	
Long-Term Debt	(83,164,646)
Compensated Absences (Sick Pay and Vacations)	(5,242,388)
	(88,407,034)
<b>TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES</b>	<b>\$ <u>132,333,067</u></b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



City of  
**SPARTANBURG**  
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	GENERAL FUND	CAPITAL PROJECTS FUND	HOSPITALITY TAX FUND
<b>REVENUES:</b>			
Taxes	\$ 20,692,131	-	7,449,144
Fees, Licenses, and Permits	23,018,086	-	-
Fines and Forfeitures	261,551	-	-
Federal Government Contributions	-	-	-
State Government Contributions	-	17,718,349	-
Intergovernmental Revenues	4,145,318	2,565,668	-
Charges for Services	3,275,496	-	-
Investment Earnings	344,565	755,912	126,397
Donations	-	4,218,875	-
Other	185,100	46,518	-
<b>TOTAL REVENUES</b>	<b>51,922,247</b>	<b>25,305,322</b>	<b>7,575,541</b>
<b>EXPENDITURES:</b>			
Current:			
Policy Formulation and Administration	8,461,809	-	-
Public Safety	23,048,035	-	-
Parks, Recreation, and Special Events	2,708,689	-	-
Development Services	2,672,295	-	-
Public Services	11,071,534	-	-
Finance and Administrative Services	2,839,007	-	-
Operating	-	-	602,713
Capital Outlay	2,297,949	27,978,083	-
Debt Service:			
Principal Retirement	-	-	-
Interest	-	-	-
Bond Issuance and Other Fees	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>53,099,318</b>	<b>27,978,083</b>	<b>602,713</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,177,071)</b>	<b>(2,672,761)</b>	<b>6,972,828</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	4,808,718	2,185,695	-
Transfers Out	(2,437,599)	(3,850,000)	(6,406,087)
Sale of Capital Assets	54,719	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,425,838</b>	<b>(1,664,305)</b>	<b>(6,406,087)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>1,248,767</b>	<b>(4,337,066)</b>	<b>566,741</b>
FUND BALANCES, Beginning of Year, As Previously Reported	10,075,896	10,858,749	1,642,096
Change in Fund Classification from Non-Major to Major Fund	-	-	-
<b>FUND BALANCE, Beginning of Year, As Restated</b>	<b>10,075,896</b>	<b>10,858,749</b>	<b>1,642,096</b>
<b>FUND BALANCES, End of Year</b>	<b>\$ 11,324,663</b>	<b>6,521,683</b>	<b>2,208,837</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

ARPA FUND	SPARTANBURG STADIUM FACILITIES CORPORATION FUND	STADIUM REVENUE FUND	OTHER NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	-	-	3,014,157	\$ 31,155,432
-	-	-	-	23,018,086
-	-	-	-	261,551
166,000	-	-	1,406,107	1,572,107
-	-	-	635,962	18,354,311
-	-	2,095,793	85,800	8,892,579
-	-	250,000	-	3,525,496
281,807	1,860,021	289,003	258,110	3,915,815
-	-	-	-	4,218,875
-	41,463	-	887,896	1,160,977
<b>447,807</b>	<b>1,901,484</b>	<b>2,634,796</b>	<b>6,288,032</b>	<b>96,075,229</b>
-	-	-	-	8,461,809
-	-	-	-	23,048,035
-	-	-	-	2,708,689
-	-	-	-	2,672,295
-	-	-	-	11,071,534
-	-	-	830,782	3,669,789
-	190,503	-	4,599,519	5,392,735
4,635	56,877,886	-	217,674	87,376,227
-	-	-	3,224,672	3,224,672
-	3,216,701	-	605,987	3,822,688
-	34,588	-	12,531	47,119
4,635	60,319,678	-	9,491,165	151,495,592
<b>443,172</b>	<b>(58,418,194)</b>	<b>2,634,796</b>	<b>(3,203,133)</b>	<b>(55,420,363)</b>
-	1,883,075	1,734,584	7,272,723	17,884,795
(1,792,992)	-	(1,883,075)	(1,918,318)	(18,288,071)
-	-	-	12,324	67,043
(1,792,992)	1,883,075	(148,491)	5,366,729	(336,233)
<b>(1,349,820)</b>	<b>(56,535,119)</b>	<b>2,486,305</b>	<b>2,163,596</b>	<b>(55,756,596)</b>
1,418,743	60,402,957	-	14,186,375	98,584,816
-	-	5,912,275	(5,912,275)	-
1,418,743	60,402,957	5,912,275	8,274,100	98,584,816
<b>68,923</b>	<b>3,867,838</b>	<b>8,398,580</b>	<b>10,437,696</b>	<b>\$ 42,828,220</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

<b>TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS</b>	<b>\$ (55,756,596)</b>
<p>Amounts reported for the governmental activities in the Statement of Activities are different because of the following:</p>	
Property taxes, sanitation taxes, and business licenses revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. They are considered revenues in the Statement of Activities.	251,226
Repayment of debt principal (excluding internal service funds) is an expenditure in the governmental funds, but the repayment reduces the long-term liabilities in the Statement of Net Position.	3,224,672
Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	(601,879)
Changes in (a) the City's net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City pension plan and (b) the City's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not recorded in the governmental funds but are recorded in the Statement of Net Position.	1,817,409
Changes in the City's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities	5,992
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.	(275,865)
Internal service funds are used by management to charge the costs of medical insurance and replacement of equipment in the individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities in the Statement of Activities.	244,097
In the Statement of Activities the gain or loss on the disposal of capital assets and the transfer of capital assets from governmental activities to enterprise funds are reported, whereas in the governmental funds the proceeds from the sale of assets increase financial resources and the transfers are not reported since capital assets are not considered a current financial resource. Thus, the change in Net Position differs from the change in fund balance by the net book value of the capital disposed/transferred (excluding internal service funds).	(413,083)
Governmental funds report purchases of land for redevelopment/sale as expenditures. However, in the Statement of Activities, these expenditures are recorded as an asset. This is the amount of the cost of the land purchased by the City held for resale in the current period.	942,526
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets that are considered capital asset additions is allocated over their estimated useful lives as depreciation expense. This is the amount by which cash capital asset additions (\$83,735,972) exceeded depreciation expense (\$2,595,761) in the current period (excluding internal service funds).	81,140,211
<b>TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 30,578,710</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.



City of  
**SPARTANBURG**  
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF NET POSITION -  
PROPRIETARY FUNDS

JUNE 30, 2025

	TRANSIT FUND	PARKING FUND
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents	\$ 2,540	1,300
Pooled Cash and Cash Equivalents	-	358,274
Restricted Cash and Cash Equivalents	-	-
Accounts Receivable, Net	627,033	26,815
Current Portion of Lease Receivable	-	-
Other Assets	-	-
Prepays and Inventories	92,920	-
Total Current Assets	<u>722,493</u>	<u>386,389</u>
Non-Current Assets:		
Lease Receivable, Less Current Portion	-	-
Capital Assets:		
Non-Depreciable	179,840	-
Depreciable, Net	2,850,116	12,636,460
Total Non-Current Assets	<u>3,029,956</u>	<u>12,636,460</u>
<b>TOTAL ASSETS</b>	<b><u>3,752,449</u></b>	<b><u>13,022,849</u></b>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred Pension Charges	-	30,105
Deferred Other Postemployment Benefit Charges	-	-
<b>TOTAL DEFERED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>30,105</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	37,464	22,660
Accrued Salaries and Benefits	21,463	3,418
Due to Federal Agency	181,094	-
Retainage Payable	-	-
Customer Deposits	-	38,341
Due To Other Funds	786,860	-
Unearned Revenue	-	17,185
Unclaimed Checks	-	-
Current Portion of Compensated Absences	-	-
Current Portion of Debt	-	-
Total Current Liabilities	<u>1,026,881</u>	<u>81,604</u>
Long-Term Liabilities:		
Promissory Note Payable	-	-
Compensated Absences, Less Current Portion	-	-
Debt, Less Current Portion	-	-
Net Pension Liability	-	161,774
Net Other Postemployment Benefit Liability	-	-
Total Long-Term Liabilities	<u>-</u>	<u>161,774</u>
<b>TOTAL LIABILITIES</b>	<b><u>1,026,881</u></b>	<b><u>243,378</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Credits	-	8,513
Deferred Other Postemployment Benefit Credits	-	-
Deferred Lease Revenue	-	-
<b>TOTAL DEFERED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>8,513</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	3,029,956	12,636,460
Unrestricted	(304,388)	164,603
<b>TOTAL NET POSITION</b>	<b><u>\$ 2,725,568</u></b>	<b><u>12,801,063</u></b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

AIRPORT FUND	STORM WATER FUND	SPARTANBURG RECREATIONAL FACILITIES CORPORATION FUND	TOTALS	TOTAL INTERNAL SERVICE FUNDS
-	-	-	3,840	\$ -
7,612,436	4,811,668	-	12,782,378	-
-	-	512,057	512,057	-
1,316,170	196,749	-	2,166,767	-
27,252	-	-	27,252	-
11,311	-	-	11,311	-
56,583	-	28,932	178,435	1,900,000
9,023,752	5,008,417	540,989	15,682,040	1,900,000
2,075,975	-	-	2,075,975	-
14,748,015	-	2,582,945	17,510,800	8,497
28,086,357	604,939	11,617,869	55,795,741	10,243,611
44,910,347	604,939	14,200,814	75,382,516	10,252,108
<b>53,934,099</b>	<b>5,613,356</b>	<b>14,741,803</b>	<b>91,064,556</b>	<b>12,152,108</b>
125,864	71,646	-	227,615	-
1,594	5,616	-	7,210	-
<b>127,458</b>	<b>77,262</b>	-	<b>234,825</b>	-
1,451,419	391,534	-	1,903,077	10,639
14,754	9,942	-	49,577	-
-	-	-	181,094	-
894,343	-	-	894,343	-
-	-	-	38,341	-
-	-	293,966	1,080,826	-
5,499,932	-	-	5,517,117	-
-	-	-	-	109
12,052	5,443	-	17,495	-
-	-	-	-	1,801,428
7,872,500	406,919	293,966	9,681,870	1,812,176
-	-	15,000,000	15,000,000	-
103,993	53,459	-	157,452	-
-	-	-	-	4,405,137
676,350	384,998	-	1,223,122	-
3,907	21,358	-	25,265	-
784,250	459,815	15,000,000	16,405,839	4,405,137
<b>8,656,750</b>	<b>866,734</b>	<b>15,293,966</b>	<b>26,087,709</b>	<b>6,217,313</b>
35,594	20,260	-	64,367	-
96	3,577	-	3,673	-
2,103,227	-	-	2,103,227	-
<b>2,138,917</b>	<b>23,837</b>	-	<b>2,171,267</b>	-
40,788,392	501,139	75,814	57,031,761	5,945,543
2,477,498	4,298,908	(627,977)	6,008,644	(10,748)
<b>43,265,890</b>	<b>4,800,047</b>	<b>(552,163)</b>	<b>63,040,405</b>	<b>\$ 5,934,795</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -  
 PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2025

	<b>TRANSIT FUND</b>	<b>PARKING FUND</b>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 168,172	570,324
Contributions	-	-
Other Revenues	27	22,579
Sale of Inventory	-	-
<b>TOTAL OPERATING REVENUES</b>	<b>168,199</b>	<b>592,903</b>
<b>OPERATING EXPENSES</b>		
Personal Services	-	640
Depreciation	527,459	857,616
Other Services and Charges	2,053,811	359,082
Claims/Premiums	-	-
Cost of Goods Sold	-	-
Maintenance	-	284,056
<b>TOTAL OPERATING EXPENSES</b>	<b>2,581,270</b>	<b>1,501,394</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,413,071)</b>	<b>(908,491)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Gain (Loss) on Sale of Assets	-	-
Federal and State Grants	1,570,205	-
Interest Expense	-	-
Investment Earnings	-	23,090
Bond Issuance and Bank Fees	-	-
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>1,570,205</b>	<b>23,090</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>(842,866)</b>	<b>(885,401)</b>
Capital Contributions/Grants	-	-
Transfers In	500,000	-
Transfers Out	-	-
<b>CHANGE IN NET POSITION</b>	<b>(342,866)</b>	<b>(885,401)</b>
NET POSITION, Beginning of Year, As Previously Reported	3,249,528	13,686,464
Prior Period Adjustment	(181,094)	-
NET POSITION, Beginning of Year, As Restated	3,068,434	13,686,464
<b>NET POSITION, End of Year</b>	<b>\$ 2,725,568</b>	<b>12,801,063</b>

The notes to the financial statements are an integral part of this statement.  
 See accompanying independent auditor's report.

<b>AIRPORT FUND</b>	<b>STORM WATER FUND</b>	<b>SPARTANBURG RECREATIONAL FACILITIES CORPORATION FUND</b>	<b>TOTALS</b>	<b>TOTAL INTERNAL SERVICE FUNDS</b>
504,652	1,885,124	787,164	3,915,436	\$ 2,035,961
-	-	-	-	4,701,157
(149)	-	-	22,457	311,079
1,703,883	-	-	1,703,883	-
<b>2,208,386</b>	<b>1,885,124</b>	<b>787,164</b>	<b>5,641,776</b>	<b>7,048,197</b>
619,716	332,707	-	953,063	-
1,384,756	65,777	331,806	3,167,414	2,114,937
454,874	1,164,500	38,647	4,070,914	317,826
-	-	-	-	4,962,315
1,208,370	-	-	1,208,370	-
116,331	65,232	-	465,619	-
3,784,047	1,628,216	370,453	9,865,380	7,395,078
<b>(1,575,661)</b>	<b>256,908</b>	<b>416,711</b>	<b>(4,223,604)</b>	<b>(346,881)</b>
-	-	-	-	(93,973)
-	-	-	1,570,205	-
-	-	(183,810)	(183,810)	(252,043)
393,604	313,293	-	729,987	-
-	-	(25,000)	(25,000)	-
393,604	313,293	(208,810)	2,091,382	(346,016)
<b>(1,182,057)</b>	<b>570,201</b>	<b>207,901</b>	<b>(2,132,222)</b>	<b>(692,897)</b>
7,363,861	-	-	7,363,861	-
34,567	-	-	534,567	1,236,994
-	(434,567)	(633,718)	(1,068,285)	(300,000)
<b>6,216,371</b>	<b>135,634</b>	<b>(425,817)</b>	<b>4,697,921</b>	<b>244,097</b>
37,049,519	4,664,413	(126,346)	58,523,578	5,690,698
-	-	-	(181,094)	-
37,049,519	4,664,413	(126,346)	58,342,484	5,690,698
<b>43,265,890</b>	<b>4,800,047</b>	<b>(552,163)</b>	<b>63,040,405</b>	<b>\$ 5,934,795</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF CASH FLOWS -  
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2025

	TRANSIT FUND	PARKING FUND
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Charges for Services	\$ 168,172	588,943
Receipts from Contributions	-	-
Receipts from Sale of Inventory	-	-
Receipts from Other Revenues	27	22,579
Payments for Personal Services	3,373	(3,353)
Payments for Services and Charges	(2,063,458)	(660,007)
Payments for Cost of Goods Sold	-	-
Payments for Claims/Premiums	-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(1,891,886)</u>	<u>(51,838)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>		
Transfers from Other Funds	560,573	-
Transfers to Other Funds	-	-
Non-Operating State and Federal Grants	1,840,864	-
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES	<u>2,401,437</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition of Capital Assets	(511,507)	(21,722)
Capital Grants and Contributions	-	-
Bond, Note, and Debt Principal Payments	-	-
Bond, Note, and Debt Interest Payments	-	-
Bond Issuance and Bank Fees	-	-
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(511,507)</u>	<u>(21,722)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Earnings	-	23,090
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>-</u>	<u>23,090</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(1,956)</b>	<b>(50,470)</b>
CASH AND CASH EQUIVALENTS, Including Restricted and Pooled, Beginning of Year	4,496	410,044
<b>CASH AND CASH EQUIVALENTS, Including Restricted and Pooled, End of Year</b>	<b>\$ 2,540</b>	<b>359,574</b>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:		
Operating Income (Loss)	\$ (2,413,071)	(908,491)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:		
Depreciation Expense	527,459	857,616
Change in Accounts Representing Operating Activities:		
Accounts Receivable	-	(699)
Lease Receivable	-	-
Other Assets	-	-
Prepays and Inventories	(11,941)	-
Deferred Pension Charges	-	(1,353)
Deferred OPEB Charges	-	-
Accounts Payable/Deposits Payable	2,294	(16,869)
Accrued Salaries and Benefits	3,373	3,418
Customer Deposits	-	9,499
Compensated Absences	-	-
Unearned Revenue	-	9,819
Net Pension Liability	-	(9,320)
Net OPEB Liability	-	-
Deferred Pension Credits	-	4,542
Deferred OPEB Credits	-	-
Deferred Lease Revenue	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ (1,891,886)</u>	<u>(51,838)</u>
Noncash Investing, Capital and Financing Activities:		
Change in Acquisition of Capital Assets Not Yet Paid For	\$ -	-

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

AIRPORT FUND	STORM WATER FUND	SPARTANBURG RECREATIONAL FACILITIES CORPORATION	TOTALS	TOTAL INTERNAL SERVICE FUNDS
504,652	1,854,316	787,164	3,903,247	\$ 2,035,961
-	-	-	-	4,701,157
1,703,883	-	-	1,703,883	-
(149)	-	-	22,457	311,079
(611,789)	(382,415)	-	(994,184)	-
(675,662)	(886,882)	(38,647)	(4,324,656)	(316,298)
(1,157,120)	-	(1,285)	(1,158,405)	-
-	-	-	-	(4,962,315)
(236,185)	585,019	747,232	(847,658)	1,769,584
34,567	-	-	595,140	(300,000)
-	(434,567)	(593,786)	(1,028,353)	1,236,994
-	-	-	1,840,864	-
34,567	(434,567)	(593,786)	1,407,651	936,994
(7,430,397)	(496,429)	-	(8,460,055)	(1,966,506)
9,358,020	-	-	9,358,020	-
-	-	-	-	(2,096,855)
-	-	(183,810)	(183,810)	(252,043)
-	-	(25,000)	(25,000)	-
1,927,623	(496,429)	(208,810)	689,155	(4,315,404)
393,604	313,293	-	729,987	-
393,604	313,293	-	729,987	-
<b>2,119,609</b>	<b>(32,684)</b>	<b>(55,364)</b>	<b>1,979,135</b>	<b>(1,608,826)</b>
5,492,827	4,844,352	567,421	11,319,140	1,608,826
<b>7,612,436</b>	<b>4,811,668</b>	<b>512,057</b>	<b>13,298,275</b>	<b>\$ -</b>
(1,575,661)	256,908	416,711	(4,223,604)	\$ (346,881)
1,384,756	65,777	331,806	3,167,414	2,114,937
-	(30,808)	-	(31,507)	-
26,614	-	-	26,614	-
461	-	-	461	-
51,250	-	(1,285)	38,024	-
(9,117)	3,959	-	(6,511)	-
1,462	865	-	2,327	-
(104,918)	342,850	-	223,357	1,528
1,930	2,897	-	11,618	-
-	-	-	9,499	-
15,538	(583)	-	14,955	-
-	-	-	9,819	-
(18,377)	(64,902)	-	(92,599)	-
(2,212)	(1,309)	-	(3,521)	-
19,468	9,817	-	33,827	-
(765)	(452)	-	(1,217)	-
(26,614)	-	-	(26,614)	-
(236,185)	585,019	747,232	(847,658)	\$ 1,769,584
264,503	-	-	264,503	\$ (396,464)

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF NET POSITION -  
FIDUCIARY FUNDS

JUNE 30, 2025

	<b>PENSION TRUST FUND</b>	<b>CUSTODIAL FUND</b>
	General Employees' Fund	Spartanburg Development Corporation
<b>ASSETS</b>		
Pooled Cash and Cash Equivalents	\$ -	\$ 416,857
Restricted Cash and Cash Equivalents	-	204,272
Restricted Investments:		
Money Market Mutual Funds	48,997	-
US Securities	785,763	-
Agency Securities	796,854	-
Corporate Bonds	651,760	-
Receivables	17,793	11,159,186
Other Assets	-	131,000
<b>TOTAL ASSETS</b>	<b>\$ 2,301,167</b>	<b>\$ 11,911,315</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ -	\$ 1,650
Note Payable	-	526,781
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>528,431</b>
<b>NET POSITION</b>		
Restricted for Pensions	2,301,167	-
Restricted for Spartanburg Development Corporation	-	11,382,884
<b>TOTAL NET POSITION</b>	<b>\$ 2,301,167</b>	<b>\$ 11,382,884</b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF CHANGES IN NET POSITION -  
FIDUCIARY FUNDS

YEAR ENDED JUNE 30, 2025

	<b>PENSION TRUST FUND</b>	<b>CUSTODIAL FUND</b>
	General Employees' Fund	Spartanburg Development Corporation
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 800,000	\$ -
Total Contributions	<u>800,000</u>	<u>-</u>
Investment Income:		
Interest	59,497	145,080
Realized and Unrealized Appreciation in Fair Value of Investments	103,856	14,000
Total Investment Earnings	<u>163,353</u>	<u>159,080</u>
Loan Guarantee Revenue (Expense)	<u>-</u>	<u>(27,054)</u>
<b>TOTAL ADDITIONS ALL SOURCES</b>	<b><u>963,353</u></b>	<b><u>132,026</u></b>
<b>DEDUCTIONS</b>		
Pension Benefits	858,752	-
Administrative Expenses	51,537	19,629
Community and Development Program Expenses	-	(92,500)
Interest and Settlement Payments	-	116,538
<b>TOTAL DEDUCTIONS</b>	<u>910,289</u>	<u>43,667</u>
<b>CHANGE IN NET POSITION</b>	<b>53,064</b>	<b>88,359</b>
NET POSITION, Beginning of Year	<u>2,248,103</u>	<u>11,294,525</u>
<b>NET POSITION, End of Year</b>	<b><u>\$ 2,301,167</u></b>	<b><u>\$ 11,382,884</u></b>

The notes to the financial statements are an integral part of this statement.  
See accompanying independent auditor's report.

# CITY OF SPARTANBURG, SOUTH CAROLINA

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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The City of Spartanburg, South Carolina (the “City”) embraces an area of approximately 20 square miles. Chartered as a town in 1831, the City has grown into a cultural, educational, recreational, and transportation center for the upstate of South Carolina. It serves approximately 40,000 residents and over 400,000 residents in the Greater Spartanburg area. The governing body of the City is a council-manager form of government. The mayor and six members of council (“City Council”) establish policy for the City. Administrative functions are directed by the City Manager.

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. The Reporting Entity

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America, (“GAAP”), as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

As required by GAAP, the financial statements present the City’s financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the City both appoints a voting majority of the entity’s governing body, and either 1) the City is able to impose its will on the entity or, 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the City. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the City and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the City.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the City having the authority to approve or modify that budget; (b) levy taxes or set rates or charges without approval by the City; and (c) issue bonded debt without approval by the City. An entity has a financial benefit or burden relationship with the City if, for example, any one of the following conditions exists: (a) the City is legally entitled to or can otherwise access the entity’s resources, (b) the City is legally obligated or has otherwise assumed the obligation to finance the deficits or, or provide financial support to, the entity, or (c) the City is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the City’s financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the City. Based on the criteria above, the City has three blended component units.

#### **Blended Component Units**

##### **Spartanburg Recreational Facilities Corporation**

The Spartanburg Recreational Facilities Corporation (“SRFC”) is a blended component unit (major enterprise fund) of the City. The SRFC is a South Carolina non-profit corporation organized in December 2008 primarily to assist the City by constructing, owning, operating, leasing and managing the T.K. Gregg Community Center (“Recreational Project”). The Recreational Project is expected to qualify for new market tax credits (“NMTC”) permitted by Internal Revenue Code Section 45D. The SRFC was recognized as a tax-exempt, 501(c)(3) not-for-profit organization. The SRFC’s board of directors initially consisted of four members and were comprised of the following individuals: (a) City Manager of the City, (b) Assistant City Manager of the City, (c) Finance Director of the City, and (d) Community Services Director of the City. The number of directors may be increased or decreased, and the positions held by persons comprising the directors may be modified from time to time by resolution of the City Council. Directors may be removed at any time with or without cause by the City Council of the City and shall appoint a new member of the board of directors to fill such vacancy. Currently, the board has three members. Separate financial statements are prepared and are available at the offices of SRFC, Attention: Finance Division, P.O. Box Drawer 1749, and 295 E Main Street, Spartanburg, SC 29302.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. The Reporting Entity (Continued)

**Blended Component Units (Continued)**

**Downtown Development Committee Nonprofit Corporation**

The Downtown Development Committee Nonprofit Corporation (“DDCNC”) is a blended component unit (non-major special revenue fund) of the City. The DDCNC is a South Carolina non-profit corporation organized in June 2020 to assist the City and the Downtown Partnership Committee by acquiring, selling, donating, contributing, owning, operating, leasing or managing, of real property and improvements thereon, including, but not limited to, parking facilities, for the use and benefit of the City and its citizens. The DDCNC was recognized as a tax-exempt, 501(c)(3) not-for-profit organization. The DDCNC’s board of directors consist of five members with two members from Spartanburg County (“County”) and three members from the Council of the City. Even though the board is split between the City and County, the DDCNC purpose is to provide services and benefits entirely, or almost entirely, for the City. Separate financial statements are not issued.

**Spartanburg Stadium Facilities Corporation**

The Spartanburg Stadium Facilities Corporation (“SSFC”) is a blended component unit (major special revenue fund) of the City. The SSFC is a South Carolina non-profit corporation organized in April 2024 to assist the City with the development of the baseball stadium by acquiring, selling, donating, contributing, owning, operating, leasing or managing, of real property and improvements thereon, for the use and benefit of the City and its citizens (“Baseball Stadium Project”). SSFC issued Installment Purchase Revenue Bonds in June 2024 (see Note III.D Long-Term Obligations for more details) to help finance/fund (a) a portion of the Baseball Stadium Project, (b) deposits related to the base lease rent, (c) capitalized interest, and (d) bond issuance costs. The City, SSFC, and the baseball stadium developer entered into numerous agreements to effectuate this project (See Note IV.A *Baseball Stadium Project Agreements* for more details). The SSFC was recognized as a tax-exempt, 501(c)(3) not-for-profit organization. The SSFC’s board of directors consist of three members. One member shall be the City Manager of the City (or an alternate appointment), one member shall be the Administrator of the County of Spartanburg (or an alternate appointment), and one member shall be the Director of Finance and Budget of the City (or an alternate appointment). Even though the board is split between the City and County, the SSFC purpose is to provide services and benefits entirely, or almost entirely, for the City. Separate financial statements are not issued.

**Related Organizations**

The City Council has various responsibilities with the following organizations of either appointing a limited number of board members to the organizations listed below or ministerial approval of certain transactions. The City does not believe that any of the following organizations are fiscally dependent upon the City and thus these organizations are not considered component units as defined by GAAP:

Aden Warehouses Corporation  
Northside Development Corporation  
Spartanburg Development Corporation  
Spartanburg Housing Authority  
Spartanburg Water System

***Major Operations***

The City’s major governmental operations include policy formulation and administration, public safety (police and fire), parks, recreation and special events, economic and community development, public services, finance and administrative services, and operating activities. In addition, the City operates five enterprise funds consisting of Transit, Parking, Airport, Storm Water, and the SRFC.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

*Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities* which rely, to a significant extent, on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Proprietary Fund and Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the City (the primary government). For the most part, the effect of interfund activity (except for interfund services provided and used between functions) has been removed from these statements in the process of consolidation.

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the governmental fund financial statements.

**Governmental fund financial statements** are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers its revenues to be available if they are generally collected within 60 days of the end of the current fiscal period with the exception of certain reimbursement expenditure grants for which a twelve-month availability period is generally used. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, permits, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the City.

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

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

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The following fund types and major funds are used by the City.

**Governmental fund types** are those through which most governmental functions of the City are financed. The City's expendable financial resources and related assets and liabilities (except for those accounted for in the Proprietary funds) are accounted for through governmental funds. Governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Following are the City's governmental major and nonmajor governmental fund types:

The **General Fund, a major fund**, is the general operating fund of the City and accounts for all revenues and expenditures of the City, except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to other funds are accounted for in the General Fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. This is a budgeted fund, and any unreserved fund balance is generally considered a resource available for use.

The **Capital Projects Fund, a major fund** and an unbudgeted fund, is used to account for financial resources expended for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and certain Special Revenue Funds). These funds are also used to carry on specified ongoing major improvement projects or major equipment acquisitions usually spanning more than one fiscal year. Projects for this fund are designated by City officials. Budgets for capital projects are approved on a project-by-project basis and not on an annual or biennial basis.

The **Hospitality Tax Fund, a major special revenue fund** and a budgeted fund, is used to account for hospitality tax revenue paid for by businesses within City limits.

The **ARPA Fund, a major special revenue fund** and an unbudgeted fund, is used to account for the revenue and related activities associated with the American Rescue Plan Act ("ARPA") stimulus grants.

The **Spartanburg Stadium Facilities Corporation Fund, a major special revenue fund** and an unbudgeted fund, is used to account for the activities of the City's blended component unit SSFC (see Note I.A Blended Component Units for more details) and the Baseball Stadium Project.

The **Stadium Revenue Fund, a major special revenue fund** and a budgeted fund, is used to account for revenues collected by the City that will be used for base rent payments to the SSFC Fund (related to the Baseball Stadium Project).

The **Other Special Revenue Funds, non-major funds**, and in general unbudgeted funds, are used to account for the proceeds of designated specific revenue sources that are restricted to expenditures for specified purposes. Special revenue funds that exist solely for the management of grants contain budgets that are incorporated into the grant agreements which are approved by the City Manager.

The **Debt Service Funds, non-major funds**, are used to account for the accumulation of resources for, and payment of, long-term debt principal, interest, and related costs for the City.

**Proprietary fund types** are accounted for based on the flow of economic resources measurement focus and use of the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are primarily charges for services and sales of inventory.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)**

Operating expenses for the enterprise funds include the cost of sales, administrative expenses, maintenance, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Proprietary Fund types include the following funds:

*Enterprise Funds* are used to account for operations: (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City has the following Enterprise Funds:

- The **Transit Fund** is used to account for the local fixed-route public transportation system.
- The **Parking Fund** is used to account for the City’s parking garage system.
- The **Airport Fund** is used to account for the City’s downtown airport activities.
- The **Storm Water Fund** is used to account for the City’s storm water activities.
- The **Spartanburg Recreational Facilities Corporation Fund** is used to account for the activities of the City’s blended component unit (see Note I.A Blended Component Units for more details) and the Recreational Project.

*Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has the following Internal Service Funds:

- The **Equipment Replacement Fund** is used to account for the funding of the estimated amounts to replace the moveable City equipment used in day to day operations.
- The **Medical Insurance Trust Fund** is used to account for the collection of medical insurance premiums and payment of medical claims under the City’s health insurance plan.

For the government-wide financial statements, the doubling up effect of internal service activity has been eliminated. Remaining financial activities that are not eliminated are reported in the governmental activities column of the government-wide statements.

*Fiduciary Fund Types* include the *Pension Trust Fund* and the *Custodial Fund*. These funds are used to account for assets held by the City in a trustee capacity for individuals, other governments, and/or other funds and are accounted for in essentially the same manner as Proprietary Funds. Pension Trust funds account for resources that are required to be held in trust for the members and beneficiaries of defined benefit plans. The General Employees’ Fund is used to account for the City’s single-employer defined benefit retirement plan. Custodial funds are generally used to account for miscellaneous assets that the government holds on behalf of others. The Spartanburg Development Corporation Fund is used to account for money that is held by a related entity for which the City administers.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity**

***1. Cash, Cash Equivalents, and Investments***

The City considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased and money market mutual funds to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) and other non-money market mutual funds are reported as investments. The City's operating cash and investment policy is designed to operate within existing statutes (which are identical for all non-fiduciary funds, fund types and component units within the State of South Carolina). The statutes of the State of South Carolina authorize the City to invest in the following:

- (a) Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, 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 investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- (e) Certificates of deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a fair value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The City's cash investment objectives are preservation of capital, liquidity, and yield. The City reports its cash and investments at fair value which is normally determined by quoted market prices. The City currently or in the past year has used the following investments in its non-fiduciary activities:

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

- Money market mutual funds (“MMMF”) are generally open-ended funds that invest in short term debt securities (including obligations of the United States and related agencies) that generally have a weighted average maturity of 60 days or less and do not invest more than 5% in any one issuer, except for government securities and repurchase agreements.
- Agency securities are generally backed by mortgage loans, and due to their creation from particular corporations that are sponsored by the U.S. government, they enjoy credit protection based on either an implicit or explicit guarantee from the U.S. Government.
- US securities are generally treasury notes, treasury bonds, treasury bills, and related securities which are debt obligations of the U.S. government (lending money to the federal government for a specified period of time). These debt obligations are backed by the “full faith and credit” of the government, and thus by its ability to raise tax revenues and print currency, U.S. Treasury securities are considered the safest of all investments.
- Corporate obligations consist of fixed income securities that include domestic bonds, collateralized mortgage obligation securities, and international fixed income bonds. These corporate obligations are issued by corporations in order to raise financing for various business reasons. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations.
- South Carolina Local Government Investment Pool (“LGIP” or “Pool”) investments are invested with the South Carolina State Treasurer’s Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under the custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statement No. 31 “*Accounting and Financial Reporting for Certain Investments and for External Investment Pools*” and GASB Statement No. 72 “*Fair Value Measurement and Application*”, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn upon 24 hours’ notice. Financial statements for the Pool may be obtained by writing the Office of State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

2. Receivables and Payables

During the course of its operations, the City has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Operating subsidies are also recorded as transfers. City management determines the classification of amounts recorded as subsidies or advances. To the extent that certain transactions between funds would not be paid or received as of a year end, interfund amounts or payables would be recorded. Internal service funds are used to record charges to all City departments as operating revenue. All City funds record these payments to the internal service funds as operating expenditures or expenses. The City uses the pooling of cash method of accounting whereby the General Fund makes all receipts and disbursements for the other funds.

All trade and property taxes receivable are shown net of an allowance for uncollectible amounts. Trade receivables are comprised of amounts due from entities and individuals for a variety of types of fees, charges and services, including franchise fees, hospitality fees, sanitation, water, sewer, storm water, and other fees and charges. Lease receivables are comprised of amounts due from lessees and are recorded at the net present value of future lease payments.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

3. Inventories and Prepaid Items

Inventory items consist primarily of automotive parts, airplane parts, and supplies and are stated at cost (first-in, first-out method). Perpetual inventory records are maintained and are adjusted annually to a physical count as of June 30. For governmental and proprietary funds, inventories are reported using the consumption method.

Prepaid items in the proprietary funds are recorded using the consumption method (expensed as used). Prepaid items in the governmental funds are generally accounted for using the purchase method (expenditure when paid). If significant amounts of prepaid items exist in the governmental funds, the City records these amounts in the balance sheet.

4. Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position, but are not reported in the fund financial statements. Capital assets utilized by the Proprietary Funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the respective fund financial statements.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated acquisition value on the date donated. Public domain (“infrastructure”) general capital assets acquired prior to July 1, 2002, consisting of roads, bridges, curbs and gutters, streets, and sidewalks, drainage systems, and lighting systems that were acquired or that received substantial improvements subsequent to July 1, 1980, are reported at estimated historical cost using deflated replacement cost.

Capital assets also include right-to-use intangible assets for lease or subscription-based information technology arrangements (“SBITAs”). Leases or SBITAs are amortized over the shorter of the lease/agreement term or the useful life of the underlying asset. Amortization of these right-to-use intangible assets is included in depreciation expense.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets’ lives are not capitalized. The City generally maintains a capitalization threshold of \$5,000 except for land improvements and certain infrastructure which have a capitalization threshold of \$100,000. The City generally maintains a group purchase threshold of \$150,000 for governmental activities and \$50,000 for proprietary fund activities (except for the Transit Fund which will use a \$5,000 threshold). Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Machinery, Equipment, and Furniture	3-10 years	3-10 years
Vehicles	5-20 years	5-20 years
Buildings and Improvements	20-40 years	20-40 years
Sewer Lines and Storm Drains	75 years	75 years
Roads and Streets	25 years	N/A
Bridges and Sidewalks	50 years	N/A
Traffic Signals	15 years	N/A

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

**5. *Compensated Absences***

The City provides general leave to its employee at a rate of one and one-half days per month. Additional days are earned based upon longevity in excess of five years. The City's general leave policy allows accumulation of up to 90 days for unused general leave at the end of each year ending December 31. General leave can be used for vacation, personal or family illness, funerals, and similar needs. Employees terminating or retiring are paid for accumulated general leave based on their hourly rate of pay earned at the time of termination or retirement. Any general leave above 90 days is rolled into a sick leave bank for each employee. Sick leave can only be used for a valid illness and will not be paid out at termination or retirement.

The City reports compensated absences in accordance with the provisions of GASB Statement No. 101 "*Compensated Absences*." The entire compensated absence liability and expense is reported on the government-wide financial statements and the proprietary funds statement of net position. In addition, compensated absences are reported in governmental funds only if they have matured (unused reimbursable leave is still outstanding following an employee's resignation or retirement notice has been made before year end). The City estimates what will be paid out related to its compensated absences liability based on a last-in first-out basis. The City reflects changes to its compensated absences liability each year on a net basis on its long-term obligation rollforward.

**6. *Accrued Liabilities and Long-Term Obligations***

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements. Debt premiums and discounts are deferred and amortized over the life of the debt using the straight-line method (as it approximates the effective interest method) if material. Debt is reported net of applicable premiums and discounts. Issuance costs are expensed when incurred.

In the governmental fund financial statements, debt premiums, discounts, and issuance costs are recognized immediately. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

In general, payables 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 financial resources. However, claims and judgments, debt, leases, compensated absences, contractually required pension contributions, special termination benefits and other related long-term liabilities that will eventually be paid from governmental funds are not reported as a liability in the fund financial statements until due and payable.

**7. *Deferred Outflows/Inflows of Resources***

In addition to assets, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City currently has two types of deferred outflows of resources: (1) The City reports deferred pension charges in its Statement of Net Position in connection with the City's single-employer defined benefit pension plan ("City Pension Plan") and its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System ("State Retirement Plans" or "Plans"). (2) The City reports deferred other postemployment benefit ("OPEB") charges in its Statement of Net Position in connection with the City's OPEB plan ("OPEB Plan"). The deferred pension and OPEB charges are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. *Deferred Outflows/Inflows of Resources (Continued)*

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has four types of deferred inflows of resources: (1) The City reports unavailable revenue (property taxes, sanitation fees, business licenses, and notes receivable) only in the governmental funds Balance Sheet; these items are deferred and recognized as an inflow of resources in the period the amounts become available. (2) The City reports *deferred lease revenue* on the proprietary funds and government-wide Statements of Net Position; it is amortized in a systematic and rational method and recognized as an inflow of resources in future periods. (3) The City also reports deferred pension credits in its Statements of Net Position in connection with the City Pension Plan and its participation in the State Retirement Plans. (4) The City reports deferred OPEB credits in its Statement of Net Position in connection with the City OPEB Plan. The deferred pension and OPEB credits are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

8. *Fund Balance*

In accordance with GAAP, the City classifies governmental fund balances as follows:

**Nonspendable** – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaids, inventories, long-term portions of loans receivable, etc.) or because of legal or contractual requirements (i.e., principal on an endowment, etc.).

**Restricted** – includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that are constrained for specific purposes that are internally imposed by the government through a resolution made by the City Council, which is the highest level of decision making authority, before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted nor committed; in addition, such assignments are made before the report issuance date. The City Council has formally granted the City Manager, Assistant City Manager, or Director of Finance and Budget the authority to make assignments of fund balance for the City.

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The City generally uses restricted amounts first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the City generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

**9. Net Position**

Net Position represents the difference between assets, deferred outflows or resources, liabilities and 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, which has not been spent, is included in the same Net Position component as the unspent proceeds. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**10. Pensions and OPEB**

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.D and Note IV.E and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The City recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the City's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the City's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a multi-year period beginning with the year in which the difference occurred.

**11. Fair Value**

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City can access at the measurement date.
- Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1, that are observable for an asset or liability either directly or indirectly and include:
  - Quoted prices for similar assets and liabilities in active markets.
  - Quoted prices for identical or similar assets or liabilities in inactive markets.
  - Inputs other than quoted market prices that are observable for the asset or liability.
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:
  - Fair value is often based on developed models in which there are few, if any, observable inputs.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)**

*11. Fair Value (Continued)*

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The City believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

*12. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the General Fund during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes encumbrances and unused expenditure appropriations lapse at year end.

*13. Accounting Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

*14. Comparative Data*

Comparative data (i.e. presentation of prior year totals by fund type) has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

The City utilizes the following procedures in establishing the budgetary data reflected in the financial statements:

Prior to June 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them for the General Fund and certain Special Revenue Funds.

Public meetings are conducted to obtain taxpayer comments. A target date in June is set for legal enactment of the budget through passage of an ordinance. After the City completes the formal budget process, the City prepares and issues a budget report. This report includes all budgeted funds. The City adopts its budgets annually.

The budget is administered by the City Manager, who is authorized by the City Council. The manager is authorized to transfer appropriated funds within and between departments, funds, and agencies of the City, as may be necessary, to achieve the budget objectives set by City Council. The City Manager is authorized to make emergency expenditures from budgeted non-departmental monies for general purposes in an amount not to exceed ten thousand (\$10,000) dollars per expenditure; provided, however, the item is reported to City Council in writing no later than the following regularly scheduled meeting of council.

Revisions that alter the total budgeted expenditures of the City as a whole must be approved by City Council. There were no revisions to the General Fund expenditure budget in the current year. The level at which expenditures may not legally exceed appropriations is the original budgeted amount. At year end, unencumbered balances of appropriations lapse into the unappropriated fund balance of the General Fund.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgetary Information (Continued)

Budgets are adopted on a GAAP basis. Formal budgetary integration is employed as a management control device for the General Fund, Hospitality Tax Fund, and Stadium Revenue Fund and certain other non-major Special Revenue Funds (Federal Home Program, Victims Assistance, Accommodations Tax Fund, and Community Development). As noted earlier, only the City Manager may move funds between departments because it is at the departmental level that fiscal responsibility for budgets is enforced as a management tool.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

*Deposits*

**Custodial Credit Risk for Deposits:** Custodial credit risk for deposits is the risk that, in the event of a bank failure, the City’s deposits might not be recovered. The City does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025, approximately \$262,000 of the City’s non-pension trust fund bank balances of approximately \$4,558,000 (with a book balance of approximately \$3,524,000) were exposed to custodial risk as they were uninsured and uncollateralized. These uninsured and uncollateralized deposits relate to the SRFC enterprise fund, as this nonprofit is not required by state law to collateralize deposits.

*Investments*

As of June 30, 2025, the City’s non-pension trust fund investment portfolio consisted of:

Investment Type	Fair Value Levels (1)	Credit Rating ^	Fair Value	Weighted Average Maturity < 1 year
State Local Government Investment Pool	N/A	NR,NR,NR	\$ 57,338,382	\$ 57,338,382
Money Market Mutual Funds	Level 1	AAAm, Aaa-mf, AAmmf	241,360	241,360
Total Primary Government			\$ 57,579,742	\$ 57,579,742

^ If available, credit ratings are for Standard & Poor’s, Moody’s Investors Service, and Fitch Ratings.

(1) See Note I.C.11 for details of the City’s fair value hierarchy.

NR – Not rated.

N/A - Not applicable or not available.

**Interest Rate Risk:** The City does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

**Custodial Credit Risk for Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025, none of the City’s investments were exposed to custodial credit risk.

**Credit Risk for Investments:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

**Concentration of Credit Risk for Investments:** The City places no limit on the amount it may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are exempt from concentration of credit risk disclosures.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

*Pension Trust Fund Cash, Cash Equivalents, and Investments*

City Council established the Retirement Committee (“Committee”) and designated it to supervise the investment of the resources in the City’s Pension Plan. Decisions regarding the changes to investment and policies may only be enacted by majority vote of the Committee. The Committee developed an Investment Policy Statement (“Policy”) to establish investment objectives and guidelines for the Pension Plan.

The goal of the City’s Pension Plan is to provide employees of the City with a vehicle for retirement savings and, if possible, to provide for cost of living increases through the investment process. The Pension Plan is intended to meet the investment needs of a diverse employee group by offering a range of investments. In order to best meet the investment needs of the Pension Plan, the Pension Plan will invest in multiple asset classes. The Committee believes that using multiple investment managers and alternative asset classes will improve the return on investment and reduce volatility. The Pension Plan’s investment policy finds that the following target mixture of asset classes will produce the desired performance at acceptable fluctuation levels over time.

**Pension Plan Risk Profile:** Because the Pension Plan has an extremely conservative risk tolerance, we expect the investment manager(s) to follow these guidelines (a) buy only investment grade bonds, (b) have no more than 15% in corporate bonds, (c) have no more than 15% in international bonds, and (d) have no more than 5% exposure to any one issuer.

*Deposits*

**Custodial Credit Risk for Pension Trust Deposits:** Custodial credit risk for pension trust deposits is the risk that, in the event of a bank failure, the City Pension Trust deposits might not be recovered. As of June 30, 2025, the City’s Pension Plan did not have any deposit balances.

*Investments*

The Pension Plan portfolio (reported at fair value) at June 30, 2025 is as shown in the following table:

Investment Type	Fair Value Levels (1)	Credit Rating ^	Fair Value	Weighted Average Maturity			
				< 1 Year	1 - 3 Years	3 - 5 Years	> 5 Years
MMMF	Level 1	AAAm, Aaa-mf, NR	\$ 48,997	48,997	-	-	\$ -
US Securities	Level 1	*	785,763	105,656	224,660	214,560	240,887
Agency Securities	Level 2	AA+, Aa1, AA+	796,854	1,592	-	-	795,262
Corporate Bonds	Level 2	(2)	651,760	-	34,482	369,379	247,899
Total Pension Trust			<u>\$ 2,283,374</u>	<u>156,245</u>	<u>259,142</u>	<u>583,939</u>	<u>\$ 1,284,048</u>

^ If available, credit ratings are for Standard & Poor’s, Moody’s Investors Service and Fitch Ratings.

\* U.S. Securities are not considered to have credit risk and thus credit ratings have not been provided.

(1) See Note I.C.11 for details of the City’s fair value hierarchy.

(2) Credit ratings range from BBB to AA, BAA1 to A3, N/A.

NR – Not rated.

**Pension Trust Interest Rate Risk:** The Pension Plan’s goal is to maximize investment income without unduly jeopardizing the safety and liquidity of funds. The Pension Plan does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

**Custodial Credit Risk for Pension Trust Investments:** Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Pension Plan does not have an investment policy for custodial credit risk. As of June 30, 2025, none of the Pension Plan’s investments were exposed to custodial credit risk.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

A. Deposits and Investments (Continued)

*Pension Trust Fund Cash, Cash Equivalents, and Investments (Continued)*

**Credit Risk for Pension Trust Investments:** Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Pension Plan does not have an investment policy for credit risk.

**Concentration of Credit Risk for Pension Trust Investments:** The Pension Plan places no limit on the amount it may invest in any one issuer. The Pension Plan had approximately 16% and 19% of its investments with the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac), respectively, at June 30, 2025. Investments issued or explicitly guaranteed by the U.S government and investments in mutual funds are excluded from this disclosure requirement.

B. Receivables and Unavailable, Deferred, and Unearned Revenues

**Property Taxes Receivables and Loan Receivables**

Property tax for the City is levied by the County each fall on the assessed valuation of property located in the City as of the preceding January 1. Property taxes are generally levied in September. The first penalty, calculated at fifteen percent, is applicable to payments made after the original January 15<sup>th</sup> property tax due date. Property taxes attach as an enforceable lien on January 1<sup>st</sup> and are considered delinquent if not paid by March 15<sup>th</sup>.

Assessed values for real estate are established annually by the County Tax Assessor at 4% of market value for legal residence and 6% of market value for rental and other real property. Assessed values for personal property are established by the County Auditor at 10.5% of market value, which was determined by the South Carolina Department of Revenue. Real and personal property (including merchant's inventory) for the 2024 tax levy was assessed at approximately \$210,638,000 (\$206,192,000 in the prior year). The City's operating tax rate is currently 103.2 mills (same as the prior year). The County bills and collects the City's property taxes. The City had outstanding property taxes receivable of \$1,745,000, \$68,000, and \$13,000 (which is net of an allowance for uncollectibles of approximately \$582,000, \$8,000, and \$4,000 respectively) for general operations, its DDCNC, and for its tax increment district, respectively, at June 30, 2025.

The City has outstanding mortgage and commercial loans receivables of approximately \$120,000 as of June 30, 2025.

The City also has an outstanding note receivable of \$3,000,000 as of June 30, 2025 due to an agreement with Northside Development Corporation ("NDC"). The City issued a \$3,000,000 HUD 108 Loan in March 2019. Proceeds from this loan were provided to NDC for a development project for a 90-unit mixed income apartment development. NDC is scheduled to pay the loan receivable balance by fiscal year 2027.

**Lease Receivable and Deferred Lease Revenue**

The City entered into a hangar and fueling facility lease with a tenant for the construction and use of a hangar and other leased property at the City's airport. The lease had an initial term of 20 years with four (4) five-year options beginning in September 2012. Monthly lease payments for the hangar are currently approximately \$3,800 with annual payments for the fueling facility of approximately \$20,000. The monthly lease payments for the hangar are indexed after the first ten years of the lease every five years and will reach approximately \$9,500 in the final five-year option period.

The City implemented GASB Statement No. 87 "Leases" ("GASB #87") for the year ended June 30, 2022, using future lease payments to be received to measure the lease receivable. In addition, the lease receivable was discounted to a net present value using a 2.4% interest rate, a reasonable incremental borrowing rate for the City at the inception of the lease. At June 30, 2025, the City reported a lease receivable and a corresponding deferred lease revenue of approximately \$2,103,000 as required by GASB# 87. The City is amortizing the deferred lease revenue over the life of the full lease term.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Receivables and Unavailable, Deferred, and Unearned Revenues (Continued)

Lease Receivable and Deferred Lease Revenue (Continued)

For the year ended June 30, 2025, the City received approximately \$77,000 from the tenant, consisting of \$26,000 in lease principal revenue and approximately \$51,000 in lease interest revenue. Future lease payments due to the City under the agreement are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 27,252	49,876	\$ 77,128
2027	27,905	49,223	77,128
2028	37,211	48,486	85,697
2029	41,017	47,536	88,553
2030	42,001	46,553	88,554
2031-2035	258,047	216,139	474,186
2036-2040	351,135	180,180	531,315
2041-2045	455,962	132,480	588,442
2046-2050	574,010	71,560	645,570
2051-2055	288,687	8,387	297,074
Totals	\$ 2,103,227	850,420	\$ 2,953,647

Unavailable, Deferred, and Unearned Revenues

Governmental funds report as deferred/unearned revenues (a) revenues that are not considered to be available to liquidate liabilities (unavailable revenue), (b) revenues that have been received but are intended to finance future periods (deferred revenue), and (c) revenues received in advance that have not been earned (unearned revenue).

As of June 30, 2025, the City had the following unavailable, deferred, and unearned revenues in its governmental funds:

Description	Category	Amount
Property Taxes, Sanitation Fees, Business Licenses, and Other (General, DDCNC, and TIF Funds)	Unavailable	\$ 2,268,543
Mortgage and Loan Receivables (Special Revenue Funds)	Unavailable	110,299
Unused Stimulus Grants (ARPA Fund)	Unearned	5,027,001
Other Unearned Revenue (General Fund, Capital Projects Fund, and Special Revenue Funds)	Unearned	4,034,002
Total		\$ 11,439,845

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

C. Capital Assets

Capital asset activity for the City’s governmental activities for the year ended June 30, 2025, was as follows:

<b>Governmental Activities:</b>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Capital Assets, Non-Depreciable</b>					
Land	\$ 33,359,566	2,050,000	-	-	\$ 35,409,566
Construction In Progress ("CIP")	51,553,972	80,568,559	(555,916)	(126,281,407)	5,285,208
<b>Total Capital Assets, Non-Depreciable</b>	<b>84,913,538</b>	<b>82,618,559</b>	<b>(555,916)</b>	<b>(126,281,407)</b>	<b>40,694,774</b>
<b>Capital Assets, Depreciable</b>					
Buildings and Improvements	48,988,495	72,750	-	126,281,407	175,342,652
Infrastructure	49,673,796	-	-	-	49,673,796
Machinery and Equipment	9,441,994	2,082,265	(89,491)	-	11,434,768
Vehicles	26,320,046	532,440	(726,195)	66,220	26,192,511
Furniture and Fixtures	282,576	-	-	-	282,576
Right-to-Use Assets - SBITA	3,246,802	-	(2,414,014)	-	832,788
<b>Total Capital Assets, Depreciable</b>	<b>137,953,709</b>	<b>2,687,455</b>	<b>(3,229,700)</b>	<b>126,347,627</b>	<b>263,759,091</b>
<b>Less: Accumulated Depreciation for:</b>					
Buildings and Improvements	18,761,224	1,526,257	-	-	20,287,481
Infrastructure	40,520,091	452,245	-	-	40,972,336
Machinery and Equipment	7,198,514	698,789	(229,111)	-	7,668,192
Vehicles	15,627,888	1,826,481	(635,435)	66,220	16,885,154
Furniture and Fixtures	6,727	40,368	-	-	47,095
Right-to-Use Assets - SBITA	354,718	166,558	(229,800)	-	291,476
<b>Total Accumulated Depreciation</b>	<b>82,469,162</b>	<b>4,710,698</b>	<b>(1,094,346)</b>	<b>66,220</b>	<b>86,151,734</b>
<b>Total Capital Assets, Depreciable, Net</b>	<b>55,484,547</b>	<b>(2,023,243)</b>	<b>(2,135,354)</b>	<b>126,281,407</b>	<b>177,607,357</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 140,398,085</b>	<b>80,595,316</b>	<b>(2,691,270)</b>	<b>-</b>	<b>\$ 218,302,131</b>

Depreciation expense for governmental activities (which includes internal service fund depreciation expense of approximately \$2,115,000) was charged to functions/programs as follows:

Functions/Programs	Depreciation Expense
Public Safety	\$ 1,605,416
Parks, Recreation, and Special Events	437,471
Public Services	1,323,359
Finance and Administrative Services	1,344,452
<b>Totals - Governmental Activities</b>	<b>\$ 4,710,698</b>

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

**III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)**

**C. Capital Assets (Continued)**

Capital asset activity for the City’s business-type activities for the year ended June 30, 2025, was as follows:

<b>Business-Type Activities:</b>	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	\$ 6,855,143	-	-	-	\$ 6,855,143
Construction In Progress	2,993,637	7,744,200	-	(82,180)	10,655,657
Total Capital Assets, Non-Depreciable	<u>9,848,780</u>	<u>7,744,200</u>	<u>-</u>	<u>(82,180)</u>	<u>17,510,800</u>
Capital Assets, Depreciable:					
Buildings and Improvements	53,826,150	1,113	-	-	53,827,263
Infrastructure	35,854,304	176,083	-	-	36,030,387
Machinery and Equipment	1,867,085	322,285	(15,556)	82,180	2,255,994
Vehicles	5,575,024	480,877	-	(66,220)	5,989,681
Total Capital Assets, Depreciable	<u>97,122,563</u>	<u>980,358</u>	<u>(15,556)</u>	<u>15,960</u>	<u>98,103,325</u>
Less: Accumulated Depreciation for:					
Buildings and Improvements	25,695,541	1,368,498	-	-	27,064,039
Infrastructure	8,733,233	1,251,038	-	-	9,984,271
Machinery and Equipment	923,481	161,509	(15,556)	-	1,069,434
Vehicles	3,869,691	386,369	-	(66,220)	4,189,840
Total Accumulated Depreciation	<u>39,221,946</u>	<u>3,167,414</u>	<u>(15,556)</u>	<u>(66,220)</u>	<u>42,307,584</u>
Total Capital Assets, Depreciable, Net	<u>57,900,617</u>	<u>(2,187,056)</u>	<u>-</u>	<u>82,180</u>	<u>55,795,741</u>
Business-Type Activities Capital Assets, Net	<u>\$ 67,749,397</u>	<u>5,557,144</u>	<u>-</u>	<u>-</u>	<u>\$ 73,306,541</u>

Depreciation expense for business-type activities was charged to functions/programs as follows:

Functions/Programs	Depreciation Expense
Transit	\$ 527,459
Parking	857,616
Airport	1,384,756
Storm Water	65,777
Spartanburg Recreational Facilities Corporation	331,806
Totals - Business-Type Activities	<u>\$ 3,167,414</u>

The City receives donated infrastructure from time to time for new subdivisions/projects from various developers and other entities. The Engineering Administrator inspects and approves the installation of the infrastructure by the developer before the City takes over ownership. The Engineering Administrator also estimates the value of the donated infrastructure based on the estimated replacement cost for the infrastructure. For fiscal year 2025, the City did not receive any significant donated infrastructure.

The City has outstanding construction commitments of approximately \$15,802,000 at June 30, 2025 primarily related to the Baseball Stadium Project and airport improvement projects.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long-Term Obligations

The City issues bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation Bonds (“GOB”) and General Obligation Refunding Bonds (“GORB”) are direct obligations and pledge the full faith and credit of the City. Tax Increment Refunding Bonds (“TIRB”) are considered a special obligation of the City payable solely from ad valorem taxes generated by improvements to real property within the redevelopment project area. Hospitality Tax Bonds (“HTB”), Hospitality Tax Refunding bonds (“HTRB”), and Hospitality Tax Refunding and Improvement Bonds (“HTRIB”) are special obligation bonds of the City that are secured by hospitality tax revenue. Installment Purchase Revenue Bonds (“IPRB”) are special obligations of the SSFC, a blended component unit of the City (see Note I.A Blended Component Units for more details) and are payable from its resources. The Promissory Notes (“PN”) are special obligation debt of the City’s blended components and are payable from their resources. Financed Purchase (“FP”) obligations are special obligations of the City payable from the general revenues of the City. The full faith, credit, and taxing powers of the City are not pledged for the payment of the TIRB, HTRB, PN, IPRB, or FP obligations nor the interest thereon.

Each of the City’s outstanding debt issues are either direct borrowings/placements (“DBP”) or publicly traded (“PT”). The City’s DBP debt generally are secured/collateralized by the underlying assets and contain provisions that in an event of default, (a) outstanding amounts can become immediately due if the City is unable to make payment and (b) lender could exercise its option to demand return of the financed assets.

Details for each outstanding debt issue as of June 30, 2025, are as follows:

Balance at  
June 30, 2025

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**General Obligation Refunding Bonds - DBP**

\$2,410,000 Series 2017 – GORB issued in December 2017, in an original amount of \$4,650,000 with an interest rate of 2.71%. The bond matures in April of 2030. Interest payments are due April 1<sup>st</sup> and October 1<sup>st</sup> of each calendar year. Annual principal payments of \$55,000 began April 1, 2018 and increase in amounts annually until the annual payment reaches \$505,000 in year 2030. The proceeds of these bonds were used to partially advance refund the Series 2010 – GOB.

**Hospitality Tax Refunding Bonds and Hospitality Tax Refunding and Improvement Bonds - DBP**

\$1,450,000 Series 2016A – HTRIB (Hospitality Fee Pledge) – Issued May 2016, in an original amount of \$4,005,000 with an interest rate of 2.33%. The bonds mature April 1, 2030. Interest payments are due April 1<sup>st</sup> of each year. Principal payments begin April 1, 2017, at \$270,000 and increase annually until the annual payment reaches \$290,000 in year 2030. Part of the proceeds of these bonds were used to refund the Series 2005 Certificates of Participation (“COPS”) with the rest going to acquire capital assets for the Airport Fund.

10,615,000 Series 2019 – HTB (Hospitality Fee Pledge) – Issued in September 2019, in an original amount of \$13,860,000 with interest ranging from 2.08% to 3.15%. The bonds mature April 1, 2039. The interest payments are due April 1<sup>st</sup> and October 1<sup>st</sup> of each calendar year and the principal payments begin April 1, 2020 at \$290,000 and increase each year until the annual payment is \$910,000 in year 2039. The proceeds of these bonds were ultimately used for the construction of the T.K. Gregg Community Center.

\$1,869,646 Series 2021B – HTRB (Hospitality Fee Pledge) – Issued in April 2021, in an original amount of \$3,520,000 with an interest rate of 2.05%. The bonds mature April 1, 2029. Interest payments are due April 1<sup>st</sup> of each year. Principal payments begin April 1, 2023, at approximately \$390,000 and increase in amounts annually until the final payment of approximately \$473,000 in year 2029. The proceeds of these bonds were used to currently refund the 2016 Series B – HTRB.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long-Term Obligations (Continued)

Balance at  
June 30, 2025

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***Installment Purchase Revenue Bonds – SSFC (Blended Component Unit)***

\$63,820,000 Series 2024 - IPRB – Issued in June 2024, in an original amount of \$63,820,000 with interest ranging from 5.282% to 6.113%. The bonds mature in November 2054. The interest payments are due May 1<sup>st</sup> and November 1<sup>st</sup> of each calendar year and the principal payments begin November 1, 2026 at \$905,000 and increase each year until the annual payment is \$4,440,000 in November 2054. The IPRB were used to help finance/fund (a) a portion of the Baseball Stadium Project, (b) deposits related to the base lease rent, (c) capitalized interest, and (d) bond issuance costs. See Note I.A Blended Component Units and Note IV.A *Baseball Stadium Project Agreements* for more details.

***Promissory Notes – SRFC (Blended Component Unit)***

\$ 7,252,000 Promissory Note A (“TIF Loan A – PN”) – TIF Loan A – PN issued October 24, 2019 between SRFC and The Innovate Fund IV, LLC (“TIF”), in an original amount of \$7,252,000. TIF Loan A – PN consists of an interest only term and a principal and interest term with debt service being paid on a quarterly basis. The interest only term concludes December 15, 2026 and the principal and interest term of \$76,590 per quarter concludes October 24, 2054. The interest rate is 1.2254%. The proceeds of TIF Loan A – PN were used to design, renovate, and construct the Recreational Project.

2,748,000 Promissory Note B (“TIF Loan B – PN”) – TIF Loan B – PN issued October 24, 2019 between SRFC and TIF, in an original amount of \$2,748,000. TIF Loan B – PN consists of an interest only term and a principal and interest term with debt service being paid on a quarterly basis. The interest only term concludes December 15, 2026 and the principal and interest term of \$27,966 per quarter concluding October 24, 2054. The interest rate is 1.2254%. The proceeds of TIF Loan B – PN were also used to design, renovate, and construct the Recreational Project.

3,626,000 Promissory Note A (“SCCLF Loan A – PN”) – SCCLF Loan A – PN issued October 24, 2019 between SRFC and SCCLF Sub-CDE I, LLC (“SCCLF”), in an original amount of \$3,626,000. SCCLF Loan A – PN consists of an interest only term and a principal and interest term with debt service being paid on a quarterly basis. The interest only term concludes December 15, 2026 and the principal and interest term of \$38,295 per quarter concludes October 24, 2054. The interest rate is 1.2254%. The proceeds of SCCLF Loan A – PN were also used to design, renovate, and construct the Recreational Project.

\$ 1,374,000 Promissory Note B (“SCCLF Loan B – PN”) – SCCLF Loan B – PN issued October 24, 2019 between SRFC and SCCLF, in an original amount of \$1,374,000. SCCLF Loan B – PN consists of an interest only term and a principal and interest term with debt service being paid on a quarterly basis. The interest only term concludes December 15, 2026 and the principal and interest term of \$13,983 per quarter concludes October 24, 2054. The interest rate is 1.2254%. The proceeds of SCCLF Loan B – PN were also used to design, renovate, and construct the Recreational Project.

***HUD 108 Loan - DBP***

\$3,000,000 Series 2019 – HUD 108 (Housing and Urban Development) – Issued March 2019, in the amount of \$3,000,000 with an interest rate of 2.84%. The bonds mature April 1, 2029. Interest payments are due April 1<sup>st</sup> of each year. The principal amount is due in full in August 2026. The proceeds of this loan were used to help fund the Northside mixed income housing and mixed-use commercial development project.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long-Term Obligations (Continued)

Balance at  
June 30, 2025

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*Financed Purchases - DBP*

\$ 88,394	In September 2016, the City entered into a 10-year financed purchase for the purchase of vehicles and equipment for \$2,000,000. The rate of interest is 1.42%. The financed purchase matures in October 2026. The financed purchase requires semi-annual payments (interest and principal) of \$180,181 for the first five years and \$29,884 for the last five years. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).
208,884	In October 2017, the City entered into a 10-year financed purchase for the purchase of vehicles and equipment for \$2,550,000. The rate of interest is 1.85%. The financed purchase matures in October 2027. The financed purchase requires semi-annual payments (interest and principal) of \$228,923 for the first five years and \$42,943 for the last five years. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).
1,164,530	In September 2021, the City entered into a 10-year financed purchase for the purchase of vehicles and equipment for \$2,830,000. The rate of interest is 0.96%. The financed purchase matures in October 2031. The financed purchase requires semi-annual payments (interest and principal) of \$248,443 until the April 1, 2027 payment at which point payments decrease to \$44,403. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).
1,006,100	In November 2022, the City entered into a 5-year financed purchase for the purchase of vehicles and equipment for \$1,930,000. The rate of interest is 3.86%. The financed purchase matures in October 2027. The financed purchase requires semi-annual payments (interest and principal) of \$213,019. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).
1,498,730	In November 2022, the City entered into a 10-year financed purchase for the purchase of a fire truck and equipment for \$1,922,000. The rate of interest is 3.73%. The financed purchase matures in October 2032. The financed purchase requires semi-annual payments (interest and principal) of \$115,465. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).
\$2,239,927	In September 2023, the City entered into a 5-year financed purchase for the purchase of vehicles and equipment for \$3,100,000. The rate of interest is 4.36%. The financed purchase matures in October 2028. The financed purchase requires semi-annual payments (interest and principal) of \$348,494. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).

In prior years, the City entered into long-term SBITAs with vendors whereby it will finance software, licenses, and equipment primarily for the public safety department – all with annual fixed payments (no variable payments). The City’s 2020 SBITA has annual fixed payments outstanding of approximately \$215,000 through June 30, 2029. The City’s 2024 SBITA has annual fixed payments outstanding (as the City paid the first five annual payments in fiscal year 2024) of approximately \$222,000 that were scheduled to begin in October 2028 and continue through October 2032. During fiscal year 2025, the City determined that it was no longer reasonably certain that it would extend the term for the 2020 SBITA and 2024 SBITA for the second five-year term for each SBITA. Therefore, the City remeasured the liabilities associated with these SBITAs and wrote off the corresponding liabilities against the SBITA right-to-use assets.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long-Term Obligations (Continued)

Following is a summary of changes in long-term obligations for governmental and business-type activities for the year ended June 30, 2025:

Long-Term Obligations	Type of Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>						
Debt:						
Bonds, Loans, and PN:						
2014 Series - HTRB	DBP	\$ 830,000	-	830,000	-	\$ -
2016 Series A - HTRIB	DBP	1,740,000	-	290,000	1,450,000	290,000
2017 Series - TIRB	DBP	610,000	-	610,000	-	-
2017 Series - GORB	DBP	2,855,000	-	445,000	2,410,000	455,000
2019 Series - HUD Loan	DBP	3,000,000	-	-	3,000,000	-
2019 Series - HTB	PT	11,230,000	-	615,000	10,615,000	630,000
2021 Series B - HTRB	DBP	2,304,318	-	434,672	1,869,646	448,715
2024 Series - IPRB	PT	63,820,000	-	-	63,820,000	-
Total Bonds, Loans, and PN		<u>86,389,318</u>	<u>-</u>	<u>3,224,672</u>	<u>83,164,646</u>	<u>1,823,715</u>
Financed Purchases:						
2015 Financed Purchase *	DBP	94,000	-	94,000	-	-
2016 Financed Purchase *	DBP	146,289	-	57,895	88,394	58,720
2017 Financed Purchase *	DBP	289,783	-	80,899	208,884	82,402
2019 Financed Purchase *	DBP	255,056	-	255,056	-	-
2021 Financed Purchase *	DBP	1,646,726	-	482,196	1,164,530	486,848
2022-A Financed Purchase *	DBP	1,382,375	-	376,275	1,006,100	390,939
2022-B Financed Purchase *	DBP	1,668,979	-	170,249	1,498,730	176,659
2023 Financed Purchase *	DBP	2,820,212	-	580,285	2,239,927	605,860
Total Financed Purchases		<u>8,303,420</u>	<u>-</u>	<u>2,096,855</u>	<u>6,206,565</u>	<u>1,801,428</u>
Total Debt		94,692,738	-	5,321,527	89,371,211	3,625,143
SBITAs	N/A	2,230,013	-	2,230,013	-	-
Compensated Absences	N/A	4,920,724	321,664	-	5,242,388	524,239
Total Governmental Activities		<u>\$ 101,843,475</u>	<u>321,664</u>	<u>7,551,540</u>	<u>94,613,599</u>	<u>\$ 4,149,382</u>
<b>Business-Type Activities:</b>						
Debt:						
TIF Loan A - PN	DBP	\$ 7,252,000	-	-	7,252,000	\$ -
TIF Loan B - PN	DBP	2,748,000	-	-	2,748,000	-
SSCCLF Loan A - PN	DBP	3,626,000	-	-	3,626,000	-
SSCCLF Loan B - PN	DBP	1,374,000	-	-	1,374,000	-
Total Debt		<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>15,000,000</u>	<u>-</u>
Compensated Absences	N/A	159,992	14,955	-	174,947	17,495
Total Business-Type Activities		<u>\$ 15,159,992</u>	<u>14,955</u>	<u>-</u>	<u>15,174,947</u>	<u>\$ 17,495</u>

\*Reflected in the City's Equipment Replacement Fund (internal service fund).

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long-Term Obligations (Continued)

The General Fund (via transfers out), Hospitality Tax Fund (via transfers out) and the Debt Service funds have been used to liquidate the governmental activities debt. Payments for the City’s other long-term liabilities associated with SBITAs, compensated absences, and the City OPEB Plan, City Pension Plan, and the State Retirement Plan (see Note IV.D and Note IV.E) are paid from the various funds for which the employees’ salaries are charged.

Presented below is a summary of debt and SBITA requirements to maturity by year for the City’s governmental and business-type activities.

Year Ending June 30,	DBP Debt		PT Debt		Totals
	Principal	Interest	Principal	Interest	
<b>Governmental Activities</b>					
2026	\$ 2,995,143	418,289	630,000	4,119,320	\$ 8,162,752
2027	5,850,497	291,451	1,550,000	4,079,119	11,771,067
2028	2,442,903	165,302	1,615,000	4,012,314	8,235,519
2029	1,882,646	94,033	1,685,000	3,942,823	7,604,502
2030	1,086,710	48,465	1,760,000	3,869,716	6,764,891
2031-2035	678,312	32,219	10,030,000	18,072,827	28,813,358
2036-2040	-	-	11,695,000	15,403,860	27,098,860
2041-2045	-	-	10,960,000	12,277,943	23,237,943
2046-2050	-	-	14,715,000	8,405,222	23,120,222
2051-2055	-	-	19,795,000	3,167,910	22,962,910
Totals	\$ 14,936,211	1,049,759	74,435,000	77,351,054	\$ 167,772,024

Year Ending June 30,	DBP Debt		Totals
	Principal	Interest	
<b>Business-Type Activities</b>			
2026	\$ -	183,810	\$ 183,810
2027	371,855	182,386	554,241
2028	450,165	177,176	627,341
2029	455,706	171,634	627,340
2030	461,316	166,024	627,340
2031-2035	2,393,177	743,523	3,136,700
2036-2040	2,544,152	592,546	3,136,698
2041-2045	2,704,656	432,044	3,136,700
2046-2050	2,875,281	261,418	3,136,699
2051-2055	2,743,692	80,157	2,823,849
Totals	\$ 15,000,000	2,990,718	\$ 17,990,718

Article Eight, Section Seven of the South Carolina Constitution of 1895, as amended, provides that no City shall incur any bonded debt which shall exceed eight percent (8%) of the assessed value of the property therein and no such debt shall be created without the electors of such City voting in favor of such further bonded debt. Prior to Home Rule Act of July 1, 1976, the bonded debt exemption was thirty five percent (35%). In 1976, the General Assembly reduced the general obligation debt limit without voter approval to eight percent (8%) of assessed valuation; whereas, with a referendum any amount can be floated. As of June 30, 2025, the City had \$2,410,000 of bonded debt subject to the 8% legal debt limit of approximately \$16,851,000, resulting in an unused legal debt margin of approximately \$14,441,000.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Long-Term Obligations (Continued)

Interest paid on the debt issued by the City is exempt from federal income tax. The City sometimes temporarily reinvests the proceeds of such tax-exempt debt in higher-yielding taxable securities, especially during construction projects. The federal tax code refers to this practice as arbitrage. Excess earnings (the difference between the interest on the debt and the investment earnings received) resulting from arbitrage must be rebated to the federal government. The City had no significant arbitrage liability at June 30, 2025.

E. Interfund Payables and Receivables and Transfers In and (Out)

Interfund balances at June 30, 2025, consisted of the following fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Receivables	Payables
<b><u>Major Governmental Funds</u></b>		
General Fund	\$ 1,516,741	\$ -
ARPA Fund	-	166,000
<b><u>Enterprise Funds</u></b>		
Transit Fund	-	786,860
Spartanburg Recreational Facilities Corporation Fund	-	293,966
<b><u>Non-Major Funds - In Aggregate by Type</u></b>		
Special Revenue Funds	-	269,915
Totals	<u>\$ 1,516,741</u>	<u>\$ 1,516,741</u>

The payable in the various funds are for expenditures paid by the General Fund that will be reimbursed from the respective funds (and are due to timing differences).

Transfers between funds for the year ended June 30, 2025, consist of the following:

Fund	Transfers In	Transfers Out
<b><u>Major Governmental Funds</u></b>		
General Fund	\$ 4,808,718	\$ 2,437,599
Capital Projects Fund	2,185,695	3,850,000
Hospitality Tax Fund	-	6,406,087
ARPA Fund	-	1,792,992
Spartanburg Stadium Facilities Corporation Fund	1,883,075	-
Stadium Revenue Fund	1,734,584	1,883,075
<b><u>Enterprise Funds</u></b>		
Transit Fund	500,000	-
Airport Fund	34,567	-
Storm Water Fund	-	434,567
Spartanburg Recreational Facilities Corporation Fund	-	633,718
<b>Internal Service Funds</b>	1,236,994	300,000
<b><u>Non-Major Funds - In Aggregate By Type</u></b>		
Special Revenue Funds	4,142,765	1,918,318
Debt Service Funds	3,129,958	-
Total	<u>\$ 19,656,356</u>	<u>\$ 19,656,356</u>

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

E. Interfund Payables and Receivables and Transfers In and (Out) (Continued)

General Fund

Transfers into the General Fund were primarily to recover overhead cost and overtime costs. Transfers out from the General Fund were primarily for capital projects and purchases, for grant matches, for operating support, for special events, and to make debt payments.

Capital Project Fund

Transfers into and out of the Capital Projects Fund were to help support ongoing projects.

Hospitality Tax Fund

Transfers out were primarily for debt payments, special events funding and projects, and overtime for public safety officers during special events.

ARPA Fund

Transfers out were primarily to the Capital Projects Fund for new capital projects.

Spartanburg Stadium Facilities Corporation Fund

Transfers in were primarily for debt payments.

Stadium Revenue Fund

Transfers in were primarily related to the Baseball Stadium Project financial plan – where economic development partnership funds are transferred from the Downtown Development Committee Nonprofit Corporation Fund. Transfers out were to ultimately support debt service payments on the IPRB.

Transit Fund

Transfers in were primarily for operating costs.

Airport Fund

Transfers in were primarily to help cover airport improvements.

Storm Water Fund

Transfers out were primarily to cover overhead cost and support ongoing capital projects.

Spartanburg Recreational Facilities Corporation Fund

Transfers out were primarily related to support payments required by the NMTC agreements.

Internal Service Funds

Transfers in were primarily for equipment purchases and debt service payments. Transfers out were for returning excess reserves to the General Fund.

Special Revenue Funds

Transfers in were primarily to fund grant match requirements, special event funding, to fund capital projects, and to cover grant deficits. Transfers out were primarily for special events funding, to support ongoing projects, and to cover debt service.

Debt Service Funds

Transfers in were primarily for debt service payments.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Net Investment in Capital Assets

During the year ended June 30, 2016, the City issued its 2016 Series A and B Hospitality Tax Bonds in the combined amount of \$10,135,000 to refund all of the outstanding 2005 Series COPS (\$1,105,000), for which a portion of the proceeds were originally used to fund the Morgan Square Project, and the remaining portion was used to purchase capital assets (pay off the outstanding debt) in the Airport Fund and the Parking Fund (\$9,030,000). During the year ended June 30, 2021, the City issued the 2021 Series B Hospitality Tax Refunding Bonds to refund the 2016 Series B Hospitality Tax Bonds.

The Parking Fund and the Airport Fund are reported in the business-type activities and the 2016 Series A and 2021 Series B debt are reported in the government-wide financial statements' governmental activities as it will be repaid by governmental activities. The capital assets are reported in the business-type activities. Accordingly, approximately \$2,920,000 of the outstanding balance of these two bonds at June 30, 2025 is included in the calculation of the governmental activities' unrestricted net position in the Statement of Net Position, but the net book value of these capital assets is included in the business-type activities' net investment in capital assets. Consequently, the City is including these amounts in an adjustment column on the Statement of Net Position in order to reflect the correct amount for the City's total net position components.

IV. OTHER INFORMATION

A. Agreements

*New Market Tax Credit Agreements*

In October 2019, the City, the SRFC (blended component unit), the City of Spartanburg Development Corporation ("SDC"), several Community Development Entities ("CDEs"), Capital One affiliated entity(ies) ("COAE"), and other related entities entered into various agreements in order to facilitate the use of NMTC to construct the Recreational Project. The City determined that the construction of the Recreational Project in the Northside Community ("Northside") should be undertaken as part of a comprehensive effort to revitalize the Northside, improve services to its residents, enhance the economic development of the City, and provide facilities that will host athletic and recreational events and programming that will attract visitors from outside the City.

In order to advance the Recreational Project, the City and the SRFC entered into numerous agreements (i.e. purchase agreement, grant agreements, project management agreement, reimbursement certification and compliance agreement, lease agreement, etc.). The City also conveyed the land and improvements ("Property") for the Recreational Project to the SRFC. This conveyance consisted of the City contributing and selling/reimbursing approximately \$2,583,000 (which was initially \$3,162,000 but was reduced \$579,000 for noncapitalizable costs) and \$7,281,000, respectively, in Property and other costs related to the Recreational Project to the SRFC. The grant by the City to the SDC was \$10,878,000 ("City Grant") and consisted of a first and second tranche. Approximately \$7,281,000 of the City Grant was derived from the proceeds received from the City's sale/reimbursement of the Property and other costs to the SRFC.

The SDC used the City Grant proceeds to make a total leverage loan to a COAE of \$10,878,000. The COAE used the total leverage loan received, along with \$4,797,000 in new money, to make a qualified equity investment ("QEI") of \$15,000,000 into CDEs plus \$675,000 to other related entities for professional expenses. The SRFC then borrowed (via four promissory notes) \$15,000,000 from the CDEs to purchase the land and the construction to date (\$7,281,000) from the City and to fund the remaining construction costs of the Recreational Project.

Of particular importance, the City entered into a Lease Agreement with the SRFC which provides the City the right to use the Recreational Project from June 2020 until June 2056. The Lease Agreement effectively requires the City to make lease payments equal to the ongoing operating and debt service requirements for the promissory notes (see Note III.D for more details on the promissory notes). These lease payments are to be appropriated/paid from the City's available funds. Continuing events of default (i.e. nonappropriation, non-payment, etc.) by the City will result in the City losing its rights to use the Recreational Project.

**IV. OTHER INFORMATION (CONTINUED)**

**A. Agreements (Continued)**

*New Market Tax Credit Agreements (Continued)*

NMTC of \$5,850,000 (39% of the QEI) will be generated related to this Recreational Project. Once the seven-year NMTC compliance period has been achieved, it is the intent of all parties involved to unwind the NMTC transactions in October 2026 (via a put/call agreement between SDC and COAE) by paying off the applicable debt, with title for the Recreational Project reverting back to the City.

The anticipated federal tax credits that the Recreational Project is to generate is contingent on the City's ability to initially comply with, and maintain compliance with, the applicable provisions of the Internal Revenue Code. Failure to comply with these rules and regulations could result in recapture of these tax credits plus interest and penalties. The federal tax credits are subject to audit and disallowance by the Internal Revenue Service. Disallowance of all or a portion of these tax credits could have a material impact on the financial position of the City.

*Baseball Stadium Project Agreements*

In June 2024, the baseball stadium developer (owner of certain real property) entered into an agreement ("Baseball Ground Lease") with the City whereby it would lease to the City for nominal consideration the right to use this real property ("Baseball Real Property") along with any improvements made on such property related to the minor league baseball stadium, surface and garage parking, public infrastructure, office buildings, multi-family housing, hotel, and other improvements until the earlier of April 1, 2059 or the date the base lease expires.

In June 2024, the City and SSFC entered into a base lease agreement ("Baseball Base Lease") whereby the City subleased the Baseball Real Property along with any improvements to SSFC so that SSFC may provide funds to the City to defray the design, acquisition, construction and equipping of the Baseball Stadium Project. SSFC will in turn sale the facilities to the City under the terms of an Installment Purchase and Use Agreement. Payments made by the City to SSFC are to be used in order to secure and provide a source of payment for certain installment purchase revenue bonds issued by SSFC to help construct the Baseball Stadium Project. The base lease shall terminate upon the completion of the earlier of the November 1, 2059 or the date on which the bonds are discharged.

In June 2024, SSFC and the City entered into an installment purchase and use agreement ("Baseball IPUA") whereby SSFC will design, acquire, construct and equip the Baseball Stadium Project and will pay base rent to the City. SSFC agrees to sell the Baseball Stadium Project to the City. Upon the payment of base payments by the City, title to an undivided interest in the facilities equal to that percentage of the purchase price represented by such payment will transfer from SSFC to the City.

**B. Commitments and Contingencies**

*New Market Tax Credits*

For the term of the promissory notes, the City cannot take any action that would cause them to fail to be a "qualified low-income community business" or fail to take any action required to cause the City to continue to be a "qualified low-income community business. The SRFC is dependent upon annual appropriation by the City to pay rent under the Lease Agreement.

*Infrastructure Tax Credits*

From time to time, the City enters into incentive arrangements for new developments and projects. These incentive arrangements generally provide developers infrastructure tax credits to reimburse them for a portion of the costs of certain public infrastructure improvements. These tax credits are generally provided to the developer for one to ten years and are calculated as a percentage of future tax growth in the City as a result of the public infrastructure improvements. Since these tax credits involved are not significant, are predicated upon future growth, and are not measurable, no amounts have been recorded in the City's financial statements.

**IV. OTHER INFORMATION (CONTINUED)**

**B. Commitments and Contingencies (Continued)**

*Contingencies*

The City receives significant financial assistance from numerous federal, state, and local governmental agencies in the form of grants. Disbursements of funds received under these programs generally require compliance with the terms and conditions specified in the grant agreements. The disbursements are also subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material effect on any of the financial statements of the individual fund types included herein or overall financial position of the City at June 30, 2025.

**C. Risk Management**

*Health Insurance*

Effective July 1, 2018, the City switched from a partial self-insurance program for health insurance for City employees to the State Health Plan (an insured plan) which has significantly changed the types and forms of coverages provided. Both employees and employers contribute to the plan. The health insurance activity of the City is reported in the medical insurance trust internal service fund. There have been no significant reductions in coverage in the past fiscal year and there were no significant settlements exceeding insurance coverage in the last three years.

*Participation in Public Entity Risk Pools*

The City has also joined together with other municipalities in the state to form the South Carolina Municipal Insurance Trust ("SCMIT"), a public entity risk pool operating as a common risk management and insurance program for worker's compensation. The City pays an annual premium to SCMIT. In the year ended June 30, 2025, the City made premium payments totaling approximately \$102,000. The Trust uses reinsurance agreements to reduce its exposure to large workers' compensation losses. SCMIT's Net Position from its most recently issued audited financial statements at December 31, 2024, totaled approximately \$45,642,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and natural disasters. The City has joined together with other municipalities in the state to form the South Carolina Municipal Insurance and Risk Financing Fund ("SCMIRF"), which is a public entity risk pool currently operating as a common risk management and insurance program. The City obtains its general risk insurance through SCMIRF. It pays an annual premium for this coverage. For the year ended June 30, 2025, the City made premium payments totaling approximately \$1,229,000. SCMIRF is self-sustaining through member premiums and reinsures through commercial companies. SCMIRF's Net Position from its most recently issued audited financial statements at December 31, 2024, totaled approximately \$15,434,000. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in the past three fiscal years.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans

*State Retirement Plans*

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

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Systems and additions to/deductions from the Systems fiduciary net position have been determined on the accrual basis of accounting as they are reported by the Systems in accordance with 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.

The 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 the PEBA’s website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. The PEBA is considered a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR of the state.

*Plan Description*

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

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

*Plan Membership*

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

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

**IV. OTHER INFORMATION (CONTINUED)**

**D. Retirement Plans (Continued)**

*State Retirement Plans (Continued)*

*Plan Membership (Continued)*

- **PORS** – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in the PORS. Magistrates are required to participate in the 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. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

*Plan Benefits*

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

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

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

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

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

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*State Retirement Plans (Continued)*

*Plan 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, the SCRS and PORS (“Plans”) contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (“UAAL”) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for the SCRS and 9.75 percent for the PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both the SCRS and PORS until reaching 18.41 percent for the SCRS and 21.24 percent for the PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA Board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

As noted earlier, both employees and the City are required to contribute to the Plans at rates established and as amended by the PEBA. The City’s contributions are actuarially determined but are communicated to and paid by the City as a percentage of the employees’ annual eligible compensation. Required employer and employee contribution rates for the past year are as follows:

	SCRS Rates	PORS Rates
	2025	2025
Employer Contribution Rate: ^		
Retirement	18.41%	20.84%
Incidental Death Benefit	0.00%	0.20%
Accidental Death Contributions	0.00%	0.20%
	<u>18.41%</u>	<u>21.24%</u>
Employee Contribution Rate ^	<u>9.00%</u>	<u>9.75%</u>

^ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

The actual and required contributions to the SCRS and PORS were approximately \$2,217,000 and \$2,825,000, respectively, for the year ended June 30, 2025 and include the nonemployer contributions noted below.

*Nonemployer Contributions*

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly (“State”) funded 1 percent of the SCRS and PORS contribution increases for the year ended June 30, 2025. The State’s budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund and the Police Officers Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2025 were approximately \$80,000 and \$92,000 for the SCRS and PORS, respectively. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the City’s governmental fund financial statements.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*State Retirement Plans (Continued)*

*Actuarial Assumptions and Methods*

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 with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

The June 30, 2024 total pension liability (“TPL”), net pension liability (“NPL”), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company, and are based on an actuarial valuation performed as of July 1, 2023. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles. There was no legislation enacted during the 2024 legislative session that had a material change in the benefit provisions for any of the systems.

The following tables provide a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024 (measurement date) for the SCRS and PORS.

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Actuarial Assumptions:		
Investment Rate of Return*	7.00%	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)	3.5% to 10.5% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

\* Includes inflation at 2.25%.

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. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

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

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*State Retirement Plans (Continued)*

*Long-Term Expected Rate of Return*

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the following table. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
<b>Public Equity</b>	<b>46.0%</b>	6.23%	2.86%
<b>Bonds</b>	<b>26.0%</b>	2.60%	0.68%
<b>Private Equity</b>	<b>9.0%</b>	9.60%	0.86%
<b>Private Debt</b>	<b>7.0%</b>	6.90%	0.48%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate	9.0%	4.30%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total Expected Real Rate of Return	<u>100.0%</u>		<u>5.49%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.74%</u>

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions*

The NPL is calculated separately for each System and represents that particular System’s TPL determined in accordance with GASB No. 67 less that System’s fiduciary net position. NPL totals, as of the June 30, 2024 measurement date, for the SCRS and PORS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 61,369,806,968	37,919,492,371	\$ 23,450,314,597	61.8%
PORS	\$ 10,177,904,231	7,178,118,865	\$ 2,999,785,366	70.5%

The TPL is calculated by the Systems’ actuary, and each Plans’ fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the Plans’ funding requirements.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*State Retirement Plans (Continued)*

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

At June 30, 2025, the City reported liabilities of approximately \$18,902,000 and \$19,613,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2024, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2023 that was projected forward to the measurement date. The City's proportion of the NPL were based on a projection of the City's long-term share of contributions to the Plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2024 measurement date, the City's SCRS proportion was 0.080605 percent, which was a decrease of 0.000502 from its proportion measured as of June 30, 2023. At the June 30, 2024 measurement date, the City's PORS proportion was 0.653825 percent, which was a decrease of 0.053452 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the City recognized pension expense of approximately \$1,828,000 and \$2,201,000 for the SCRS and PORS, respectively. At June 30, 2025, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
<b>SCRS</b>		
Differences Between Expected and Actual Experience	\$ 621,189	\$ 23,459
Change in Assumptions	333,240	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	728,302
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	426,270	242,957
Employer Contributions Subsequent to the Measurement Date	2,136,858	-
Total SCRS	3,517,557	994,718
<b>PORS</b>		
Differences Between Expected and Actual Experience	1,841,947	112,446
Change in Assumptions	427,017	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	1,099,602
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	266,575	1,288,692
Employer Contributions Subsequent to the Measurement Date	2,732,753	-
Total PORS	5,268,292	2,500,740
Total SCRS and PORS	\$ 8,785,849	\$ 3,495,458

Approximately \$2,137,000 and \$2,733,000 that were reported as deferred outflows of resources related to the City's contributions subsequent to the measurement date to the SCRS and PORS, respectively, will be recognized as a reduction of the NPL in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS and PORS will increase (decrease) pension expense as follows:

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*State Retirement Plans (Continued)*

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

Year Ended June 30,	SCRS	PORS	Total
2026	\$ (196,066)	(326,350)	\$ (522,416)
2027	815,041	809,664	1,624,705
2028	(41,734)	(157,782)	(199,516)
2029	(191,260)	(290,733)	(481,993)
Total	<u>\$ 385,981</u>	<u>34,799</u>	<u>\$ 420,780</u>

*Discount Rate*

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each 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 TPL.

*Sensitivity Analysis*

The following table presents the sensitivity of the City’s proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
City’s proportionate share of the net pension liability of the SCRS	\$ 24,494,944	18,902,068	\$ 13,751,472
City's proportionate share of the net pension liability of the PORS	28,415,972	19,613,339	12,403,526
Total	<u>\$ 52,910,916</u>	<u>38,515,407</u>	<u>\$ 26,154,998</u>

*Plans Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS and PORS. The ACFR is publicly available through the PEBA’s website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

*Payable to Plans*

The City reported a payable of approximately \$594,000 to the PEBA as of June 30, 2025, representing required employer and employee contributions for the month of June 2025 for the SCRS and PORS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2025.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*City Pension Plan*

*Plan Description*

The City sponsors a single-employer defined benefit pension plan (“City Pension Plan”). Participation is frozen except to those employees who were participating in the City Pension Plan at June 1, 1993, and elected not to transfer to the South Carolina Retirement System, and those firemen who retired prior to June 1, 1991. Only the Retirement Committee has the authority to establish and amend benefits and funding policy. The City Pension Plan’s year-end is June 30. Pension Plan financial information can be obtained by writing to Finance Director, City of Spartanburg, and P.O. Box 1749, Spartanburg, SC 29304.

Employer membership data consists of the following: retirees and beneficiaries receiving benefits – 58; vested inactive employees not yet receiving benefits – 2; and no active employees. Consequently, there was no covered payroll for fiscal year 2025. The City Pension Plan provides for normal retirement at attainment of age 62 and completion of at least five years credited service or completion of 25 years continuous service. The normal retirement benefit is 2.00% of average salary for the three highest consecutive years multiplied by years of credited service. The City Pension Plan also provides for disability retirement and early retirement.

*Basis of Accounting*

The City Pension Plan implemented GASB #67 “Financial Reporting for Pension Plans” (“GASB #67”) in 2014. GASB #67 replaces the requirements of GASB Statements No. 25 and No. 50 as they relate to pension plans that are administered through trusts or equivalent arrangements. GASB #67 establishes standards of financial reporting for plans that issue separate financial reports and also those plans whose financial information is included solely in the financial report of another government as a pension trust fund. GASB #67 specifies the required approach for measuring the pension liability of employers and non-employer contributing entities for benefits provided through pension plans.

The City Pension Plan’s financial statements are prepared using the accrual basis of accounting. Employer contributions, benefit payments, and refunds are all recognized when due. All investments are reported at fair value. Securities traded on a national or international exchange are reported at the last reported sales price at current exchange rates. Securities without an established market are reported at estimated fair value. Administrative costs are paid out of the fund’s net position.

*Plan Investments*

The investment objective of the City Pension Plan is to invest all funds in a manner that provides the highest investment return using authorized instruments while meeting the City’s acceptable risk level. The primary objectives, in priority order, in investment activities are safety, liquidity, and yield.

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a gain of 7.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Asset Class	Target Allocation
Core US Fixed Income	70%
Cash	30%
Total	100%

For more information on the actual investments being held by the City Pension Plan and any significant concentration risk (see Note III.A Deposits and Investments for more details).

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*City Pension Plan (Continued)*

*Plan Contributions*

The City's annual contribution to the pension trust is determined through the budgetary process and with reference to actuarially determined contributions. The City contributed approximately \$800,000 during 2025. The actuarially determined contribution was approximately \$969,000.

*Plan Actuarial Assumptions*

The total pension liability was determined by an actuarial valuation on January 1, 2025 using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2025
Actuarial Cost Method:	Entry Age Normal
Actuarial Asset Valuation Method:	Fair Value using a 3-year phase-in for gains and losses
Actuarial Assumptions:	
Assumed Rate of Return on Investments:	4.00%, compounded annually
Mortality Rate:	PUB-G 2016 Mortality Table for Employees and Health annuitants, projected generationally using Scale MP 2021.
Rates of Disability:	No disability assumed
Rates of Termination - Sample Rates:	N/A - there are no longer any active employees
Salary Increases:	N/A - there are no longer any active employees
Retirement Age:	N/A - there are no longer any active employees
Survivor Benefits:	N/A - there are no longer any active employees
Cost-of-living Adjustments ("COLA"):	None
Changes in Actuarial Assumptions/Cost Method:	The funding method has been updated from a decreasing amortization of the unfunded liability to a fixed 8-year amortization of the unfunded liability.

The discount rate used to measure the total pension liability was 4.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will continue at a rate of \$800,000 per year. Based on these assumptions, the City Pension Plan'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.

Actuarial valuations involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. City Code does not require that an actuarial experience study be completed.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic nominal and real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 (see the discussion of the pension plan's investment policy) are summarized in the following table:

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

D. Retirement Plans (Continued)

*City Pension Plan (Continued)*

*Plan Actuarial Assumptions (Continued)*

Asset Class	Expected Nominal Rate of Return	Expected Real Rate of Return
Domestic Equity (Large Cap)	6.7%	4.4%
Domestic Equity (Small Cap)	7.2%	4.9%
International Equity	6.6%	4.1%
Core US Fixed Income	4.8%	2.5%
Cash	4.1%	1.8%

*Net Pension Liability and Changes in the Net Pension Liability*

The components of the change in the City Pension Plan’s liability for the year ended June 30, 2025 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at beginning of the year:	\$ 10,243,252	2,248,103	\$ 7,995,149
Changes for the Year:			
Interest	392,723	-	392,723
Differences between Expected and Actual Experience	(432,067)	-	(432,067)
Changes of Assumptions	(92,561)	-	(92,561)
Contributions - Employer	-	800,000	(800,000)
Net Investment Income	-	163,353	(163,353)
Benefit Payments, Net	(858,752)	(858,752)	-
Administrative Expenses	-	(51,537)	51,537
Net Changes	<u>(990,657)</u>	<u>53,064</u>	<u>(1,043,721)</u>
Balance at end of the year:	<u>\$ 9,252,595</u>	<u>2,301,167</u>	<u>\$ 6,951,428</u>
City Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability			
Beginning of the Year	21.95%		
End of the Year	24.87%		

*Sensitivity of the Net Pension Liability Changes in the Discount Rate*

The following presents the net pension liability of the City Pension Plan, calculated using the discount rate of 4.00%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.00%) or 1-percentage point higher (5.00%) than the current rate:

	1% Decrease (3.00%)	Current Rate (4.00%)	1% Increase (5.00%)
Total Pension Liability	\$ 10,083,639	9,252,595	\$ 8,538,233
Plan Fiduciary Net Position	(2,301,167)	(2,301,167)	(2,301,167)
City's Net Pension Liability	<u>\$ 7,782,472</u>	<u>6,951,428</u>	<u>\$ 6,237,066</u>

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

**IV. OTHER INFORMATION (CONTINUED)**

**D. Retirement Plans (Continued)**

*City Pension Plan (Continued)*

*City's Recognition of a Net Pension Assets, Pension Expense, and Deferred Outflows/Inflows of Resources*

For the year ended June 30, 2025, the City recognized pension income of approximately \$69,000. At June 30, 2025, the City reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the City Pension Plan from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Earnings on Investments	\$ 46,594	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized as an increase (decrease) in pension expense as follows:

Year Ended June 30,	City Pension Plan
2026	\$ 71,783
2027	3,839
2028	(13,884)
2029	(15,144)
Total	<u>\$ 46,594</u>

*All Pension Plans*

The City's pension plans are reflected in the financial statements as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
SCRS	\$ 18,902,068	3,517,557	994,718	\$ 1,828,248
PORS	19,613,339	5,268,292	2,500,740	2,201,090
City Pension Plan	6,951,428	46,594	-	(68,522)
Total	<u>\$ 45,466,835</u>	<u>8,832,443</u>	<u>3,495,458</u>	<u>\$ 3,960,816</u>

**E. Other Postemployment Benefit Plan**

*Plan Description*

Employees who are retired under the City of Spartanburg Defined Benefit Retiree Healthcare Plan and receive benefits upon retirement are eligible to remain on the City's health plan (the "OPEB Plan"). The OPEB Plan is affiliated with the South Carolina Other Retirement Benefits Employer Trust ("SC ORBET") and thus is considered an agent multiple-employer plan, whose OPEB Plan assets are administered by the Municipal Association of South Carolina ("MASC"). SC ORBET issues a publicly available financial report that includes audited financial statements and required supplementary information for the OPEB Plan. A copy of the report may be obtained by writing to: Chief Financial Officer for Risk Management Services, Municipal Association of South Carolina, P.O. Box 12109, Columbia, South Carolina 29211.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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IV. OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit Plan (Continued)

*Plan Description (Continued)*

Active employees who retire with at least 20 years of continuous service to the City and are eligible to retire under the South Carolina Retirement System (SCRS or PORS) are eligible to participate in the City’s OPEB Plan. Employees who become disabled and are unable to return to work are eligible to participate if they have completed at least 20 years of service with the City and attained age 50 prior to disability. Rehired retirees may continue to accrue additional service toward this benefit.

Retirees are given the choice of electing coverage through the PEBA and paying the full premium and, if not electing coverage, they are eligible to receive the City contribution of \$200/month to a Health Reimbursement Account (“HRA”) to offset retiree health premiums. Coverage ceases at the earlier of (1) 10 years after retirement or (2) age 65. Retirees who retired prior to January 1, 2009 will be covered until age 65 and are not subject to the 10-year limit, if applicable. Rehired retirees currently working for the City are not considered part of this exception.

Information regarding SCRS and PORS eligibility may be found above in Note IV.D. The OPEB Plan is approved each year by City Council; the benefit and contribution requirements of the City and plan members are established and amended by City Council. These contributions are neither guaranteed nor mandatory. The City retains the right to unilaterally modify its payments toward retiree health care benefits at any time.

*Plan Membership*

As of December 31, 2022, the last actuarial valuation, the following employees were covered by the OPEB Plan’s benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	60
Active Members	<u>387</u>
Total Membership	<u><u>447</u></u>

*Actuarial Assumptions and Methods*

Actuarial valuations of the OPEB 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, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

**IV. OTHER INFORMATION (CONTINUED)**

**E. Other Postemployment Benefit Plan (Continued)**

*Actuarial Assumptions and Methods (Continued)*

The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

Actuarial Valuation Date	December 31, 2022
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Inflation	2.25%
Discount Rate	4.75%
Investment Rate of Return	4.75% which includes inflation
Salary Increases	SCRS - 3.00% - 9.65%; PORS - 3.50% - 11.00% (including inflation)
Healthcare Cost Trend Rate	7.00% for 2023 decreasing to an ultimate rate of 4.50% for 2033 and beyond
Retirement Rates	Based on the 2020 Experience Study
Mortality Table	PUB-2010 Mortality Table for Employees with a 100% multiplier
Election Percentage	100% of eligible retirees will elect coverage and 10% of those will elect to cover the spouse
Active Participation/Marriage	Female spouses are assumed to be three years younger than males
Implicit Subsidy	Total cost of coverage for pre-65 retirees is 35% higher than the average premium rate to account for implicitly subsidized costs

The actuarial assumptions used in the latest actuarial valuation were based on the 2024 Experience Study adopted for the SCRS pension plan and current medical trends.

The Single Equivalent Interest Rate (“SEIR”) remained at 4.75% for both the current and prior measurement date (as the plan assets are projected not to be depleted, so a municipal bond rate was not used to determine the SEIR).

*Long-Term Expected Rate of Return*

The long-term expected rate of return on OPEB Plan Investments is based upon 35 year capital market assumptions, as well as current consensus expectations and market based inputs. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach and are presented net of investment fees. There are no municipal bond rate assumptions used in deriving the discount rate, and the discount rate forecast period extends for 50 years. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation. 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.

Asset Class	Target Allocation	Expected Arithmetic Rates of Return	Long-Term Expected Portfolio Rates of Return
<b>US Government Fixed Income</b>			
US Government Agency	58.0%	4.40%	2.55%
US Government MBS/CMO/CMBS	40.0%	4.90%	1.96%
Cash and Short Duration	2.0%	3.85%	0.08%
<b>Total Rate of Return</b>	100.0%		4.59%

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit Plan (Continued)

*OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB*

The City’s net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022 that was rolled forward to the measurement date.

	Total OPEB Liability (a)	OPEB Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balances as of December 31, 2023	\$ 1,561,010	728,162	\$ 832,848
Changes for the year:			
Service Cost	43,855	-	43,855
Interest	71,298	-	71,298
Difference Between Expected/Actual Experience	(2,456)	-	(2,456)
Changes of assumptions or other inputs	(10,329)		(10,329)
Contributions - Employer	-	121,400	(121,400)
Net Investment Income	-	11,496	(11,496)
Benefit Payments	(121,400)	(121,400)	-
Net Changes	(19,032)	11,496	(30,528)
Balances as of December 31, 2024	\$ 1,541,978	739,658	\$ 802,320

For the year ended June 30, 2025, the City recognized OPEB expense of approximately \$112,000. At June 30, 2025, the City reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 15,190	\$ 107,691
Changes of Assumptions	49,842	8,941
Net Difference Between Projected/Actual Earnings on OPEB Plan Investments	103,236	-
Employer Contributions Subsequent to the Measurement Date	60,700	-
Total	\$ 228,968	\$ 116,632

Approximately \$61,000 that was reported as deferred outflows of resources related to the City’s contributions subsequent to the measurement date to the OPEB Plan, respectively, will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (CONTINUED)

E. Other Postemployment Benefit Plan (Continued)

*OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)*

Year Ended June 30,	Total
2026	\$ 37,024
2027	29,908
2028	(1,073)
2029	(14,844)
2030	1,424
Thereafter	(803)
Total	<u>\$ 51,636</u>

*Discount Rate*

The discount rate used to measure the total OPEB liability remained at 4.75% for December 31, 2024 (no change from prior measurement date). The projection of cash flows used to determine the discount rate assumed that the City’s contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the OPEB liability.

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following table presents the sensitivity of the City’s net OPEB liability to changes in the discount rate, calculated using the discount rate of 4.75%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (3.75%) or 1% point higher (5.75%) than the current rate:

	1% Decrease (3.75%)	Current Discount Rate (4.75%)	1% Increase (5.75%)
Net OPEB Liability	\$ 916,434	802,320	\$ 698,182

*Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following table presents the sensitivity of the City’s net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 7.00% decreasing to 4.50%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (6.00% decreasing to 3.50%) or 1% point higher (8.00% decreasing to 5.50%) than the current rate:

	1% Decrease (6.00% decreasing to 3.50%)	Current Healthcare Cost Trend Rate (7.00% decreasing to 4.50%)	1% Increase (8.00% decreasing to 5.50%)
Net OPEB Liability	\$ 724,291	802,320	\$ 895,475

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2025**

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**IV. OTHER INFORMATION (CONTINUED)**

**F. Landfill Remediation and Post-Closure Care Cost**

The City collected and disposed of municipal waste in the Arkwright Dump (the “Site”) from the mid-1950s through 1972. The City signed a Consent Agreement with the United States Environmental Protection Agency (“EPA”) in 1999 to perform an investigation (the Remedial Investigation “RI”) of the Site and determine remediation alternatives (the Feasibility Study “FS”) for the Site. Based on the results of the RI, in September 2002 the EPA issued a record of decision (“ROD”) for the site which included installation of an engineered cap for water and contaminated soils, in-situ groundwater treatment for contaminated groundwater, institutional controls, and groundwater monitoring. In October 2008, the City entered into a consent agreement with the South Carolina Department of Health and Environmental Control (“SCDHEC”) and has agreed to conduct the work described in the ROD with respect to remediation of the Site.

The City hired an environmental consultant in 2009 to determine the remedial costs in accordance with the terms of the consent agreement and ROD. Engineering plans for remediation were developed in 2010 and 2011. Those plans were approved by SCDHEC and EPA in July 2011. In September 2011, the City accepted bids for the remediation work and began remediating the Site. During the fiscal year ended June 30, 2012, the City incurred approximately \$6,159,000 in expenditures and has completed the remediation.

Included in the original total landfill post-closure care liability was annual monitoring and maintenance costs following the capping of the landfill area with enhanced bioremediation of groundwater. The post closure monitoring period required by state law is 30 years after the entire landfill receives final cover. However, based on conversations with the EPA, SCDES, and the environmental consultant, a much shorter monitoring period is expected since the landfill has been closed since the early 1970s and that natural remediation has occurred over time. The City believes that it has completed the required post closure monitoring and there is no significant liability remaining at June 30, 2025.

**G. Conduit Debt**

The Spartanburg Water System (“Water System”) has issued the following bonds (original issue amount) in the name of the City for which a portion is still outstanding at June 30, 2025: \$8,000,000 in July 2012; \$32,340,000 in June 2015; \$59,080,000 in June 2017; and \$45,930,000 in August 2017; and \$28,875,000 in April 2020. The purpose of these bonds was to fund capital improvements. At June 30, 2025, the remaining outstanding balances on these bonds were approximately \$117,585,000 (excluding deferred amounts). The bonds are payable solely from the gross revenues derived from the operation of the Water System after first paying operation and maintenance of the Water System. The bonds are secured by a statutory lien upon the Water System assets granted by the bond ordinances. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

**H. Related Party Transaction**

The City loaned the proceeds from the \$3,000,000 HUD Loan to NDC to assist with funding a mixed income housing and mixed used commercial development project in the Northside community (see Note III.B for more details). The City Manager serves on the Board of Directors for the NDC.

**I. Tax Abatements**

The City does not have any significant tax abatement agreements of its own or by Spartanburg County (“County”).

**J. Deficit Balances in Non-Major Funds**

The Special Revenue – Special Events Fund and the Special Revenue – City Roads Improvement Fund had deficit fund balances of approximately \$25,000 and \$38,000 at June 30, 2025. These funds are expected to receive future revenues and/or transfers to make up these deficits.

CITY OF SPARTANBURG, SOUTH CAROLINA

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

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**IV. OTHER INFORMATION (CONTINUED)**

**K. Reclassification from a Non-Major Fund to a Major Fund**

During the year ended June 30, 2025, the City reclassified the Stadium Revenue Fund from a non-major governmental fund to a major governmental fund. This change resulted from the fund meeting the quantitative thresholds for major fund reporting based on current-year financial activity.

This reclassification represents a change in presentation under GASB Statement No. 100 “*Accounting Changes and Error Corrections*”. The change was applied retroactively by restating the beginning fund balance, where presented, to reflect the fund as a major fund.

**L. Prior Period Adjustment**

In connection with the City’s review of its account balances related to the fiscal year 2025 audit, the City became aware of a misstatement in its prior year balances in both its proprietary and government-wide financial statements. The City recorded a prior period adjustment to correct this error. This error related to the City inadvertently drawing down grant funds twice on one of its Transit grants by approximately \$181,000 – resulting in (a) revenue being overstated and a (b) liability being understated by the same amount.

**M. Subsequent Event**

In January 2025, City Council approved the transfer/disposal of various parcels of land of approximately \$3,894,000 to the County related to the Joint Government Center project.

## Required Supplementary Information

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL - GENERAL FUND

YEAR ENDED JUNE 30, 2025

	<b>GENERAL FUND</b>			
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>REVISED</b>		
<b>REVENUES</b>				
Taxes	\$ 20,670,600	20,670,600	20,692,131	\$ 21,531
Fees, Licenses, and Permits	20,539,915	20,539,915	23,018,086	2,478,171
Fines and Forfeitures	209,000	209,000	261,551	52,551
Intergovernmental Revenues	4,359,339	3,625,621	4,145,318	519,697
Charges for Services	3,060,000	3,018,000	3,275,496	257,496
Investment Earnings	425,000	425,000	344,565	(80,435)
Other Revenues	117,000	99,000	185,100	86,100
<b>TOTAL REVENUES</b>	<b>49,380,854</b>	<b>48,587,136</b>	<b>51,922,247</b>	<b>3,335,111</b>
<b>EXPENDITURES</b>				
Policy Formulation and Administration	8,727,319	7,781,655	8,530,751	(749,096)
Public Safety	24,176,579	24,176,579	24,243,593	(67,014)
Parks, Recreation, and Special Events	3,337,474	3,040,767	2,749,238	291,529
Development Services	4,605,005	3,095,555	2,802,641	292,914
Public Services	10,031,392	11,540,842	11,918,671	(377,829)
Finance and Administrative Services	2,678,085	2,678,085	2,854,424	(176,339)
<b>TOTAL EXPENDITURES</b>	<b>53,555,854</b>	<b>52,313,483</b>	<b>53,099,318</b>	<b>(785,835)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,175,000)</b>	<b>(3,726,347)</b>	<b>(1,177,071)</b>	<b>2,549,276</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	-	60,000	54,719	(5,281)
Transfers In	4,175,000	4,908,718	4,808,718	(100,000)
Transfers Out	-	(1,242,371)	(2,437,599)	(1,195,228)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>4,175,000</b>	<b>3,726,347</b>	<b>2,425,838</b>	<b>(1,300,509)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>1,248,767</b>	<b>1,248,767</b>
FUND BALANCES, Beginning of Year	10,075,896	10,075,896	10,075,896	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 10,075,896</b>	<b>10,075,896</b>	<b>11,324,663</b>	<b>\$ 1,248,767</b>

Note: The General Fund budgetary comparison schedule has been prepared in accordance with generally accepted accounting principles.

Note: The City approved the expenditures/transfers out that were in excess of the budget, but elected to not amend the budget.

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL - HOSPITALITY TAX FUND

YEAR ENDED JUNE 30, 2025

	<b>HOSPITALITY TAX FUND</b>			
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>REVISED</b>		
<b>REVENUES</b>				
Hospitality Taxes	\$ 7,245,000	7,245,000	7,449,144	\$ 204,144
Investment Earnings	105,000	105,000	126,397	21,397
<b>TOTAL REVENUES</b>	<b>7,350,000</b>	<b>7,350,000</b>	<b>7,575,541</b>	<b>225,541</b>
<b>EXPENDITURES</b>				
Operating	526,763	526,763	602,713	(75,950)
<b>TOTAL EXPENDITURES</b>	<b>526,763</b>	<b>526,763</b>	<b>602,713</b>	<b>(75,950)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>6,823,237</b>	<b>6,823,237</b>	<b>6,972,828</b>	<b>149,591</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(6,823,237)	(6,823,237)	(6,406,087)	417,150
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(6,823,237)</b>	<b>(6,823,237)</b>	<b>(6,406,087)</b>	<b>417,150</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>566,741</b>	<b>566,741</b>
FUND BALANCES, Beginning of Year	1,642,096	1,642,096	1,642,096	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 1,642,096</b>	<b>1,642,096</b>	<b>2,208,837</b>	<b>\$ 566,741</b>

Note: The Hospitality Tax Fund budgetary comparison schedule has been prepared in accordance with generally accepted accounting principles.

Note: The City approved the expenditures that were in excess of the budget, but elected to not amend the budget.

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL - STADIUM REVENUE FUND

YEAR ENDED JUNE 30, 2025

	<b>STADIUM REVENUE FUND</b>			
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>REVISED</b>		
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 1,900,284	1,900,284	2,095,793	\$ 195,509
Charges for Services	752,500	752,500	250,000	(502,500)
Investment Earnings	-	-	289,003	289,003
<b>TOTAL REVENUES</b>	<b>2,652,784</b>	<b>2,652,784</b>	<b>2,634,796</b>	<b>(17,988)</b>
<b>EXPENDITURES</b>				
Capital Outlay	392,010	392,010	-	392,010
<b>TOTAL EXPENDITURES</b>	<b>392,010</b>	<b>392,010</b>	<b>-</b>	<b>392,010</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>2,260,774</b>	<b>2,260,774</b>	<b>2,634,796</b>	<b>374,022</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,301,930	2,301,930	1,734,584	(567,346)
Transfers Out	(3,809,252)	(3,809,252)	(1,883,075)	1,926,177
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,507,322)</b>	<b>(1,507,322)</b>	<b>(148,491)</b>	<b>1,358,831</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>753,452</b>	<b>753,452</b>	<b>2,486,305</b>	<b>1,732,853</b>
FUND BALANCES, Beginning of Year	5,912,275	5,912,275	5,912,275	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 6,665,727</b>	<b>6,665,727</b>	<b>8,398,580</b>	<b>\$ 1,732,853</b>

Note: The Stadium Revenue Fund budgetary comparison schedule has been prepared in accordance with generally accepted accounting principles.

Note: The City's original and revised budgets reflected an expected surplus of approximately \$753,000.

CITY OF SPARTANBURG, SOUTH CAROLINA  
 REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES  
 RETIREMENT PLAN OF THE CITY OF SPARTANBURG -  
 SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

LAST TEN YEARS

	Year Ended June 30,									
	2025 <sup>(3)</sup>	2024	2023	2022 <sup>(3)</sup>	2021 <sup>(1)</sup>	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ -	-	-	-	-	589,584	615,178	657,554	709,312	\$ 2,616
Interest	392,723	421,915	482,663	529,558	558,873	(2,772)	(213,281)	(106,515)	200,278	719,395
Differences Between Expected and Actual Experience	(432,067)	(264,878)	(1,041,634)	(674,526)	4,806	(66,206)	324,017	(137,747)	(681,039)	555,443
Changes of Assumptions	(92,561)	-	-	34,305	(116,154)	(1,323,061)	(1,408,466)	(1,536,892)	(1,508,124)	-
Benefit Payments, Including Refunds of Member Contributions	(858,752)	(914,362)	(1,004,204)	(1,118,101)	(1,253,686)	(802,455)	(682,552)	(1,123,600)	(1,279,573)	(1,545,732)
Net Change in Total Pension Liability	(990,657)	(757,325)	(1,563,175)	(1,228,764)	(806,161)	15,401,132	16,083,684	17,207,284	18,486,857	(268,278)
Total Pension Liability - Beginning of Year	10,243,252	11,000,577	12,563,752	13,792,516	14,598,677	14,598,677	15,401,132	16,083,684	17,207,284	18,755,135
Total Pension Liability - End of Year	\$ 9,252,595	10,243,252	11,000,577	12,563,752	13,792,516	14,598,677	15,401,132	16,083,684	17,207,284	\$ 18,486,857
Plan Fiduciary Net Position										
Employer Contribution	\$ 800,000	800,000	800,000	800,000	800,000	1,050,000	1,000,000	950,000	903,842	\$ 855,676
Employee Contribution	163,353	82,199	8,183	(221,671)	(2,114)	214,174	232,295	(18,625)	2,916	4,539
Net Investment Income	(858,752)	(914,362)	(1,004,204)	(1,118,101)	(1,253,686)	(1,323,061)	(1,408,466)	(1,536,892)	(1,508,124)	264,312
Benefit Payments, Including Refunds of Member Contributions	(51,537)	(49,579)	(48,727)	(40,500)	(48,627)	(51,655)	(43,573)	(57,390)	(47,983)	(1,545,732)
Administrative Expenses	-	-	-	-	-	-	-	12,573	-	(62,040)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	53,064	(81,742)	(244,748)	(580,272)	(504,427)	(110,542)	(219,744)	(650,334)	(650,331)	(483,245)
Plan Fiduciary Net Position - Beginning of Year	2,248,103	2,329,845	2,574,593	3,154,865	3,659,292	3,769,834	3,989,578	4,639,912	5,290,243	5,773,488
Plan Fiduciary Net Position - End of Year	\$ 2,301,167	2,248,103	2,329,845	2,574,593	3,154,865	3,659,292	3,769,834	3,989,578	4,639,912	\$ 5,290,243
Net Pension Liability - End of Year	\$ 6,951,428	7,995,149	8,670,732	9,989,159	10,637,651	10,939,385	11,631,298	12,094,106	12,567,372	\$ 13,196,614
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.87%	21.95%	21.18%	20.49%	22.87%	25.07%	24.48%	24.81%	26.96%	28.62%
City's Covered Payroll	\$ -	-	-	-	-	-	-	-	41,016	\$ 41,580
Net Pension Liability as a Percentage of City's Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	30640.17%	31737.89%

Notes to Schedule:

- (1) Change in mortality assumptions from the PIB-G-2010 mortality table with Scale MP-2020 to the PUB-G 2010 mortality table with Scale MP-2021.
- (2) Change in mortality assumptions from MP-2020 to MP-2021.
- (3) Change in mortality assumptions from the PUB-G 2010 mortality table with Scale MP-2021 to the PUB-G 2016 mortality table with Scale MP-2021.

**CITY OF SPARTANBURG, SOUTH CAROLINA**  
**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**  
**RETIREMENT PLAN OF THE CITY OF SPARTANBURG -**  
**SCHEDULE OF CONTRIBUTIONS**

**LAST TEN YEARS**

	Year Ended June 30,									
	2025 (3)	2024	2023	2022 (2)	2021 (1)	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 969,337	1,225,249	1,163,385	1,210,848	1,224,932	1,178,157	1,158,210	1,107,132	1,103,709	\$ 1,112,221
Contributions in Relation to the Actuarially Determined Contribution:										
Employer Contribution	800,000	800,000	800,000	800,000	800,000	1,050,000	1,000,000	950,000	903,842	855,676
Employee Contribution	-	-	-	-	-	-	-	-	2,916	4,539
Total Contributions	800,000	800,000	800,000	800,000	800,000	1,050,000	1,000,000	950,000	906,758	860,215
Contribution Deficiency (Excess)	\$ 169,337	425,249	363,385	410,848	424,932	128,157	158,210	157,132	196,951	\$ 252,006
City's Covered Payroll	\$ -	-	-	-	-	-	-	-	41,016	\$ 41,580
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2210.74%	2068.82%

**Notes to Schedule:**

Valuation Date: January 1, 2025 (actuarially determined contribution rates are calculated as of July 1st, one year prior to the end of the fiscal year in which contributions are reported).

Methods and Assumptions Used to Determine Contribution Rates:

- Actuarial Cost Method: Entry Age Normal
- Asset Valuation Method: Fair Value
- Salary Increases: N/A
- Investment Rate of Return: 4.00%
- Mortality: PUB-G 2016 Mortality Table for Employees with generational projections for mortality improvements based on Scale MP 2021.

**Other Information:**

- (1) Change in mortality assumptions from the PIB-G-2010 mortality table with Scale MP-2020 to the PUB-G 2010 mortality table with Scale MP-2021.
- (2) Change in mortality assumptions from MP-2020 to MP-2021.
- (3) Change in mortality assumptions from the PUB-G 2010 mortality table with Scale MP-2021 to the PUB-G 2016 mortality table with Scale MP-2021.

**CITY OF SPARTANBURG, SOUTH CAROLINA**  
**REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES**  
**RETIREMENT PLAN OF THE CITY OF SPARTANBURG -**  
**SCHEDULE OF INVESTMENT RETURNS**

**LAST TEN YEARS**

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.45%	6.17%	-2.91%	-10.07%	-2.83%	5.91%	6.17%	-0.43%	-0.02%	4.90%

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability (Asset)	0.080605%	0.081107%	0.077094%	0.080399%	0.080626%	0.080148%	0.079343%	0.082407%	0.090223%	0.087831%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 18,902,068	\$ 19,609,672	\$ 18,689,202	\$ 17,399,406	\$ 20,601,278	\$ 18,301,088	\$ 17,778,300	\$ 17,602,052	\$ 17,111,164	\$ 15,121,558
City's Covered Payroll	\$ 11,159,021	\$ 10,342,989	\$ 9,400,352	\$ 9,183,868	\$ 9,082,442	\$ 8,551,496	\$ 8,314,140	\$ 7,992,996	\$ 7,864,192	\$ 7,580,122
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	169.39%	189.59%	198.81%	189.46%	226.83%	214.01%	213.83%	220.22%	217.58%	199.49%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.79%	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.  
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

CITY OF SPARTANBURG, SOUTH CAROLINA  
 REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
 SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 2,217,077	2,054,376	1,800,714	1,542,598	1,415,234	1,399,604	1,232,271	1,114,926	911,996	\$ 857,983
Contributions from the City	2,136,859	1,974,158	1,720,496	1,462,380	1,335,016	1,319,386	1,152,068	1,034,708	911,996	857,983
Contributions from the State	80,218	80,218	80,218	80,218	80,218	80,218	80,203	80,218	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
City's Covered Payroll	\$ 12,042,784	11,159,021	10,342,989	9,400,352	9,183,868	9,082,442	8,551,496	8,314,140	7,992,956	\$ 7,864,192
Contributions as a Percentage of Covered Payroll	18.41%	18.41%	17.41%	16.41%	15.41%	15.41%	14.41%	13.41%	11.41%	10.91%

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
City's Proportion of the Net Pension Liability (Asset)	0.65383%	0.70728%	0.71869%	0.67830%	0.66639%	0.67989%	0.68491%	0.69022%	0.70387%	0.71836%
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 19,613,339	\$ 21,530,199	\$ 21,553,449	\$ 17,452,111	\$ 22,098,897	\$ 19,485,304	\$ 19,407,116	\$ 18,909,024	\$ 17,853,434	\$ 15,656,674
City's Covered Payroll	\$ 12,896,540	\$ 12,392,152	\$ 11,349,634	\$ 10,201,095	\$ 10,066,980	\$ 9,861,560	\$ 9,480,136	\$ 9,295,062	\$ 8,973,376	\$ 8,889,205
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	152.08%	173.74%	189.90%	171.08%	219.52%	197.59%	204.71%	203.43%	198.96%	176.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.53%	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.  
The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 measurement date and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

CITY OF SPARTANBURG, SOUTH CAROLINA  
 REQUIRED SUPPLEMENTARY INFORMATION - PENSION PLAN SCHEDULES

SCHEDULE OF CONTRIBUTIONS  
 POLICE OFFICERS RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually Required Contribution	\$ 2,825,011	2,739,225	2,508,171	2,183,670	1,860,680	1,836,217	1,700,133	1,539,574	1,323,613	\$ 1,232,942
Contributions from the City	2,732,753	2,646,967	2,415,913	2,091,411	1,768,422	1,743,959	1,607,875	1,447,316	1,323,613	1,232,942
Contributions from the State	92,258	92,258	92,258	92,259	92,258	92,258	92,258	92,258	-	-
Contribution Deficiency (Excess)	\$ -	-	-	-	-	-	-	-	-	\$ -
City's Covered Payroll	\$ 13,300,430	12,896,540	12,392,152	11,349,634	10,201,095	10,066,980	9,861,560	9,480,136	9,295,062	\$ 8,973,376
Contributions as a Percentage of Covered Payroll	21.24%	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF CHANGES IN THE CITY'S NET OPEB LIABILITY AND RELATED RATIOS

LAST EIGHT YEARS

	Year Ended							
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:								
Service Cost	\$ 43,855	42,444	41,075	53,023	51,315	84,824	82,071	\$ 79,409
Interest	71,298	70,964	70,808	78,302	77,247	118,210	115,695	112,829
Changes of Benefit Terms (1)	-	-	-	-	-	(1,079,579)	-	-
Differences Between Expected and Actual Experience	(2,456)	(6,755)	10,440	(180,984)	(1,229)	25,369	(45,308)	(57,110)
Changes of Assumptions	(10,329)	22,952	-	1,328	-	94,068	-	-
Benefit Payments, Including Refunds of Member Contributions	(121,400)	(123,700)	(114,500)	(104,500)	(105,700)	(104,887)	(94,232)	(55,800)
Net Change in Total OPEB Liability	(19,032)	5,905	7,823	(152,831)	21,633	(861,995)	58,226	79,328
Total OPEB Liability - Beginning of Year	1,561,010	1,555,105	1,547,282	1,700,113	1,678,480	2,540,475	2,482,249	2,402,921
Total OPEB Liability - End of Year (a)	\$ 1,541,978	1,561,010	1,555,105	1,547,282	1,700,113	1,678,480	2,540,475	\$ 2,482,249
OPEB Plan Fiduciary Net Position:								
Employer Contribution	\$ 121,400	123,700	114,500	104,500	105,700	104,887	94,232	\$ 55,800
Net Investment Income	11,496	23,023	(123,995)	(24,133)	44,428	38,213	14,566	21,338
Benefit Payments, Including Refunds of Member Contributions	(121,400)	(123,700)	(114,500)	(104,500)	(105,700)	(104,887)	(94,232)	(55,800)
Administrative Expense	-	(1,000)	(7,483)	(1,250)	(7,315)	-	(6,111)	(10,188)
Net Change in OPEB Plan Fiduciary Net Position	11,496	22,023	(131,478)	(25,383)	37,113	38,213	8,455	11,150
OPEB Plan Fiduciary Net Position - Beginning of Year	728,162	706,139	837,617	863,000	825,887	787,674	779,219	768,069
OPEB Plan Fiduciary Net Position - End of Year (b)	\$ 739,658	728,162	706,139	837,617	863,000	825,887	787,674	\$ 779,219
Net OPEB Liability (Asset) - End of Year (a) - (b)	\$ 802,320	832,848	848,966	709,665	837,113	852,593	1,752,801	\$ 1,703,030
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	47.97%	46.65%	45.41%	54.13%	50.76%	49.20%	31.00%	31.39%
Covered Payroll	\$ 20,437,249	20,437,249	17,793,543	17,793,543	17,571,488	17,571,488	16,198,642	\$ 16,198,642
Net OPEB Liability as a Percentage of Covered Payroll	3.93%	4.08%	4.77%	3.99%	4.76%	4.85%	10.82%	10.51%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of December 31st of the current year (measurement date). The City adopted GASB #75 during the year ended June 30, 2018. Information before 2018 is not available.

Actuarial Valuation Changes Over Time

2018	Changes in benefit terms were due to the City allowing its participants the choice of joining the Public Employee Benefit Authority's ("PEBA") health plan or the Health Reimbursement Account ("HRA").
2020	In the past, the City only provided a self-insured clinic and HRA. The actuary assumed 30% of future retirees would elect PEBA and 70% would elect HRA contributions.
2022	No Significant Changes
	Changes in medical trends

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE CITY'S CONTRIBUTIONS

LAST EIGHT YEARS

	Year Ended							
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 84,893	78,908	79,713	85,761	91,693	123,138	153,457	\$ 140,326
Contributions in Relation to the Actuarially Determined Contribution	121,400	123,700	114,500	104,500	105,700	104,887	94,232	55,800
Contribution Deficiency (Excess)	\$ (36,507)	(44,792)	(34,787)	(18,739)	(14,007)	18,251	59,225	\$ 84,526
Covered Payroll	\$ 20,437,249	20,437,249	17,793,543	17,793,543	17,571,488	17,571,488	16,198,642	\$ 16,198,642
Contributions as a Percentage of Covered Payroll	0.59%	0.61%	0.64%	0.59%	0.60%	0.60%	0.58%	0.34%

Notes to Schedule:

The City adopted GASB #75 during the year ended June 30, 2018. Information before 2018 is not available.

Latest Valuation Date: December 31, 2022

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Inflation	2.25%
Discount Rate	4.75%
Investment Rate of Return	4.75% which includes inflation
Salary Increases	SCRS - 3.00% - 9.65%; PORS - 3.50% - 11.00% (including inflation)
Healthcare Cost Trend Rates	7.00% for 2023 decreasing to an ultimate rate of 4.50% for 2033 and beyond
Retirement Rates	Based on the 2024 Experience Study
Mortality Rates	PUB-2010 Mortality Table for Employees with a 100% multiplier
Election Percentage	100% of eligible employees will elect coverage and 10% of those will elect to cover the spouse.
Marriage Assumption	Female spouses are assumed to be 3 years younger than males.

Other Information:

Related to the actuarial valuation for December 31, 2018, changes in benefit terms were due to the City allowing its participants the choice of joining the Public Employee Benefit Authority's ("PEBA") health plan or the Health Reimbursement Account ("HRA"). In the past, the City only provided a self-insured clinic and HRA. The actuary assumed 30% of future retirees would elect PEBA and 70% would elect HRA contributions.

Related to the actuarial valuation for December 31, 2022, changes in medical trends affected actuarial assumptions



City of  
**SPARTANBURG**  
south carolina

## Supplementary Information



City of  
**SPARTANBURG**  
south carolina

**THE GENERAL FUND**  
**SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND**  
**BALANCES—REVISED BUDGET AND ACTUAL**

The General Fund accounts for all revenues and expenditures of a governmental unit that are not accounted for in other funds, and it is usually the largest and most important accounting activity for state and local governments. It normally receives a greater variety and number of taxes and other general revenues than any other fund. This fund has flowing into it such revenues as general property taxes, licenses and permits, fines and penalties, rents, charges for current services, state-shared taxes, and interest earnings. The fund's resources also finance a wider range of activities than any other fund. Most of the current operations of governmental units will be financed from this fund.

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CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
<b>Taxes:</b>			
Current	\$ 20,220,600	20,211,388	\$ (9,212)
Prior Years, Including Penalties and Execution Fees	450,000	480,743	30,743
<b>Total Taxes</b>	<b><u>20,670,600</u></b>	<b><u>20,692,131</u></b>	<b><u>21,531</u></b>
<b>Fees, Licenses, and Permits:</b>			
Business Licenses and Penalties	15,930,415	18,076,855	2,146,440
Utility Franchise Fees	3,701,000	3,850,074	149,074
Building Permits	600,000	658,143	58,143
Electrical Permits	60,000	52,823	(7,177)
Plumbing Permits	50,000	37,462	(12,538)
Heating & Air Conditioning Permits	50,000	79,636	29,636
Miscellaneous Inspections/License Fees	148,500	263,093	114,593
<b>Total Fees, Licenses, and Permits</b>	<b><u>20,539,915</u></b>	<b><u>23,018,086</u></b>	<b><u>2,478,171</u></b>
<b>Fines and Forfeitures:</b>			
Traffic Fines	169,000	234,086	65,086
Parking Tickets	40,000	27,465	(12,535)
<b>Total Fines and Forfeitures</b>	<b><u>209,000</u></b>	<b><u>261,551</u></b>	<b><u>52,551</u></b>
<b>Intergovernmental Revenues:</b>			
Local Government Funds	953,110	1,012,847	59,737
General Government Funds	533,476	496,639	(36,837)
Accommodations Tax	45,000	52,563	7,563
Inventory Tax	694,796	694,796	-
Manufacturing Tax Reimbursement	16,000	22,939	6,939
Sunday Alcohol Sales	90,000	104,200	14,200
Water System Payments	1,163,239	1,163,239	-
Worker's Compensation Recoveries	130,000	387,272	257,272
Federal Reimbursement	-	210,823	210,823
<b>Total Intergovernmental Revenues</b>	<b><u>3,625,621</u></b>	<b><u>4,145,318</u></b>	<b><u>519,697</u></b>
<b>Charges for Services:</b>			
District 6 & 7 School Guards	650,000	837,834	187,834
Dorman High School Security	100,000	-	(100,000)
Parks and Recreation	125,500	251,078	125,578
Fleet Charges	55,000	62,023	7,023
Sanitation Service Charge	2,087,500	2,124,561	37,061
<b>Total Charges for Services</b>	<b><u>\$ 3,018,000</u></b>	<b><u>3,275,496</u></b>	<b><u>\$ 257,496</u></b>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>Other Revenues:</b>			
Interest	\$ 425,000	344,565	\$ (80,435)
Miscellaneous	98,000	184,100	86,100
Rents	1,000	1,000	-
<b>Total Other Revenues</b>	<b>524,000</b>	<b>529,665</b>	<b>5,665</b>
 <b>TOTAL REVENUES</b>	 <b>48,587,136</b>	 <b>51,922,247</b>	 <b>3,335,111</b>
 <b>EXPENDITURES</b>			
<b>Policy Formulation and Administration</b>			
Mayor and Council:			
Personnel Services	168,291	166,419	1,872
Operating Expenditures	84,459	64,089	20,370
	<u>252,750</u>	<u>230,508</u>	<u>22,242</u>
Boards and Commissions:			
Operating Expenditures	1,850	1,850	-
	<u>1,850</u>	<u>1,850</u>	<u>-</u>
City Attorney:			
Personnel Services	288,057	291,363	(3,306)
Operating Expenditures	212,995	201,630	11,365
	<u>501,052</u>	<u>492,993</u>	<u>8,059</u>
City Manager:			
Personnel Services	1,106,749	1,107,930	(1,181)
Operating Expenditures	409,103	426,209	(17,106)
	<u>1,515,852</u>	<u>1,534,139</u>	<u>(18,287)</u>
Communication and Marketing:			
Personnel Services	194,069	201,489	(7,420)
Operating Expenditures	140,050	130,853	9,197
	<u>334,119</u>	<u>332,342</u>	<u>1,777</u>
Community Relations:			
Personnel Services	241,796	242,323	(527)
Operating Expenditures	54,911	41,075	13,836
	<u>296,707</u>	<u>283,398</u>	<u>13,309</u>
Municipal Court:			
Personnel Services	544,529	548,660	(4,131)
Operating Expenditures	90,000	57,208	32,792
	<u>\$ 634,529</u>	<u>\$ 605,868</u>	<u>\$ 28,661</u>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Non-Departmental Services:			
Operating Expenditures	\$ 687,165	1,657,434	\$ (970,269)
	<u>687,165</u>	<u>1,657,434</u>	<u>(970,269)</u>
Worker's Compensation:			
Personnel Services	116,070	116,475	(405)
Operating Expenditures	486,600	245,197	241,403
	<u>602,670</u>	<u>361,672</u>	<u>240,998</u>
Human Resources:			
Personnel Services	326,059	305,374	20,685
Operating Expenditures	80,114	103,442	(23,328)
	<u>406,173</u>	<u>408,816</u>	<u>(2,643)</u>
Information Technology:			
Personnel Services	715,641	606,733	108,908
Operating Expenditures	1,605,897	1,836,112	(230,215)
Capital Outlay	135,000	68,942	66,058
	<u>2,456,538</u>	<u>2,511,787</u>	<u>(55,249)</u>
Employee Development:			
Personnel Services	-	879	(879)
Operating Expenditures	92,250	109,065	(16,815)
	<u>92,250</u>	<u>109,944</u>	<u>(17,694)</u>
<b>Total Policy Formulation and Administration</b>	<b><u>7,781,655</u></b>	<b><u>8,530,751</u></b>	<b><u>(749,096)</u></b>
<b>Public Safety</b>			
Administration			
Director's Office:			
Personnel Services	1,421,483	1,366,663	54,820
Operating Expenditures	213,875	109,078	104,797
Capital Outlay	28,125	28,125	-
	<u>1,663,483</u>	<u>1,503,866</u>	<u>159,617</u>
Technical and Support Administration:			
Personnel Services	1,449,943	1,133,088	316,855
Operating Expenditures	643,151	499,891	143,260
Capital Outlay	2,093,094	1,632,979	460,115
	<u>4,186,188</u>	<u>3,265,958</u>	<u>920,230</u>
Total Administration	<u>\$ 3,756,577</u>	<u>3,136,845</u>	<u>\$ 619,732</u>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Law Enforcement			
Detention Transport:			
Operating Expenditures	\$ 49,500	55,200	\$ (5,700)
Capital Outlay	13,667	13,667	-
	<u>63,167</u>	<u>68,867</u>	<u>(5,700)</u>
Patrol:			
Personnel Services	6,035,539	5,933,501	102,038
Operating Expenditures	426,807	538,121	(111,314)
Capital Outlay	505,538	505,538	-
	<u>6,967,884</u>	<u>6,977,160</u>	<u>(9,276)</u>
Crime Prevention:			
Personnel Services	1,108,681	1,331,061	(222,380)
Operating Expenditures	12,600	7,356	5,244
	<u>1,121,281</u>	<u>1,338,417</u>	<u>(217,136)</u>
Investigations:			
Personnel Services	1,935,345	2,280,395	(345,050)
Operating Expenditures	219,011	180,656	38,355
Capital Outlay	67,200	73,845	(6,645)
	<u>2,221,556</u>	<u>2,534,896</u>	<u>(313,340)</u>
Records:			
Personnel Services	484,872	385,264	99,608
Operating Expenditures	20,700	13,953	6,747
	<u>505,572</u>	<u>399,217</u>	<u>106,355</u>
Animal Control:			
Personnel Services	176,913	199,383	(22,470)
Operating Expenditures	104,280	91,180	13,100
Capital Outlay	33,334	33,334	-
	<u>314,527</u>	<u>323,897</u>	<u>(9,370)</u>
Law Enforcement Administration:			
Personnel Services	311,332	319,964	(8,632)
Operating Expenditures	55,760	38,467	17,293
	<u>367,092</u>	<u>358,431</u>	<u>8,661</u>
School Crossing Guard:			
Personnel Services	144,853	39,562	105,291
Operating Expenditures	7,684	761	6,923
	<u>152,537</u>	<u>40,323</u>	<u>112,214</u>
Total Law Enforcement	<u>\$ 11,713,616</u>	<u>12,041,208</u>	<u>\$ (327,592)</u>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
Fire			
Fire Administration:			
Personnel Services	\$ 860,657	841,555	\$ 19,102
Operating Expenditures	325,725	305,153	20,572
Capital Outlay	27,627	27,627	-
	<u>1,214,009</u>	<u>1,174,335</u>	<u>39,674</u>
Fire Suppression:			
Personnel Services	6,013,333	6,363,922	(350,589)
Operating Expenditures	971,775	1,013,861	(42,086)
Capital Outlay	507,269	513,422	(6,153)
	<u>7,492,377</u>	<u>7,891,205</u>	<u>(398,828)</u>
Total Fire	<u>8,706,386</u>	<u>9,065,540</u>	<u>(359,154)</u>
<b>Total Public Safety</b>	<b><u>24,176,579</u></b>	<b><u>24,243,593</u></b>	<b><u>(67,014)</u></b>
<b>Parks, Recreation, and Special Events</b>			
Parks, Recreation, and Special Events Administration:			
Personnel Services	541,299	455,430	85,869
Operating Expenditures	252,800	265,217	(12,417)
Capital Outlay	3,333	3,333	-
	<u>797,432</u>	<u>723,980</u>	<u>73,452</u>
Special Events:			
Personnel Services	251,441	149,623	101,818
Operating Expenditures	18,426	14,719	3,707
	<u>269,867</u>	<u>164,342</u>	<u>105,525</u>
Parks:			
Personnel Services	459,399	264,245	195,154
Operating Expenditures	104,275	94,738	9,537
Capital Outlay	4,917	37,216	(32,299)
	<u>568,591</u>	<u>396,199</u>	<u>172,392</u>
Recreation Centers:			
Personnel Services	777,467	768,223	9,244
Operating Expenditures	134,000	121,854	12,146
	<u>911,467</u>	<u>890,077</u>	<u>21,390</u>
Aquatics:			
Personnel Services	88,689	96,434	(7,745)
Operating Expenditures	168,280	257,576	(89,296)
	<u>\$ 256,969</u>	<u>354,010</u>	<u>\$ (97,041)</u>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<b>REVISED BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
Athletics			
Personnel Services	\$ 163,241	151,720	\$ 11,521
Operating Expenditures	73,200	68,910	4,290
	<u>236,441</u>	<u>220,630</u>	<u>15,811</u>
<b>Total Parks, Recreation, and Special Events</b>	<b><u>3,040,767</u></b>	<b><u>2,749,238</u></b>	<b><u>291,529</u></b>
Neighborhood Services:			
Personnel Services	315,002	313,201	1,801
Operating Expenditures	43,200	28,595	14,605
Capital Outlay	6,500	6,500	-
	<u>364,702</u>	<u>348,296</u>	<u>16,406</u>
Property Maintenance Inspection:			
Personnel Services	464,297	369,888	94,409
Operating Expenditures	174,186	148,427	25,759
Capital Outlay	58,751	54,131	4,620
	<u>697,234</u>	<u>572,446</u>	<u>124,788</u>
Planning Department:			
Personnel Services	428,932	362,574	66,358
Operating Expenditures	155,000	85,075	69,925
Capital Outlay	5,500	6,602	(1,102)
	<u>589,432</u>	<u>454,251</u>	<u>135,181</u>
Inspections:			
Personnel Services	899,344	899,085	259
Operating Expenditures	117,900	76,530	41,370
Capital Outlay	55,500	56,196	(696)
	<u>1,072,744</u>	<u>1,031,811</u>	<u>40,933</u>
Parking Enforcement:			
Personnel Services	142,798	145,048	(2,250)
Operating Expenditures	8,125	4,360	3,765
	<u>150,923</u>	<u>149,408</u>	<u>1,515</u>
Construction Management:			
Personnel Services	203,853	233,142	(29,289)
Operating Expenditures	9,750	6,370	3,380
Capital Outlay	6,917	6,917	-
	<u>220,520</u>	<u>246,429</u>	<u>(25,909)</u>
<b>Total Development Services</b>	<b><u>\$ 3,095,555</u></b>	<b><u>2,802,641</u></b>	<b><u>\$ 292,914</u></b>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Public Services</b>			
Public Services Administration:			
Personnel Services	\$ 224,736	189,792	\$ 34,944
Operating Expenditures	20,650	18,189	2,461
	<u>245,386</u>	<u>207,981</u>	<u>37,405</u>
Ground Maintenance:			
Personnel Services	1,243,952	1,112,370	131,582
Operating Expenditures	699,210	980,099	(280,889)
Capital Outlay	139,465	132,095	7,370
	<u>2,082,627</u>	<u>2,224,564</u>	<u>(141,937)</u>
Street Maintenance:			
Personnel Services	354,665	249,170	105,495
Operating Expenditures	301,625	388,025	(86,400)
Capital Outlay	122,035	118,104	3,931
	<u>778,325</u>	<u>755,299</u>	<u>23,026</u>
Traffic Services:			
Personnel Services	504,525	513,495	(8,970)
Operating Expenditures	975,412	1,133,856	(158,444)
Capital Outlay	25,500	25,500	-
	<u>1,505,437</u>	<u>1,672,851</u>	<u>(167,414)</u>
Building Maintenance:			
Personnel Services	633,684	646,382	(12,698)
Operating Expenditures	852,350	921,900	(69,550)
Capital Outlay	23,416	21,080	2,336
	<u>1,509,450</u>	<u>1,589,362</u>	<u>(79,912)</u>
Fleet Maintenance:			
Personnel Services	932,246	971,291	(39,045)
Operating Expenditures	1,491,400	1,521,466	(30,066)
Capital Outlay	19,500	19,500	-
	<u>2,443,146</u>	<u>2,512,257</u>	<u>(69,111)</u>
Solid Waste:			
Personnel Services	1,560,699	1,601,188	(40,489)
Operating Expenditures	889,322	824,311	65,011
Capital Outlay	526,450	530,858	(4,408)
	<u>2,976,471</u>	<u>2,956,357</u>	<u>20,114</u>
<b>Total Public Services</b>	<b><u>\$ 11,540,842</u></b>	<b><u>11,918,671</u></b>	<b><u>\$ (377,829)</u></b>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

GENERAL FUND

SCHEDULE OF DETAILED REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
REVISED BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>Finance and Administrative Services</b>			
Administrative/Risk:			
Operating Expenditures	\$ 1,144,000	1,279,645	\$ (135,645)
	<u>1,144,000</u>	<u>1,279,645</u>	<u>(135,645)</u>
Finance Administration:			
Personnel Services	795,782	817,390	(21,608)
Operating Expenditures	214,173	243,101	(28,928)
	<u>1,009,955</u>	<u>1,060,491</u>	<u>(50,536)</u>
Business License Code Enforcement:			
Personnel Services	244,491	240,314	4,177
Operating Expenditures	15,497	7,005	8,492
Capital Outlay	11,250	11,250	-
	<u>271,238</u>	<u>258,569</u>	<u>12,669</u>
Procurement and Property:			
Personnel Services	198,288	199,093	(805)
Operating Expenditures	50,437	52,459	(2,022)
Capital Outlay	4,167	4,167	-
	<u>252,892</u>	<u>255,719</u>	<u>(2,827)</u>
<b>Total Finance and Administrative Services</b>	<b><u>2,678,085</u></b>	<b><u>2,854,424</u></b>	<b><u>(176,339)</u></b>
<b>TOTAL EXPENDITURES</b>	<b><u>52,313,483</u></b>	<b><u>53,099,318</u></b>	<b><u>(785,835)</u></b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>(3,726,347)</u></b>	<b><u>(1,177,071)</u></b>	<b><u>2,549,276</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	4,908,718	4,808,718	(100,000)
Transfers Out	(1,242,371)	(2,437,599)	(1,195,228)
Sale of Capital Assets	60,000	54,719	(5,281)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b><u>3,726,347</u></b>	<b><u>2,425,838</u></b>	<b><u>(1,300,509)</u></b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b><u>1,248,767</u></b>	<b><u>1,248,767</u></b>
FUND BALANCES, Beginning of Year	10,075,896	10,075,896	-
<b>FUND BALANCES, End of Year</b>	<b><u>\$ 10,075,896</u></b>	<b><u>11,324,663</u></b>	<b><u>\$ 1,248,767</u></b>

**COMBINING SCHEDULES  
FOR NON-MAJOR GOVERNMENTAL FUNDS**

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING BALANCE SHEET -  
OTHER GOVERNMENTAL FUNDS

JUNE 30, 2025

	NON-MAJOR SPECIAL REVENUE FUNDS	NON-MAJOR DEBT SERVICE FUNDS	TOTAL OTHER GOVERNMENTAL FUNDS
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 28,673	-	\$ 28,673
Pooled Cash and Cash Equivalents	7,580,485	874,922	8,455,407
Restricted Cash and Cash Equivalents	84,011	-	84,011
Restricted Investments	-	5	5
Property Taxes Receivable, Net	68,510	12,600	81,110
Accounts Receivable	188,647	-	188,647
Commercial Loan Receivables	49,682	-	49,682
Intergovernmental Receivables	840,518	-	840,518
Mortgages Receivable:			
Home Loans	70,035	-	70,035
Note Receivable	3,000,000	-	3,000,000
<b>TOTAL ASSETS</b>	<b>\$ 11,910,561</b>	<b>887,527</b>	<b>\$ 12,798,088</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 659,752	-	\$ 659,752
Accrued Salaries and Benefits	42,197	-	42,197
Due To Other Funds	269,915	-	269,915
Unearned Revenue	1,190,565	-	1,190,565
<b>TOTAL LIABILITIES</b>	<b>2,162,429</b>	<b>-</b>	<b>2,162,429</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Taxes	67,293	20,371	87,664
Unavailable Note Receivables	110,299	-	110,299
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>177,592</b>	<b>20,371</b>	<b>197,963</b>
<b>FUND BALANCES</b>			
Restricted For:			
Debt Service	-	867,156	867,156
Tourism Related Costs	453,323	-	453,323
Community Development	3,067,525	-	3,067,525
Multi County Parks	2,109,274	-	2,109,274
Other Special Revenue Programs	356,914	-	356,914
Committed For:			
Special Revenue Programs	33,426	-	33,426
Assigned For:			
Capital Projects	3,598,126	-	3,598,126
Unassigned	(48,048)	-	(48,048)
<b>TOTAL FUND BALANCES</b>	<b>9,570,540</b>	<b>867,156</b>	<b>10,437,696</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,910,561</b>	<b>887,527</b>	<b>\$ 12,798,088</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
OTHER GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2025

	<b>NON-MAJOR SPECIAL REVENUE FUNDS</b>	<b>NON-MAJOR DEBT SERVICE FUNDS</b>	<b>TOTAL OTHER GOVERNMENTAL FUNDS</b>
<b>REVENUES:</b>			
Taxes	\$ 2,253,558	760,599	\$ 3,014,157
Federal Government Contributions	1,406,107	-	1,406,107
State Government Contributions	635,962	-	635,962
Intergovernmental Revenues	85,800	-	85,800
Investment Earnings	258,110	-	258,110
Miscellaneous	887,896	-	887,896
<b>TOTAL REVENUES</b>	<b>5,527,433</b>	<b>760,599</b>	<b>6,288,032</b>
<b>EXPENDITURES:</b>			
Current:			
Finance and Administrative Services	830,782	-	830,782
Operating	4,599,519	-	4,599,519
Capital Outlay	217,674	-	217,674
Debt Service			
Principal Retirement	-	3,224,672	3,224,672
Interest	85,800	520,187	605,987
Other	-	12,531	12,531
<b>TOTAL EXPENDITURES</b>	<b>5,733,775</b>	<b>3,757,390</b>	<b>9,491,165</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(206,342)</b>	<b>(2,996,791)</b>	<b>(3,203,133)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In	4,142,765	3,129,958	7,272,723
Transfers Out	(1,918,318)	-	(1,918,318)
Sale of Capital Assets	12,324	-	12,324
<b>Total Other Financing Sources (Uses)</b>	<b>2,236,771</b>	<b>3,129,958</b>	<b>5,366,729</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>2,030,429</b>	<b>133,167</b>	<b>2,163,596</b>
FUND BALANCES, Beginning of Year, As Previously Reported	13,452,386	733,989	14,186,375
Change in Fund Classification from Non-major to Major	(5,912,275)	-	(5,912,275)
FUND BALANCES, Beginning of Year, As Restated	7,540,111	733,989	8,274,100
<b>FUND BALANCES, End of Year</b>	<b>\$ 9,570,540</b>	<b>867,156</b>	<b>\$ 10,437,696</b>



City of  
**SPARTANBURG**  
south carolina

## **NON-MAJOR SPECIAL REVENUE FUNDS**

Federal Home Program Fund 210 – to account for funds received to record collections and expenditures related to the Home Program Grant. This program assists in the expansion on the supply of decent and affordable housing for low-income residents.

Spartanburg Residential Development Corporation Fund 314 – to account for funds received from the Spartanburg Residential Development Corporation.

Miscellaneous Grant Fund 320 – to account for miscellaneous grant activity.

Victims Assistance Fund 322 – to account for funds received to hire an additional Law Enforcement Victims' Advocate.

Special Events Fund 323 – to account for funds for certain special events promoted by the City.

City Roads Improvement Fund 339 – to account for funds received for the improvement of the City's roads.

Downtown Development Committee Nonprofit Corporation Fund 340 – to account for fees received for downtown development projects.

Firefighters' 1% Fund 362 – to account for the state one-percent tax allocation (commonly referred to as 1% money) and expenditures

Multi-County Industrial Park Fund 380 – to account for revenue received from a multi-county industrial park.

Accommodations Tax Fund 480 – to account for funds received from the State to promote tourism in the City.

Community Development Fund 708 – to account for Community Development Block Grant.

Disaster Assistance Fund 713 – to account for revenue received to provide disaster assistance.

Forfeited Drug-Federal Fund 803 – to account for funds seized inside the City on Federal Court cases.

Forfeited Drug-State Fund 804 – to account for funds seized inside the City on State Court cases.

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2025

	Fund 210	Fund 314
	Federal Home Program Fund	Spartanburg Residential Development Corporation Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	24,973
Pooled Cash and Cash Equivalents	97,070	-
Restricted Cash and Cash Equivalents	-	-
Property Taxes Receivable	-	-
Accounts Receivable, Net	-	-
Intergovernmental Receivables	100,345	-
Commercial Loan Receivables	-	-
Mortgages Receivable-Home Loans	60,617	9,418
Note Receivable	-	-
<b>TOTAL ASSETS</b>	<b>\$ 258,032</b>	<b>34,391</b>
<b>LIABILITIES</b>		
Accounts Payable	\$ 34,697	-
Accrued Salaries and Benefits	98	-
Due To Other Funds	-	965
Unearned Revenues	110,177	-
<b>TOTAL LIABILITIES</b>	<b>144,972</b>	<b>965</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable Taxes	-	-
Unavailable Notes Receivable	60,617	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>60,617</b>	<b>-</b>
<b>FUND BALANCES</b>		
Restricted	52,443	-
Committed	-	33,426
Assigned	-	-
Unassigned	-	-
<b>TOTAL FUND BALANCES</b>	<b>52,443</b>	<b>33,426</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 258,032</b>	<b>34,391</b>

Fund 320	Fund 322	Fund 323	Fund 339	Fund 340
Miscellaneous Grant Fund	Victims Assistance Fund	Special Events Fund	City Roads Improvement Fund	Downtown Development Committee Nonprofit Corporation Fund
-	-	3,700	-	\$ -
4,113,326	42,694	6,625	149,397	69,686
26,636	-	-	-	-
-	-	-	-	68,510
261	-	8,500	-	3,500
287,985	-	-	43,357	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<b>4,428,208</b>	<b>42,694</b>	<b>18,825</b>	<b>192,754</b>	<b>\$ 141,696</b>
298,493	24,000	39,671	43,357	\$ 2,730
20,387	372	4,318	-	-
-	-	-	-	-
511,202	-	200	186,910	-
830,082	24,372	44,189	230,267	2,730
-	-	-	-	67,293
-	-	-	-	-
-	-	-	-	67,293
-	18,322	-	-	71,673
-	-	-	-	-
3,598,126	-	-	-	-
-	-	(25,364)	(37,513)	-
3,598,126	18,322	(25,364)	(37,513)	71,673
<b>4,428,208</b>	<b>42,694</b>	<b>18,825</b>	<b>192,754</b>	<b>\$ 141,696</b>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING BALANCE SHEET -  
NON-MAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2025

	Fund 362	Fund 380	Fund 480
	Firefighters' 1% Fund	Multi County Industrial Park Fund	Accommodations Tax Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	-	-
Pooled Cash and Cash Equivalents	-	2,138,990	371,077
Restricted Cash and Cash Equivalents	14,475	-	-
Property Taxes Receivable	-	-	-
Accounts Receivable, Net	-	-	176,386
Intergovernmental Receivables	-	-	-
Commercial Loan Receivables	-	-	-
Mortgages Receivable-Home Loans	-	-	-
Note Receivable	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 14,475</b>	<b>2,138,990</b>	<b>547,463</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	29,716	82,661
Accrued Salaries and Benefits	-	-	11,479
Due To Other Funds	-	-	-
Unearned Revenues	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>29,716</b>	<b>94,140</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Taxes	-	-	-
Unavailable Notes Receivable	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>			
Restricted	14,475	2,109,274	453,323
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>14,475</b>	<b>2,109,274</b>	<b>453,323</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 14,475</b>	<b>2,138,990</b>	<b>547,463</b>

Fund 708	Fund 713	Fund 803	Fund 804		
Community Development Fund	Disaster Assistance Fund	Forfeited Drug-Federal Fund	Forfeited Drug-State Fund	Combined Funds	
-	-	-	-	\$	28,673
-	-	472,868	118,752		7,580,485
42,900	-	-	-		84,011
-	-	-	-		68,510
-	-	-	-		188,647
252,275	156,556	-	-		840,518
49,682	-	-	-		49,682
-	-	-	-		70,035
3,000,000	-	-	-		3,000,000
<b>3,344,857</b>	<b>156,556</b>	<b>472,868</b>	<b>118,752</b>	<b>\$</b>	<b>11,910,561</b>
69,675	34,752	-	-	\$	659,752
5,543	-	-	-		42,197
161,975	106,975	-	-		269,915
42,900	-	339,176	-		1,190,565
280,093	141,727	339,176	-		2,162,429
-	-	-	-		67,293
49,682	-	-	-		110,299
49,682	-	-	-		177,592
3,015,082	-	133,692	118,752		5,987,036
-	-	-	-		33,426
-	-	-	-		3,598,126
-	14,829	-	-		(48,048)
3,015,082	14,829	133,692	118,752		9,570,540
<b>3,344,857</b>	<b>156,556</b>	<b>472,868</b>	<b>118,752</b>	<b>\$</b>	<b>11,910,561</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2025

	Fund 210	Fund 314	Fund 320
	Federal Home Program Fund	Spartanburg Residential Development Corporation Fund	Miscellaneous Grant Fund
<b>REVENUES</b>			
Property Taxes	\$ -	-	-
Federal Government Contributions	164,999	-	506,832
State Government Contributions	-	-	326,403
Intergovernmental Revenues	-	-	-
Hospitality/Accommodations Taxes	-	-	-
Investment Earnings	-	94	164
Miscellaneous	-	-	697,713
Total Revenues	<u>164,999</u>	<u>94</u>	<u>1,531,112</u>
<b>EXPENDITURES</b>			
Finance and Administrative Services	-	-	501,198
Operating	164,999	-	1,255,433
Capital Outlay	-	-	217,674
Debt Service - Interest	-	-	-
Total Expenditures	<u>164,999</u>	<u>-</u>	<u>1,974,305</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>-</u>	<u>94</u>	<u>(443,193)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	3,888,538
Transfers Out	-	-	(103,734)
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,784,804</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>-</u>	<u>94</u>	<u>3,341,611</u>
FUND BALANCES, Beginning of Year, As Previously Reported	52,443	33,332	256,515
Change in Fund Classification from Non-Major to Major Fund	-	-	-
FUND BALANCES, Beginning of Year, As Restated	<u>52,443</u>	<u>33,332</u>	<u>256,515</u>
<b>FUND BALANCES, End of Year</b>	<u>\$ 52,443</u>	<u>33,426</u>	<u>3,598,126</u>

Fund 322	Fund 323	Fund 339	Fund 340	Fund 342
Victims Assistance Fund	Special Events Fund	City Roads Improvement Fund	Downtown Development Committee Nonprofit Corporation Fund	Stadium Revenue Fund
-	-	-	1,729,858	\$ -
-	-	-	-	-
-	-	43,357	-	-
-	-	-	-	-
-	-	-	-	-
36,129	119,054	-	3,500	-
<u>36,129</u>	<u>119,054</u>	<u>43,357</u>	<u>1,733,358</u>	<u>-</u>
30,598	52,209	-	-	-
25,001	351,154	43,357	50,643	-
-	-	-	-	-
-	-	-	-	-
<u>55,599</u>	<u>403,363</u>	<u>43,357</u>	<u>50,643</u>	<u>-</u>
<b>(19,470)</b>	<b>(284,309)</b>	-	<b>1,682,715</b>	-
-	254,227	-	-	-
-	-	-	(1,734,584)	-
-	-	-	-	-
-	<u>254,227</u>	-	<u>(1,734,584)</u>	-
<b>(19,470)</b>	<b>(30,082)</b>	-	<b>(51,869)</b>	-
37,792	4,718	(37,513)	123,542	5,912,275
-	-	-	-	(5,912,275)
<u>37,792</u>	<u>4,718</u>	<u>(37,513)</u>	<u>123,542</u>	<u>-</u>
<b>18,322</b>	<b>(25,364)</b>	<b>(37,513)</b>	<b>71,673</b>	<b>\$ -</b>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2025

	Fund 362	Fund 380	Fund 480
	Firefighters' 1% Fund	Multi County Industrial Park Fund	Accommodations Tax Fund
<b>REVENUES</b>			
Property Taxes	\$ -	-	-
Federal Government Contributions	-	-	-
State Government Contributions	109,646	-	-
Intergovernmental Revenues	-	-	-
Hospitality/Accommodations Taxes	-	-	523,700
Investment Earnings	-	197,731	23,383
Miscellaneous	-	-	-
Total Revenues	<u>109,646</u>	<u>197,731</u>	<u>547,083</u>
<b>EXPENDITURES</b>			
Finance and Administrative Services	-	-	-
Operating	107,238	1,411,973	488,509
Capital Outlay	-	-	-
Debt Service - Interest	-	-	-
Total Expenditures	<u>107,238</u>	<u>1,411,973</u>	<u>488,509</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b><u>2,408</u></b>	<b><u>(1,214,242)</u></b>	<b><u>58,574</u></b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	-
Transfers Out	-	-	(80,000)
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(80,000)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<b><u>2,408</u></b>	<b><u>(1,214,242)</u></b>	<b><u>(21,426)</u></b>
FUND BALANCES, Beginning of Year, As Previously Reported	12,067	3,323,516	474,749
Change in Fund Classification from Non-Major to Major Fund	-	-	-
FUND BALANCES, Beginning of Year, As Restated	<u>12,067</u>	<u>3,323,516</u>	<u>474,749</u>
<b>FUND BALANCES, End of Year</b>	<b><u>\$ 14,475</u></b>	<b><u>2,109,274</u></b>	<b><u>453,323</u></b>

Fund 708	Fund 713	Fund 803	Fund 804		
Community Development Fund	Disaster Assistance Fund	Forfeited Drug-Federal Fund	Forfeited Drug-State Fund		Combined Funds
-	-	-	-	\$	1,729,858
734,276	-	-	-		1,406,107
-	156,556	-	-		635,962
85,800	-	-	-		85,800
-	-	-	-		523,700
-	-	29,395	7,343		258,110
31,500	-	-	-		887,896
<u>851,576</u>	<u>156,556</u>	<u>29,395</u>	<u>7,343</u>		<u>5,527,433</u>
246,777	-	-	-		830,782
532,236	141,727	27,249	-		4,599,519
-	-	-	-		217,674
85,800	-	-	-		85,800
<u>864,813</u>	<u>141,727</u>	<u>27,249</u>	<u>-</u>		<u>5,733,775</u>
<b>(13,237)</b>	<b>14,829</b>	<b>2,146</b>	<b>7,343</b>		<b>(206,342)</b>
-	-	-	-		4,142,765
-	-	-	-		(1,918,318)
12,324	-	-	-		12,324
<u>12,324</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>2,236,771</u>
<b>(913)</b>	<b>14,829</b>	<b>2,146</b>	<b>7,343</b>		<b>2,030,429</b>
3,015,995	-	131,546	111,409		13,452,386
-	-	-	-		(5,912,275)
<u>3,015,995</u>	<u>-</u>	<u>131,546</u>	<u>111,409</u>		<u>7,540,111</u>
<b>3,015,082</b>	<b>14,829</b>	<b>133,692</b>	<b>118,752</b>	\$	<b>9,570,540</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

FEDERAL HOME PROGRAM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<b>FEDERAL HOME PROGRAM FUND</b>			
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>REVISED</b>		
<b>REVENUES</b>				
Federal Government Contributions	\$ 241,938	241,938	164,999	\$ (76,939)
<b>TOTAL REVENUES</b>	<b>241,938</b>	<b>241,938</b>	<b>164,999</b>	<b>(76,939)</b>
<b>EXPENDITURES</b>				
Operating	241,938	241,938	164,999	76,939
<b>TOTAL EXPENDITURES</b>	<b>241,938</b>	<b>241,938</b>	<b>164,999</b>	<b>76,939</b>
<b>NET CHANGES IN FUND BALANCES</b>	-	-	-	-
FUND BALANCES, Beginning of Year	52,443	52,443	52,443	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 52,443</b>	<b>52,443</b>	<b>52,443</b>	<b>\$ -</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

VICTIMS ASSISTANCE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<b>VICTIMS ASSISTANCE FUND</b>			
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>REVISED</b>		
<b>REVENUES</b>				
Other Revenues	\$ 25,000	25,000	36,129	\$ 11,129
<b>TOTAL REVENUES</b>	<b>25,000</b>	<b>25,000</b>	<b>36,129</b>	<b>11,129</b>
<b>EXPENDITURES</b>				
Finance and Administrative Services	18,908	18,908	30,598	(11,690)
Operating	6,092	6,092	25,001	(18,909)
<b>TOTAL EXPENDITURES</b>	<b>25,000</b>	<b>25,000</b>	<b>55,599</b>	<b>(30,599)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(19,470)</b>	<b>(19,470)</b>
FUND BALANCES, Beginning of Year	37,792	37,792	37,792	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 37,792</b>	<b>37,792</b>	<b>18,322</b>	<b>\$ (19,470)</b>

Note: The City approved the expenditures that were in excess of the budget, but elected to not amend the budget.

CITY OF SPARTANBURG, SOUTH CAROLINA

ACCOMMODATIONS TAX FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2025

	ACCOMMODATIONS TAX FUND			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	REVISED		
<b>REVENUES</b>				
Accommodation Taxes	\$ 280,000	280,000	523,700	\$ 243,700
Investment Earnings	5,000	5,000	23,383	18,383
<b>TOTAL REVENUES</b>	<b>285,000</b>	<b>285,000</b>	<b>547,083</b>	<b>262,083</b>
<b>EXPENDITURES</b>				
Operating	285,000	285,000	488,509	(203,509)
<b>TOTAL EXPENDITURES</b>	<b>285,000</b>	<b>285,000</b>	<b>488,509</b>	<b>(203,509)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>58,574</b>	<b>58,574</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	-	-	(80,000)	(80,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>(80,000)</b>	<b>(80,000)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(21,426)</b>	<b>(21,426)</b>
FUND BALANCES, Beginning of Year	474,749	474,749	474,749	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 474,749</b>	<b>474,749</b>	<b>453,323</b>	<b>\$ (21,426)</b>

Note: The City approved the expenditures that were in excess of the budget, but elected to not amend the budget.

CITY OF SPARTANBURG, SOUTH CAROLINA

COMMUNITY DEVELOPMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2025

	COMMUNITY DEVELOPMENT FUND			
	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	REVISED		
<b>REVENUES</b>				
Federal Government Contributions	\$ 658,032	658,032	734,276	\$ 76,244
Intergovernmental Revenues	-	-	85,800	85,800
Other Revenues	-	-	31,500	31,500
<b>TOTAL REVENUES</b>	<b>658,032</b>	<b>658,032</b>	<b>851,576</b>	<b>193,544</b>
<b>EXPENDITURES</b>				
Finance and Administrative Services	220,000	220,000	246,777	(26,777)
Operating	438,032	438,032	532,236	(94,204)
Debt Service - Interest	-	-	85,800	(85,800)
<b>TOTAL EXPENDITURES</b>	<b>658,032</b>	<b>658,032</b>	<b>864,813</b>	<b>(206,781)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>(13,237)</b>	<b>(13,237)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Assets	-	-	12,324	12,324
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>12,324</b>	<b>12,324</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>-</b>	<b>-</b>	<b>(913)</b>	<b>(913)</b>
FUND BALANCES, Beginning of Year	3,015,995	3,015,995	3,015,995	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 3,015,995</b>	<b>3,015,995</b>	<b>3,015,082</b>	<b>\$ (913)</b>

Note: The City approved the expenditures that were in excess of the budget, but elected to not amend the budget.



City of  
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## **DEBT SERVICE FUNDS**

Debt Service Funds – account for the accumulation of resources and payment of special assessment bond principal and interest from governmental resources, special assessment levies, and sewer fund transfers. The City has the following Debt Service Funds:

General Debt Service Fund – to account for the accumulation of resources and payment of bond principal interest and related costs. These particular funds were used for certain capital projects.

St. John-Daniel Morgan TIF Fund – to account for the accumulation of resources and payment of bond principal and interest from a redevelopment area consisting of approximately 97.62 acres located in the downtown area of the City.



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CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING BALANCE SHEET - NON-MAJOR DEBT SERVICE FUNDS

JUNE 30, 2025

	Fund 540	Fund 543	
	<b>GENERAL DEBT SERVICE FUND</b>	<b>ST. JOHN - DANIEL MORGAN TIF</b>	<b>TOTALS</b>
<b>ASSETS</b>			
Pooled Cash and Cash Equivalents	\$ 32,988	841,934	\$ 874,922
Restricted Investments	5	-	5
Property Taxes Receivable, Net	-	12,600	12,600
<b>TOTAL ASSETS</b>	<b>\$ 32,993</b>	<b>854,534</b>	<b>\$ 887,527</b>
<b>LIABILITIES</b>			
TOTAL LIABILITIES	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Property Taxes	-	20,371	20,371
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>20,371</b>	<b>20,371</b>
<b>FUND BALANCE</b>			
Restricted for Debt Service	32,993	834,163	867,156
<b>TOTAL FUND BALANCES</b>	<b>32,993</b>	<b>834,163</b>	<b>867,156</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 32,993</b>	<b>854,534</b>	<b>\$ 887,527</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
NON-MAJOR DEBT SERVICE FUNDS

YEAR ENDED JUNE 30, 2025

	Fund 540	Fund 543	
	<b>GENERAL DEBT SERVICE FUND</b>	<b>ST. JOHN - DANIEL MORGAN TIF</b>	<b>TOTALS</b>
<b>REVENUES</b>			
Tax Increment	\$ -	760,599	\$ 760,599
<b>TOTAL REVENUES</b>	<b>-</b>	<b>760,599</b>	<b>760,599</b>
<b>EXPENDITURES</b>			
Debt Service:			
Principal	2,614,672	610,000	3,224,672
Interest	506,524	13,663	520,187
Other	-	12,531	12,531
<b>TOTAL EXPENDITURES</b>	<b>3,121,196</b>	<b>636,194</b>	<b>3,757,390</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(3,121,196)</b>	<b>124,405</b>	<b>(2,996,791)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	3,129,958	-	3,129,958
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>3,129,958</b>	<b>-</b>	<b>3,129,958</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>8,762</b>	<b>124,405</b>	<b>133,167</b>
FUND BALANCES, Beginning of Year	24,231	709,758	733,989
<b>FUND BALANCES, End of Year</b>	<b>\$ 32,993</b>	<b>834,163</b>	<b>\$ 867,156</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

ST. JOHN-DANIEL MORGAN TIF

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGETS AND ACTUAL

YEAR ENDED JUNE 30, 2025

	<b>ST. JOHN-DANIEL MORGAN TIF</b>			
	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL</b>	<b>VARIANCE</b>
	<b>ORIGINAL</b>	<b>REVISED</b>		
<b>REVENUES</b>				
Tax Increment	\$ 408,089	408,089	760,599	\$ 352,510
<b>TOTAL REVENUES</b>	<b>408,089</b>	<b>408,089</b>	<b>760,599</b>	<b>352,510</b>
<b>EXPENDITURES</b>				
Debt Service:				
Principal	610,000	610,000	610,000	-
Interest	13,664	13,664	13,663	1
Other	30,985	30,985	12,531	18,454
<b>TOTAL EXPENDITURES</b>	<b>654,649</b>	<b>654,649</b>	<b>636,194</b>	<b>18,455</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(246,560)</b>	<b>(246,560)</b>	<b>124,405</b>	<b>370,965</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(246,560)</b>	<b>(246,560)</b>	<b>124,405</b>	<b>370,965</b>
FUND BALANCES, Beginning of Year	709,758	709,758	709,758	-
<b>FUND BALANCES, End of Year</b>	<b>\$ 463,198</b>	<b>463,198</b>	<b>834,163</b>	<b>\$ 370,965</b>

Note: The City's original and revised budget reflected an expected use of fund balance of approximately \$247,000.



City of  
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## **INTERNAL SERVICE FUNDS**

Internal Service Funds – are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has the following Internal Service Funds:

Equipment Replace Fund – to account for the funding of the estimated amounts to replace the moveable City equipment used in day to day operations.

Medical Insurance Trust Fund – to account for the collection of medical insurance premiums and payment of medical claims under the City's self-insured health insurance plan.



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CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING STATEMENT OF NET POSITION - ALL INTERNAL SERVICE FUNDS

JUNE 30, 2025

	<u>EQUIPMENT REPLACEMENT</u>	<u>MEDICAL INSURANCE TRUST</u>	<u>TOTALS</u>
<b>ASSETS</b>			
Current Assets:			
Prepays	\$ 1,900,000	-	\$ 1,900,000
Total Current Assets	<u>1,900,000</u>	<u>-</u>	<u>1,900,000</u>
Non-Current Assets:			
Capital Assets:			
Non-Depreciable	8,497	-	8,497
Depreciable, Net	10,243,611	-	10,243,611
Total Non-Current Assets	<u>10,252,108</u>	<u>-</u>	<u>10,252,108</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 12,152,108</u></b>	<b><u>-</u></b>	<b><u>\$ 12,152,108</u></b>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable/Deposits Payable	\$ -	10,639	\$ 10,639
Unclaimed Checks	-	109	109
Current Portion of Debt	1,801,428	-	1,801,428
Total Current Liabilities	<u>1,801,428</u>	<u>10,748</u>	<u>1,812,176</u>
Long-Term Liabilities:			
Debt, Less Current Portion	4,405,137	-	4,405,137
Total Long-Term Liabilities	<u>4,405,137</u>	<u>-</u>	<u>4,405,137</u>
<b>TOTAL LIABILITIES</b>	<u>6,206,565</u>	<u>10,748</u>	<u>6,217,313</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	5,945,543	-	5,945,543
Unrestricted	-	(10,748)	(10,748)
<b>TOTAL NET POSITION</b>	<u>5,945,543</u>	<u>(10,748)</u>	<u>5,934,795</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 12,152,108</u></b>	<b><u>-</u></b>	<b><u>\$ 12,152,108</u></b>

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - ALL INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2025

	<u>EQUIPMENT REPLACEMENT</u>	<u>MEDICAL INSURANCE TRUST</u>	<u>TOTALS</u>
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 2,035,961	-	\$ 2,035,961
Contributions	-	4,701,157	4,701,157
Other	163,972	147,107	311,079
<b>TOTAL OPERATING REVENUES</b>	<b><u>2,199,933</u></b>	<b><u>4,848,264</u></b>	<b><u>7,048,197</u></b>
<b>OPERATING EXPENSES</b>			
Services and Charges	16,322	301,504	317,826
Claims/Premiums	-	4,962,315	4,962,315
Depreciation	2,114,937	-	2,114,937
<b>TOTAL OPERATING EXPENSES</b>	<b><u>2,131,259</u></b>	<b><u>5,263,819</u></b>	<b><u>7,395,078</u></b>
<b>OPERATING INCOME</b>	<b><u>68,674</u></b>	<b><u>(415,555)</u></b>	<b><u>(346,881)</u></b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Gain (Loss) on Sale of Assets	(93,973)	-	(93,973)
Interest Expense	(252,043)	-	(252,043)
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b><u>(346,016)</u></b>	<b><u>-</u></b>	<b><u>(346,016)</u></b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b><u>(277,342)</u></b>	<b><u>(415,555)</u></b>	<b><u>(692,897)</u></b>
Transfers In	1,186,914	50,080	1,236,994
Transfers Out	-	(300,000)	(300,000)
<b>CHANGE IN NET POSITION</b>	<b><u>909,572</u></b>	<b><u>(665,475)</u></b>	<b><u>244,097</u></b>
NET POSITION, Beginning of Year	<u>5,035,971</u>	<u>654,727</u>	<u>5,690,698</u>
<b>NET POSITION, End of Year</b>	<b><u>\$ 5,945,543</u></b>	<b><u>(10,748)</u></b>	<b><u>\$ 5,934,795</u></b>

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING STATEMENT OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2025

	<u>EQUIPMENT REPLACEMENT</u>	<u>MEDICAL INSURANCE TRUST</u>	<u>TOTALS</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Charges for Services	\$ 2,035,961	-	\$ 2,035,961
Receipts from Contributions	-	4,701,157	4,701,157
Receipts from Other Revenues	163,972	147,107	311,079
Payments for Services and Charges	(21,716)	(294,582)	(316,298)
Payments for Claims/Premiums	-	(4,962,315)	(4,962,315)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>2,178,217</u>	<u>(408,633)</u>	<u>1,769,584</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers from Other Funds	1,186,914	50,080	1,236,994
Transfers from Other Funds	-	(300,000)	(300,000)
<b>NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES</b>	<u>1,186,914</u>	<u>(249,920)</u>	<u>936,994</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of Capital Assets	(1,966,506)	-	(1,966,506)
Debt Payments	(2,096,855)	-	(2,096,855)
Interest Paid	(252,043)	-	(252,043)
<b>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(4,315,404)</u>	<u>-</u>	<u>(4,315,404)</u>
<b>NET DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(950,273)</b>	<b>(658,553)</b>	<b>(1,608,826)</b>
<b>RESTRICTED, POOLED, AND UNRESTRICTED</b>			
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>950,273</u>	<u>658,553</u>	<u>1,608,826</u>
<b>RESTRICTED, POOLED, AND UNRESTRICTED</b>			
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:</b>			
Net Operating Income (Loss)	\$ 68,674	(415,555)	\$ (346,881)
Adjustments to Reconcile Operating Income (Loss) to Cash from Operating Activities			
Depreciation Expense	2,114,937	-	2,114,937
Change in Accounts Representing Operating Activities:			
Accounts Payable	(5,394)	6,922	1,528
Net Cash Provided By (Used In) Operating Activities	<u>\$ 2,178,217</u>	<u>(408,633)</u>	<u>\$ 1,769,584</u>
<b>Noncash Investing, Capital and Financing Activities:</b>			
Acquisition of Capital Assets Not Yet Paid For	\$ (396,464)	-	\$ (396,464)



City of  
**SPARTANBURG**  
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

UNIFORM SCHEDULE OF FINES, ASSESSMENTS, AND SURCHARGES (PER ACT 96)

YEAR ENDED JUNE 30, 2025

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
<b>Court Fines and Assessments:</b>				
Court fines and assessments collected			\$ 590,773	\$ 590,773
Court fines and assessments remitted to State Treasurer			(320,780)	(320,780)
<b>Total Court Fines and Assessments retained</b>			269,993	269,993
<b>Surcharges and Assessments retained for victim services:</b>				
Surcharges collected and retained			8,446	8,446
Assessments retained			27,683	27,683
<b>Total Surcharges and Assessments retained for victim services</b>			\$ 36,129	\$ 36,129

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC):

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
<b>Carryforward from Previous Year – Beginning Balance</b>	\$ 37,792		\$ 37,792
<b>Victim Service Revenue:</b>			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	27,683		27,683
Victim Service Surcharges Retained by City/County Treasurer	8,446		8,446
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
<b>Contribution Received from Victim Service Contracts:</b>			
(1) Town of			
(2) Town of			
(3) City of			
<b>Total Funds Allocated to Victim Service Fund + Beginning Balance (A)</b>	\$ 73,921		\$ 73,921
<b>Expenditures for Victim Service Program:</b>	<u>Municipal</u>	<u>County</u>	<u>Total</u>
Salaries and Benefits	\$ 30,598		\$ 30,598
Operating Expenditures	25,001		25,001
<b>Victim Service Contract(s):</b>			
(1) Entity's Name			
(2) Entity's Name			
<b>Victim Service Donation(s):</b>			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
<b>Total Expenditures from Victim Service Fund/Program (B)</b>	55,599		55,599
<b>Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)</b>	18,322		18,322
<b>Less: Prior Year Fund Deficit Repayment</b>			
<b>Carryforward Funds – End of Year</b>	\$ 18,322		\$ 18,322

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULES OF BUDGETED TO ACTUAL COST FOR THE SOUTH CAROLINA DEPARTMENT OF TRANSPORTATION

YEAR ENDED JUNE 30, 2025

OPT Contract #: PT-258099-07

Contract Period: July 1, 2024 - June 30, 2025

Performance Period: July 1, 2024 - June 30, 2025

	Budget	Section 5304		SMTF		Local	Variance
		Prior Period	Current Period Jul '24 - Jun '25	Prior Period	Current Period Jul '24 - Jun '25		
ADA CAPITAL	\$ 518,668	-	-	-	497,525	-	\$ 21,143
TOTAL CAPITAL	\$ 518,668	-	-	-	497,525	-	\$ 21,143

Approved Budget	\$ 518,668
Total Federal Costs	-
Total State Costs	497,525
Total Local Costs	-
Budget Balance	\$ 21,143

# STATISTICAL SECTION

This part of City of Spartanburg’s (“City”) annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	153
Revenue Capacity <i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	160
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	164
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within the City’s financial activities take place.</i>	171
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report related to the services the City provides and the activities it performs.</i>	174
Hospitality Fee Information <i>These schedules contain information to help the reader assess the City’s collection of hospitality fees.</i>	178

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



City of  
**SPARTANBURG**  
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*	2025*
Governmental Activities										
Net Investment in Capital Assets	\$ 50,867,232	52,133,237	54,829,393	56,926,242	60,338,363	61,979,232	62,109,181	63,395,780	114,571,963	\$ 151,690,498
Restricted	4,410,117	4,443,720	4,187,094	4,119,997	5,662,474	6,848,872	6,231,727	9,600,165	16,786,915	18,469,103
Unrestricted	(42,779,500)	(44,163,933)	(46,436,344)	(45,413,336)	(57,964,429)	(55,377,838)	(49,117,394)	(47,206,509)	(29,604,521)	(37,826,534)
Total Governmental Activities Net Position	\$ 12,497,849	12,413,024	12,580,143	15,632,903	8,036,408	13,450,266	19,223,514	25,789,436	101,754,357	\$ 132,333,067
Business-Type Activities										
Net Investment in Capital Assets	\$ 37,054,399	47,441,179	52,577,808	60,010,136	62,089,855	58,879,727	55,755,018	52,751,767	51,739,120	\$ 57,031,761
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	3,700,260	3,722,107	4,754,408	4,868,130	5,498,855	5,992,094	6,296,165	6,417,920	6,784,458	6,008,644
Total Business-Type Activities Net Position	\$ 40,754,659	51,163,286	57,332,216	64,878,266	67,588,710	64,871,821	62,051,183	59,169,687	58,523,578	\$ 63,040,405
Primary Government										
Net Investment in Capital Assets	\$ 78,891,631	91,324,922	99,923,212	110,245,136	117,108,343	115,449,071	113,054,405	111,953,099	162,746,840	\$ 205,802,675
Restricted	4,410,117	4,443,720	4,187,094	4,119,997	5,662,474	6,848,872	6,231,727	9,600,165	16,786,915	18,469,103
Unrestricted	(30,049,240)	(32,192,332)	(34,197,947)	(33,853,964)	(47,145,699)	(43,975,856)	(38,011,435)	(36,594,141)	(19,255,820)	(28,898,306)
Total Primary Government Net Position	\$ 53,252,508	63,576,310	69,912,359	80,511,169	75,625,118	78,322,087	81,274,697	84,959,123	160,277,935	\$ 195,373,472

\* The total for Net Investment in Capital Assets does not add down due to debt recorded in Governmental Activities, but the proceeds were used to fund capital assets in Business-Type Activities. See Note III.F in the Notes to the respective Financial Statements for details.

CITY OF SPARTANBURG, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental Activities:										
Policy Formulation and Administration										
Public Safety	\$ 7,550,338	6,071,710	6,003,757	6,263,411	6,125,541	7,347,729	6,470,093	6,859,791	7,559,261	\$ 7,582,251
Parks, Recreation, and Special Events	16,193,535	17,864,273	17,754,307	19,032,261	18,767,001	19,628,884	20,613,921	22,226,239	24,176,710	24,336,611
Development Services	2,247,585	2,592,220	2,456,742	2,505,636	13,039,008	2,661,156	2,867,465	2,685,489	3,518,841	4,175,215
Public Services	3,000,367	3,790,091	3,839,251	3,855,169	3,595,470	2,580,167	2,116,200	2,941,756	3,232,102	2,385,903
Finance and Administrative Services	8,335,035	8,563,016	8,250,848	7,818,385	8,620,613	9,798,580	10,464,080	11,214,758	12,173,746	12,782,650
Operating	2,771,890	3,534,213	2,637,266	2,734,348	2,559,109	2,518,454	2,735,826	2,994,018	4,071,237	4,917,370
Interest and Other Charges	5,010,013	5,800,758	6,537,239	5,497,279	4,881,547	4,771,111	7,411,702	4,285,354	4,500,527	5,377,734
	1,030,383	1,653,346	2,396,183	1,237,818	1,755,892	1,163,039	950,984	930,864	3,282,767	4,723,729
Total Governmental Activities Expenses	46,139,146	49,869,627	49,895,593	48,944,307	59,344,181	50,469,120	53,630,271	54,138,269	62,515,191	66,281,463
Business-Type Activities:										
Transit	1,852,015	1,933,748	1,999,130	2,091,751	2,341,633	2,334,926	2,576,589	2,444,481	2,676,707	2,581,270
Parking	801,105	1,195,457	1,319,091	1,167,866	1,225,537	1,094,694	1,314,505	1,327,725	1,437,340	1,501,394
Airport	1,442,379	1,518,271	1,722,404	2,408,062	2,872,700	3,356,508	3,910,388	3,984,085	4,303,896	3,784,047
Storm Water	1,182,618	910,138	854,172	1,425,043	1,092,406	1,111,338	955,146	1,334,527	1,076,589	1,628,216
Spartanburg Recreational Facilities Corporation	-	-	-	-	1,036,783	626,374	552,616	581,149	581,263	579,263
CC Woodson	397,663	-	-	-	-	-	-	-	-	-
Spartanburg Parking Facilities Corporation	1,873,815	-	-	-	-	-	-	-	-	-
Spartanburg Airport Facilities Corporation	419,359	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	7,968,954	5,557,614	5,894,797	7,092,722	8,569,059	8,523,840	9,309,244	9,671,967	10,075,795	10,074,190
Total Primary Government Expenses	\$ 54,108,100	55,427,241	55,790,390	56,037,029	67,913,240	58,992,960	62,939,515	63,810,236	72,590,986	\$ 76,355,653
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
Public Safety	\$ 1,036,591	713,104	717,286	777,579	906,376	840,902	803,133	1,483,525	988,024	\$ 1,144,348
Parks, Recreation, and Special Events	111,305	97,453	106,746	144,077	151,828	158,073	250,599	283,992	284,355	279,543
Development Services	821,947	715,327	598,563	578,710	893,483	1,068,019	1,018,364	837,923	1,158,309	1,106,494
Public Services	2,603,285	2,641,489	2,809,875	3,039,419	3,226,092	3,102,553	3,234,605	2,979,425	3,949,932	3,996,499
Finance and Administrative Services	14,279,201	15,904,464	16,282,198	15,862,186	16,330,430	16,826,987	18,456,401	19,079,350	21,068,763	22,377,445
Operating Grants and Contributions										
Public Safety	762,640	586,892	548,401	553,991	489,148	581,500	744,024	982,647	927,384	942,880
Parks, Recreation, and Special Events	-	-	-	-	-	-	-	-	2,788,531	2,634,795
Development Services	1,680,967	1,627,345	3,185,939	2,150,377	2,238,450	2,611,780	1,079,775	1,006,512	1,090,883	1,990,587
Public Services	670,435	1,201,044	983,359	929,523	1,033,208	1,016,595	975,504	68,771	-	43,357
Operating	-	-	-	-	-	-	1,551,673	-	9,735,599	166,000
Capital Grants and Contributions										
Policy Formulation and Administration	-	-	-	-	-	-	-	-	-	2,073,108
Public Safety	-	-	-	-	-	-	-	-	-	-
Parks, Recreation, and Special Events	-	-	-	-	-	-	-	-	18,521,976	-
Development Services	-	-	-	-	-	-	-	-	36,568,459	18,949,104
Public Services	-	-	-	-	-	-	-	-	1,201,700	2,655,441
Total Governmental Activities Program Revenues	\$ 21,987,092	23,487,118	25,232,367	24,035,862	25,269,015	26,206,409	28,114,078	26,722,145	98,283,915	\$ 58,359,601

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Business-Type Activities:										
Charges for Services:										
Transit	\$ 255,887	276,371	213,381	209,960	176,419	172,549	165,671	223,847	148,202	\$ 168,199
Parking	408,525	455,636	460,119	476,148	466,993	429,730	487,505	504,045	460,562	592,903
Airport	1,037,349	1,380,335	1,478,264	1,096,923	1,500,258	1,581,020	2,302,953	2,476,195	2,537,093	2,208,386
Storm Water	1,649,011	1,609,132	1,673,411	1,646,558	1,716,114	1,725,766	1,686,350	1,715,575	1,757,329	1,885,124
Spartanburg Recreational Facilities Corporation	-	-	-	-	62,413	756,450	764,014	771,655	779,371	787,164
CC Woodson	30,062	-	-	-	-	-	-	-	-	-
Spartanburg Parking Facilities Corporation	37,500	-	-	-	-	-	-	-	-	-
Spartanburg Airport Facilities Corporation	168,134	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	777,885	-	-	906,315	2,150,464	2,117,704	1,644,862	1,072,838	1,370,435	1,570,205
Transit	910,377	-	-	-	-	-	-	-	-	-
Airport	-	1,945,385	847,962	-	-	-	-	-	-	-
Capital Grants and Contributions	-	9,318,852	6,334,150	9,346,092	1,903,309	325,970	375,469	149,361	3,543,794	7,363,861
Total Business-Type Activities Program Revenues	\$ 5,274,730	14,985,711	11,007,287	13,681,996	7,975,970	7,109,189	7,426,824	6,913,516	10,596,786	14,575,842
Total Primary Government Program Revenues	\$ 27,261,822	38,472,829	36,239,654	37,717,858	33,244,985	33,315,598	35,540,902	33,635,661	108,880,701	\$ 72,935,443
Net (Expense)/Revenue	\$ (24,152,054)	(26,382,509)	(24,663,226)	(24,908,445)	(34,075,166)	(24,262,711)	(25,516,193)	(27,416,124)	35,768,724	\$ (7,921,862)
Governmental Activities	(2,694,224)	9,428,097	5,112,490	6,589,274	(593,089)	(1,414,651)	(1,882,420)	(2,758,451)	520,991	4,501,652
Business-Type Activities	\$ (26,846,278)	(16,954,412)	(19,550,736)	(18,319,171)	(34,668,255)	(25,677,362)	(27,398,613)	(30,174,575)	36,289,715	\$ (3,420,210)
Total Primary Government Net (Expense)/Revenue										

CITY OF SPARTANBURG, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Revenues and Other Changes in Net Position</b>										
Taxes by Source:										
Property Taxes Levied for General Purposes	\$ 14,538,966	14,426,686	14,673,143	14,663,465	15,635,508	17,904,207	18,412,181	18,550,741	21,694,319	\$ 20,544,122
Tax Increment	2,532,266	2,445,214	2,315,524	2,484,205	2,422,084	323,084	345,378	353,667	693,982	827,775
Motor Vehicle Taxes	1,336,580	1,356,512	1,420,869	1,293,322	1,237,214	1,208,701	1,433,690	1,432,049	1,693,287	1,796,998
Hospitality Taxes	4,357,875	4,747,239	5,028,735	5,340,373	5,821,792	5,250,351	5,563,462	6,496,772	7,559,423	7,972,844
Other Taxes	868,264	811,053	823,922	831,406	856,206	825,543	806,792	806,207	843,349	934,499
Intergovernmental Revenue - Unrestricted	798,466	812,175	844,738	836,020	1,055,301	1,009,052	1,781,359	886,954	964,818	1,223,670
Unrestricted Investment Earnings	23,370	42,227	68,753	124,296	414,042	231,862	21,416	69,810	3,086,827	3,668,274
Miscellaneous	954,259	823,483	930,285	958,640	854,158	875,093	497,341	772,957	397,453	293,176
Grants/Contributions Not Restricted to Specific Programs	966,696	4,991,545	1,078,916	1,195,634	289,900	2,058,723	268,931	957,525	1,636,071	705,496
Gains (Loss) on Disposal/Sale of Capital Assets	-	206,051	39,838	174,103	-	-	-	-	-	-
Transfers	(2,048,651)	(10,694,474)	(927,039)	(1,035,929)	(625,000)	(3,207,945)	530,900	962,759	1,626,668	533,718
Total Governmental Activities	24,328,091	19,967,711	26,297,684	26,865,535	27,961,205	26,478,671	29,661,450	31,289,441	40,196,197	38,500,572
Business-Type Activities:										
Investment Income	56,639	43,710	33,202	60,904	122,803	95,588	12,615	24,541	459,568	729,987
Gains (Loss) on Disposal/Sale of Capital Assets	-	-	20,289	4,352	-	-	-	-	-	-
Gain on Extinguishment of Debt	-	6,960,000	-	-	-	-	-	-	-	-
Transfers	2,048,651	10,694,474	927,039	1,035,929	625,000	3,207,945	(530,900)	(962,759)	(1,626,668)	(533,718)
Total Business-Type Activities	2,105,290	17,698,184	980,530	1,101,185	747,803	3,303,533	(518,285)	(938,218)	(1,167,100)	196,269
Total Primary Government	\$ 26,433,381	37,665,895	27,278,214	27,966,720	28,709,008	29,782,204	29,143,165	30,351,223	39,029,097	\$ 38,696,841
<b>Change in Net Position:</b>										
Governmental Activities	\$ 176,037	(6,414,798)	1,634,458	1,957,090	(6,113,961)	2,215,960	4,145,257	3,873,317	75,964,921	\$ 30,578,710
Business-Type Activities	(588,934)	27,126,281	6,093,020	7,690,459	154,714	1,888,882	(2,400,705)	(3,696,669)	(646,109)	4,697,921
Total Primary Government	\$ (412,897)	20,711,483	7,727,478	9,647,549	(5,959,247)	4,104,842	1,744,552	176,648	75,318,812	\$ 35,276,631

Note: In 2016, the City completed and closed out the new market tax credit agreements which resulted in a significant gain on extinguishment of debt (due to forgiveness of debt). See Note IV.A in the notes to the 2016 financial statements for more information.

CITY OF SPARTANBURG, SOUTH CAROLINA

FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 113,135	98,095	93,743	93,622	93,066	104,329	143,371	117,782	107,652	\$ 84,917
Assigned	1,519,081	1,547,572	250,000	250,000	250,000	250,000	250,000	7,078,901	250,000	250,000
Unassigned	6,366,545	6,086,760	7,718,848	7,996,200	9,058,874	12,020,603	13,572,153	8,462,243	9,718,244	10,989,746
Total General Fund	\$ 7,998,761	7,732,427	8,062,591	8,339,822	9,401,940	12,374,932	13,965,524	15,658,926	10,075,896	\$ 11,324,663
All Other Governmental Funds										
Nonspendable	\$ 1,494	-	-	46,494	-	-	-	-	102,310	\$ 78,237
Restricted	4,436,119	4,511,418	4,205,515	17,803,446	8,672,728	9,789,524	9,137,809	12,704,351	80,258,013	25,962,945
Committed	14,464	11,857	11,698	24,836	71,566	39,823	44,600	33,220	38,050	33,426
Assigned	1,599,947	-	43,331	-	-	-	-	637,901	8,148,060	5,476,997
Unassigned	-	(811,478)	-	-	-	(16,005)	(162,211)	(2,191,480)	(37,513)	(48,048)
Total All Other Governmental Funds	\$ 6,052,024	3,711,797	4,260,544	17,874,776	8,744,294	9,813,342	9,020,198	11,183,992	88,508,920	\$ 31,503,557

CITY OF SPARTANBURG, SOUTH CAROLINA  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Taxes	\$ 23,474,056	24,116,278	24,372,133	25,903,981	25,225,031	26,306,029	27,897,042	28,997,095	31,628,948	\$ 31,155,432
Fees, Licenses, and Permits	14,752,846	16,381,419	16,564,114	16,205,704	16,973,104	17,564,968	18,887,917	19,571,842	21,829,943	23,018,086
Fines and Forfeitures	623,483	338,617	345,112	352,036	230,781	105,245	196,989	241,330	230,217	261,551
Federal Government Contributions	1,541,957	937,146	821,575	1,457,517	1,971,470	1,128,302	1,463,563	2,215,190	12,102,642	1,572,107
State Government Contributions	875,843	1,564,114	3,232,009	1,534,275	1,224,712	653,865	2,325,434	614,878	37,161,105	18,354,311
Local Government Grants and Contributions									2,788,531	
Intergovernmental Revenue	3,134,270	3,099,715	3,349,936	3,534,707	3,735,402	4,428,024	3,616,178	3,772,011	4,001,676	8,892,579
Charges for Services	1,870,789	1,849,930	1,856,760	1,932,070	2,134,660	2,328,320	2,321,198	2,865,342	3,097,827	3,525,496
Investment Earnings	13,551	17,580	114,998	387,737	217,742	21,111	69,804	1,107,821	3,086,828	3,915,815
Confiscated Drug Funds	3,181	6,831	7,645	112,995	130,541	48,822	2,508	133,047	57,940	-
Donations	4,651,000	9,000	255,000	15,000	1,653,715	192,598	346,973	698,514	849,145	4,218,875
Ground Lease Rent	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-	-	-
Other	1,310,481	2,004,819	1,769,539	1,040,916	981,891	2,363,247	1,247,459	1,425,884	1,256,850	1,160,977
Total Revenues	\$ 52,451,457	50,525,449	52,888,821	52,676,938	54,679,049	55,340,531	58,575,065	61,642,954	118,091,652	\$ 96,075,229
<b>Expenditures</b>										
Current:										
Policy Formulation and Administration	\$ 6,484,193	6,232,700	5,975,414	6,027,473	6,056,235	7,034,005	7,047,290	7,440,825	8,088,410	\$ 8,461,809
Public Safety	14,691,899	16,139,926	16,278,128	17,368,548	17,438,608	17,946,106	19,842,336	20,527,447	21,966,993	23,048,035
Parks, Recreation, and Special Events	1,529,640	1,581,047	1,627,584	1,700,133	12,577,391	1,627,881	1,893,099	2,183,381	2,589,167	2,708,689
Development Services	2,576,337	2,768,470	3,047,816	3,417,331	3,528,867	2,434,817	2,282,214	2,425,448	2,377,259	2,672,295
Public Services	5,752,163	6,088,177	6,144,286	6,562,876	7,226,095	8,289,473	9,293,098	9,684,426	10,268,584	11,071,534
Finance and Administrative Services	2,745,905	3,463,159	2,654,022	2,712,632	2,536,350	2,460,530	2,739,590	2,911,122	3,090,549	3,669,789
Operating	4,995,812	5,752,788	6,514,967	5,468,426	4,838,926	4,725,380	7,417,027	4,264,610	4,526,977	5,392,735
Capital Outlay	4,016,937	5,722,608	4,018,466	6,676,438	13,458,967	2,723,340	3,457,467	6,896,532	53,459,320	87,376,227
Debt Service:										
Principal Retirement	3,054,434	7,339,390	2,942,865	3,017,923	15,624,564	3,945,737	3,994,294	3,090,359	4,182,006	3,224,672
Interest	586,019	916,945	729,429	648,642	1,239,615	975,931	833,830	745,666	940,601	3,822,688
Bond Issuance and Other Fees	352,550	565,327	1,357,473	1,74,537	589,824	115,887	30,985	42,710	2,095,324	47,119
Total Expenditures	46,785,889	56,570,537	51,290,450	53,774,959	85,115,442	52,279,087	58,831,230	60,212,526	113,585,190	151,495,592
Excess of Revenues Over (Under) Expenditures	\$ 5,665,568	(6,045,088)	1,598,371	(1,098,021)	(30,436,393)	3,061,444	(256,165)	1,430,428	4,506,462	\$ (55,420,363)

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS  
 (Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Other Financing Sources (Uses)</b>										
Transfers In	\$ 5,645,481	7,446,611	8,645,967	9,012,590	14,790,122	7,608,804	10,657,479	9,115,294	43,089,382	\$ 17,884,795
Transfers Out	(22,280,745)	(8,673,650)	(9,681,896)	(9,637,590)	(8,134,098)	(6,777,904)	(9,694,720)	(8,604,414)	(43,084,529)	(18,288,071)
Bond Issuance	10,135,000	-	-	-	-	-	-	-	63,820,000	-
Special Obligation Bonds Issuance	-	-	-	12,500,000	13,860,000	3,520,000	-	-	-	-
Refunding Bonds Issuance	-	4,545,000	4,650,000	-	-	-	-	-	-	-
Payment to Refunding Bond Escrow Agent	-	-	(4,533,614)	-	-	(3,435,000)	-	-	-	-
Note Payable Issuance	-	-	-	-	1,622,420	-	-	-	-	-
HUD Loan Proceeds	-	-	-	3,000,000	-	-	-	-	-	-
Financed Purchases Issued	1,394,045	-	-	-	-	-	-	-	-	-
SBITAs Issued	-	-	-	-	-	-	-	-	3,246,802	-
Proceeds from Sale of Capital Assets	48,702	120,566	200,083	114,484	229,585	49,577	90,854	1,915,888	163,781	67,043
<b>Total Other Financing Sources (Uses)</b>	<b>(5,057,517)</b>	<b>3,438,527</b>	<b>(719,460)</b>	<b>14,989,484</b>	<b>22,368,029</b>	<b>965,477</b>	<b>1,053,613</b>	<b>2,426,768</b>	<b>67,235,436</b>	<b>(336,233)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 608,051</b>	<b>(2,606,561)</b>	<b>878,911</b>	<b>13,891,463</b>	<b>(8,068,364)</b>	<b>4,026,921</b>	<b>797,448</b>	<b>3,857,196</b>	<b>71,741,898</b>	<b>\$ (55,756,596)</b>
<b>Capital Asset Expenditures</b>	<b>\$ 1,256,121</b>	<b>3,114,656</b>	<b>2,215,006</b>	<b>4,703,199</b>	<b>11,911,756</b>	<b>818,065</b>	<b>1,417,561</b>	<b>5,016,712</b>	<b>49,901,242</b>	<b>\$ 83,735,972</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>8.0%</b>	<b>15.4%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>23.0%</b>	<b>9.6%</b>	<b>8.4%</b>	<b>6.9%</b>	<b>8.0%</b>	<b>10.4%</b>

CITY OF SPARTANBURG, SOUTH CAROLINA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Assessed Real Property			Assessed Personal Property		Less: Tax-Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Tax Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Motor Vehicles	Other					
2016	\$ 113,476,606	7,324,060	12,496,157	10,351,108	123,000	\$ 143,524,931	105.0	\$ 2,160,480,729	6.6%	
2017	111,225,265	8,000,230	12,579,360	9,102,398	117,500	140,789,753	105.0	2,247,052,360	6.3%	
2018	116,057,323	7,807,410	13,051,170	9,363,943	123,230	146,156,616	105.0	2,165,300,607	6.7%	
2019	126,985,041	8,097,060	11,945,999	8,827,515	105,620	155,749,995	104.4	2,515,521,271	6.2%	
2020	128,978,895	9,023,470	11,623,717	8,954,085	36,740	158,543,427	104.4	2,528,267,939	6.3%	
2021	129,086,505	7,932,900	11,379,351	17,088,871	38,770	165,448,857	104.4	2,513,335,073	6.6%	
2022	132,597,408	10,802,710	11,479,035	17,316,047	41,800	172,153,400	104.4	2,558,228,195	6.7%	
2023	140,981,220	10,014,200	12,112,688	16,845,882	-	179,953,990	104.4	2,769,605,011	6.5%	
2024	159,885,876	10,364,610	15,555,630	15,875,740	-	201,681,856	103.2	3,184,631,888	6.3%	
2025	\$ 159,527,453	11,529,900	16,127,456	18,943,577	-	\$ 206,128,386	103.2	\$ 3,335,171,639	6.2%	

Source: Spartanburg County Assessor & Auditor's Office

Notes: Property in the City was reassessed for fiscal year 2018. Tax rates are per \$1,000 of assessed value.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>City Direct Rates:</b>										
Basic Rate	105.00	105.00	105.00	104.40	104.40	104.40	104.40	104.40	103.20	103.20
Total Direct Rate	105.00	105.00	105.00	104.40	104.40	104.40	104.40	104.40	103.20	103.20
<b>County Rates:</b>										
Spartanburg County	74.40	74.40	74.40	72.10	72.10	72.10	74.10	73.60	69.30	69.30
<b>School District Rates:</b>										
School District #7	286.80	296.80	296.80	296.80	296.80	296.80	296.80	297.30	291.70	301.70
<b>Sewer District Rates:</b>										
Spartanburg Sewer District	7.50	8.90	8.90	8.60	8.60	8.60	8.60	8.60	8.60	8.60

Source: Spartanburg County Tax Auditor's Office

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Spartanburg. Not all overlapping rates apply to all of the City of Spartanburg property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Spartanburg's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**PRINCIPAL PROPERTY TAXPAYERS**

**CURRENT YEAR AND NINE YEARS AGO**

**UNAUDITED**

<b>Taxpayer</b>	<b>2025</b>			<b>2016</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>Percentage of Total Taxable Assessed Value</b>
Duke Energy Corp	\$ 6,835,770	1	3.3%	\$ 4,260,160	1	3.0%
Suso 4 Dorman LP	2,760,000	2	1.3%			
Drayton Holdings, LLC	1,923,776	3	0.9%			
ERP Hillcrest	1,866,510	4	0.9%	1,612,060	4	1.1%
Spectrum Southeast, LLC	1,632,600	5	0.8%			
SC Telecommunications Group	1,590,130	6	0.8%			
Piedmont Natural Gas	1,397,680	7	0.7%			
East Main Redevelopment, LLC	1,312,860	8	0.6%	1,115,760	8	0.8%
Chandler Real Estate, INC	1,249,690	9	0.6%			
HD Development of Maryland, INC	1,070,410	10	0.5%			
Yeomans Charles L III et al			0.0%	2,953,240	2	2.1%
Bellsouth Communications				2,022,240	3	1.4%
JM Smith Corporation				1,463,150	5	1.0%
SSK Land, LLC				1,230,600	6	0.9%
Inalnd Western Spartanburg, LLC				1,171,030	7	0.8%
Inland Western Spartanburg, LLC				979,650	9	0.7%
Walmart Real Estate Business				414,392	10	0.3%
<b>Totals</b>	<b>\$ 21,639,426</b>		<b>10.5%</b>	<b>\$ 17,222,282</b>		<b>12.0%</b>

Source: Spartanburg County Tax Auditor's Office

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

Fiscal Year Ended June 30	Original Tax Levy for Fiscal Year		Adjustments to Original Tax Levy for Fiscal Year		Adjusted Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		Total Collections to Date	
	Amount	Percentage of Levy	Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy	Amount	Percentage of Levy
2016	\$ 15,132,219		(62,101)		15,070,118	\$ 14,131,766	93.8%	\$ 579,001	\$ 14,710,767	97.6%	
2017	14,638,993		143,931		14,782,924	14,276,230	96.6%	552,064	14,828,294	100.3%	
2018	14,619,678		726,767		15,346,445	14,264,062	92.9%	534,520	14,798,582	96.4%	
2019	14,245,807		1,269,974		15,515,781	15,428,590	99.4%	319,147	15,747,737	101.5%	
2020	15,934,154		284,861		16,219,015	15,902,557	98.0%	607,601	16,510,158	101.8%	
2021	16,490,467		782,394		17,272,861	17,056,357	98.7%	422,172	17,478,529	101.2%	
2022	17,923,603		49,276		17,972,879	17,448,126	97.1%	475,195	17,923,321	99.7%	
2023	18,220,108		567,089		18,787,197	18,085,129	96.3%	460,823	18,545,952	98.7%	
2024	21,503,657		(543,499)		20,960,158	19,946,179	95.2%	459,072	20,405,251	97.4%	
2025	\$ 21,985,670		(713,221)		21,272,449	\$ 20,211,388	95.0%	\$ 480,743	\$ 20,692,131	97.3%	

Source: Spartanburg County Auditor's Office

CITY OF SPARTANBURG, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Other Bonds/Debt	Financed Purchases	SBITAs	General Obligation Bonds	Other Bonds	Promissory Notes				
2016	\$ 5,590,000	22,573,619	5,149,281	-	-	470,000	-	\$ 33,782,900	4.3%	\$ 892	
2017	5,280,000	20,428,814	5,474,154	-	-	-	-	31,182,968	3.8%	823	
2018	5,275,000	18,137,675	6,452,966	-	-	-	-	29,865,641	3.6%	796	
2019	4,900,000	31,280,000	7,023,043	-	-	-	-	43,203,043	5.3%	1,148	
2020	4,515,000	31,782,420	7,247,798	-	-	-	15,000,000	58,545,218	6.4%	1,565	
2021	4,120,000	28,549,262	5,151,221	-	-	-	15,000,000	52,820,483	5.6%	1,364	
2022	3,710,000	25,114,894	5,846,502	-	-	-	15,000,000	49,671,396	5.0%	1,293	
2023	3,290,000	22,444,535	7,499,176	-	-	-	15,000,000	48,233,711	4.8%	1,250	
2024	2,855,000	83,534,318	8,303,420	2,230,013	-	-	15,000,000	111,922,751	8.6%	2,867	
2025	\$ 2,410,000	80,754,646	6,206,565	-	-	-	15,000,000	\$104,371,211	7.9%	\$ 2,635	

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property</b>	<b>Per Capita</b>
2016	\$ 5,590,000	N/A	\$ 5,590,000	0.3%	\$ 148
2017	5,280,000	N/A	5,280,000	0.2%	139
2018	5,275,000	N/A	5,275,000	0.2%	141
2019	4,900,000	N/A	4,900,000	0.2%	130
2020	4,515,000	N/A	4,515,000	0.2%	121
2021	4,120,000	N/A	4,120,000	0.2%	106
2022	3,710,000	N/A	3,710,000	0.1%	97
2023	3,290,000	N/A	3,290,000	0.1%	85
2024	2,855,000	N/A	2,855,000	0.1%	73
2025	\$ 2,410,000	N/A	\$ 2,410,000	0.1%	\$ 61

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements. The Schedule of Demographic and Economic Statistics for Population and Per Capita Data.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**AS OF JUNE 30, 2025**

**UNAUDITED**

<u>Governmental Unit</u>	<u>Governmental Activities Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
<b>County:</b>			
General County Purpose	\$ 74,880,800	19.94%	\$ 14,931,232
<b>School District:</b>			
School District 7	263,808,281	58.15%	153,404,515
School District 6	16,300,000	16.07%	2,619,410
<b>Sewer District:</b>			
Spartanburg Sanitary Sewer District (Area-City is 45% of Sewer District Area)	\$ 117,585,000	23.34%	27,444,339
Subtotal, Overlapping Debt			<u>198,399,496</u>
City of Spartanburg Direct Debt			<u>89,371,211</u>
Total Direct and Overlapping Debt			<u><u>\$ 287,770,707</u></u>

Sources: Assessed value data used to estimate applicable percentages and amount of debt outstanding provided by the applicable government.

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

Overlapping rates are those of county and local governments that apply to property owners within the City of Spartanburg. Not all overlapping rates apply to all of the City of Spartanburg's property owners (i.e., the rates for fire/special purpose districts apply only to the proportion of the City of Spartanburg's property owners whose property is located within the geographic boundaries of the fire/special purpose district).

CITY OF SPARTANBURG, SOUTH CAROLINA

LEGAL DEBT MARGIN INFORMATION

LAST TEN FISCAL YEARS

UNAUDITED

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 11,852,614	11,623,959	12,053,308	12,820,779	13,044,253	13,596,688	14,133,051	14,757,098	16,495,328	\$ 16,851,050
Total Net Debt Applicable to Debt Limit	5,590,000	5,280,000	5,275,000	4,900,000	4,515,000	4,120,000	3,710,000	3,290,000	2,855,000	2,410,000
Legal Debt Margin	\$ 6,262,614	6,343,959	6,778,308	7,920,779	8,529,253	9,476,688	10,423,051	11,467,098	13,640,328	\$ 14,441,050
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	47.2%	45.4%	43.8%	38.2%	34.6%	30.3%	26.3%	22.3%	17.3%	14.3%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value*	\$ 206,128,386
Plus: Merchant's Inventory	4,509,740
Total Assessed Value	<u>210,638,126</u>
Debt Limit (8% of Total Assessed Value)	16,851,050
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	<u>2,410,000</u>
Total Amount of Debt Applicable to Debt Limit	<u>2,410,000</u>
Legal Debt Margin	<u>\$ 14,441,050</u>

Source: \* Spartanburg County Auditor's Office

Note: Title 5, Chapter 21, Article I of the Code of Laws of the State of South Carolina, 1976 states that the constitutional debt limit of a municipality may not exceed 8% of the locality's assessed valuation. Debt in excess of the limit must be authorized by a majority of qualified electors.

CITY OF SPARTANBURG, SOUTH CAROLINA

PLEGDED REVENUE COVERAGE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year Ended June 30	COP/Special Obligation Bonds					Tax Increment Bonds					Revenue Bonds					
	Hospitality Tax	Debt Service Principal	Debt Service Interest	Coverage	Tax Increment Funds	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2016	\$ 4,552,714	1,775,000	\$ 217,517	2.28	\$ 2,437,627	N/A	\$ 2,437,627	465,000	\$ 174,798	3.81	\$ 442,495	289,366	153,129	450,000	\$ 36,064	0.32
2017*	4,780,338	1,560,000	410,187	2.43	2,308,353	N/A	2,308,353	385,000	159,732	4.24	\$ 445,772	269,036	176,736	470,000	\$ 18,424	0.36
2018	5,041,501	1,560,000	410,112	2.56	2,488,645	N/A	2,488,645	525,000	102,091	3.97						
2019	5,347,735	1,605,000	368,883	2.71	2,538,427	N/A	2,538,427	540,000	90,048	4.03						
2020	4,958,735	1,930,000	522,366	2.02	402,762	N/A	402,762	550,000	77,952	0.64						
2021^	5,382,932	1,870,000	658,206	2.13	330,277	N/A	330,277	560,000	65,632	0.53						
2022	6,221,488	2,040,106	562,552	2.39	362,021	N/A	362,052	575,000	53,088	0.58						
2023	6,934,452	2,085,359	519,395	2.66	412,101	N/A	412,101	585,000	40,208	0.66						
2024	7,111,811	2,130,217	475,008	2.73	690,136	N/A	690,136	600,000	27,104	1.10						
2025	\$ 7,449,144	2,169,672	\$ 429,316	2.87	\$ 760,599	N/A	\$ 760,599	610,000	\$ 13,663	1.22						

Notes: Details regarding the City of Spartanburg's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation.

\* During fiscal year 2017, the City refinanced Series 2010 debt. See notes for further information. The City "netted" the Bond Principal Amount for this schedule.  
 ^ During fiscal year 2021, the City refinanced the Series 2016 B bonds with the Series 2021 B bonds. See notes for further information. The City "netted" the Bond Principal Amount for this schedule.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**SECURITY FOR THE SERIES 2000 BONDS**

**FRANCHISE FEES AND COMMISSION OF PUBLIC WORKS PAYMENTS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

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<b>Fiscal Year</b>		<b>Franchise Fees</b>	<b>CPW Payments</b>		<b>Totals</b>
2016	\$	3,466,527	1,000,000	\$	4,466,527
2017		3,448,870	1,000,000		4,448,870
2018		3,535,159	1,000,000		4,535,159
2019		3,660,671	1,021,000		4,681,671
2020		3,661,603	1,040,399		4,702,002
2021		3,340,752	1,064,328		4,405,080
2022		3,609,709	1,079,229		4,688,938
2023		3,721,878	1,112,685		4,834,563
2024		3,900,648	1,128,263		5,028,911
2025	\$	3,850,074	1,163,239	\$	5,013,313

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**MILLAGE RATE FOR THE ST. JOHN-DANIEL MORGAN REDEVELOPMENT PROJECT**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year</b>	<b>Total Initial Equalized Assessed Value</b>	<b>Total Equalized Assessed Value</b>	<b>Excess of Total Equalized Assessed Value over Initial Equalized Assessed Value</b>	<b>Total Millage Rate</b>	<b>Incremental Tax Revenues</b>	<b>Franchise Fees Received</b>	<b>Total Incremental Tax Revenues and Franchise Fees</b>
2016	\$ 657,060	1,503,144	\$ 846,084	474	\$ 356,104	4,466,527	\$ 4,822,631
2017	657,060	1,542,543	885,483	485	338,278	4,448,870	4,787,148
2018	657,060	1,729,090	1,072,030	485	397,031	4,535,159	4,932,190
2019	657,060	1,604,686	947,626	483	388,422	4,681,671	5,070,093
2020	657,060	1,645,244	988,184	482	327,762	4,702,002	5,029,764
2021	657,060	1,645,244	988,184	482	330,277	4,405,080	4,735,357
2022	657,060	1,837,209	1,180,149	484	362,052	4,688,938	5,050,990
2023	657,060	1,810,420	1,153,360	484	412,101	4,834,563	5,246,664
2024	657,060	1,755,990	1,098,930	483	412,101	5,028,911	5,441,012
2025	\$ 657,060	1,869,320	\$ 1,212,260	484	\$ 760,599	5,013,313	\$ 5,773,912

Notes: This schedule reports data from the first year collections above the total equalized assessed value.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year Ended June 30</b>	<b>(1) Population</b>	<b>(2) Personal Income</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) Median Age</b>	<b>(4) School Enrollment</b>	<b>(5) Unemployment Rate</b>
2016	37,867	\$ 789,829,886	\$ 20,858	35.7	8,223	5.7%
2017	37,876	827,666,352	21,852	35.3	7,969	4.2%
2018	37,498	822,331,140	21,930	35.4	8,234	3.5%
2019	37,644	911,361,240	24,210	35.0	8,068	3.5%
2020	37,399	940,884,042	25,158	35.0	7,641	10.1%
2021	38,732	990,377,240	25,570	35.0	7,574	5.8%
2022	38,401	1,007,027,824	26,224	34.9	8,162	5.7%
2023	38,584	1,088,608,976	28,214	35.5	8,249	6.3%
2024	39,040	1,298,470,400	33,260	35.4	8,065	4.6%
2025	39,606	\$ 1,317,295,560	\$ 33,260	35.6	8,161	4.6%

Data Sources:

- (1) U. S. Census Bureau
- (2) U. S. Census Bureau; 2014-2018, as estimated by the U. S. Census Bureau
- (3) U. S. Census Bureau
- (4) Spartanburg County School Districts 6 and 7
- (5) SC Department of Employment and Workforce; figures for Spartanburg County.

CITY OF SPARTANBURG, SOUTH CAROLINA

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

UNAUDITED

Employer	2025			2016		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Spartanburg Regional	10,800	1	27.27%	6,864	1	18.13%
Spartanburg County	1,576	2	3.98%	1,548	2	4.09%
Spartanburg School District #7	1,441	3	3.64%	1,200	3	3.17%
Opsource Staffing	850	4	2.15%	475	7	1.25%
American Credit Acceptance	627	5	1.58%	550	5	1.45%
Wofford College	532	6	1.34%			
City of Spartanburg*	433	7	1.09%	421	9	1.11%
YMCA of Greater Spartanburg	430	8	1.09%			
Purpose Financial	300	9	0.76%			
Spartanburg Water System	300	10	0.76%			
Denny's Corporate Office				309	10	0.82%
Advance America, Inc.				440	8	1.16%
QS1 Headquarters				529	6	1.40%
Walmart				742	4	1.96%
Totals	<u>17,289</u>		<u>43.65%</u>	<u>13,078</u>		<u>34.54%</u>

Source: City of Spartanburg Economic

Notes: \* See the "Full-time Equivalent City Government Employees by Function" table for the number of full-time City employees.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**PROPERTY VALUE AND CONSTRUCTION**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

<b>Fiscal Year</b>	<b>Number of Units</b>	<b>Commercial Building Permit Value (A)</b>	<b>Number of Units</b>	<b>Residential Building Permit Value (A)</b>	<b>Commercial</b>	<b>Residential</b>
2016	18	\$ 132,213,281	24	\$ 4,568,776	953,322,989	\$ 969,678,243
2017	18	25,422,584	62	9,638,567	1,011,254,028	1,075,833,644
2018	16	28,351,094	120	12,742,091	943,321,763	1,007,252,889
2019	16	23,141,392	89	13,260,335	1,047,022,632	1,129,205,534
2020	15	80,782,435	98	13,027,615	1,034,544,853	1,150,516,780
2021	58	91,186,149	147	26,789,492	1,022,125,186	1,174,597,771
2022	31	213,013,386	226	39,252,697	1,054,717,987	1,216,885,850
2023	14	61,135,746	112	21,063,493	1,225,121,840	1,266,722,513
2024	18	74,919,996	128	35,551,099	1,347,951,875	1,508,630,584
2025	14	\$ 122,204,045	120	\$ 42,922,887	1,418,530,084	\$ 1,568,601,754

Sources: City Inspections Department  
Spartanburg County Assessor's Office

Note A: Fifteen percent has been added to these figures due to subcontractors paying on their own work.

CITY OF SPARTANBURG, SOUTH CAROLINA

FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Finance and Administrative Services	13	14	15	13	14	14	14	14	14	13
Community Development	28	32	31	37	11	15	14	18	12	19
Parks, Recreation, and Special Events	15	16	17	27	20	43	28	44	55	56
Policy Formulation and Administration	34	32	31	33	65	53	59	53	55	68
Public Safety	226	211	245	222	216	213	224	211	210	203
Public Works	69	69	78	79	70	64	61	59	63	64
Business-Type Activities										
Parking Enterprise	1	1	1	1	1	5	9	4	5	2
Airport	7	7	6	8	7	6	7	7	7	8
<b>Total</b>	<b>393</b>	<b>382</b>	<b>424</b>	<b>420</b>	<b>404</b>	<b>413</b>	<b>416</b>	<b>410</b>	<b>421</b>	<b>433</b>

Source: City Payroll

Notes: The City's transit function is provided with the use of outside contract personnel. Schedule does not include part-time and seasonal workers which are primarily employed by the Parks, Recreation, and Special Events Department.

CITY OF SPARTANBURG, SOUTH CAROLINA

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS

UNAUDITED

Function/Program	Fiscal Year										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Finance and Administrative Services											
Business Licenses Issued	5,595	5,940	5,674	5,607	5,192	4,955	4,113	4,934	5,379	4,442	
Courtesy Summons Issued	358	506	446	269	383	609	299	507	1,850	1,600	
Development Services											
Building Permits Issued	3,526	3,860	4,727	3,927	4,377	4,525	4,723	3,928	4,364	4,554	
Building Inspections Conducted	3,723	5,457	6,868	7,220	7,557	8,607	8,941	10,816	7,695	7,579	
Policy Formulation and Management											
Judicial Cases	10,636	7,603	8,212	7,170	4,895	2,424	5,214	4,614	6,414	7,644	
Police Department											
Calls for Service	80,011	77,269	64,461	52,395	70,906	70,531	69,962	75,108	77,833	75,100	
Physical Arrests	4,185	3,616	3,571	3,249	1,883	3,023	3,133	2,724	2,769	2,738	
Traffic Violations	8,920	6,509	6,830	7,020	4,804	2,568	5,345	4,265	3,723	3,177	
Fire Department											
Emergency Responses	2,508	2,569	3,214	3,194	3,384	3,470	3,072	3,316	3,624	4,820	
Fires Extinguished	193	184	198	171	194	161	356	270	570	550	
Inspections	1,900	2,021	1,873	2,174	1,392	141	1,571	475	687	546	
Public Works											
Roads Maintained (miles)	187	187	187	186	186	186	186	190	190	190	
Refuse Collection (tons)	10,309	10,640	11,053	11,465	11,274	12,158	12,235	11,444	11,232	12,187	
Yard Waste Collection (tons)	7,034	4,725	5,328	5,470	5,630	7,726	7,088	4,682	4,070	7,552	
Recycling Collection (tons)	1,205	3,447	3,196	3,723	4,929	1,183	3,335	3,917	2,580	2,006	
Transit											
Passengers per Year	432,168	397,546	390,364	390,364	324,857	284,517	256,358	266,004	252,043	249,631	
Parking											
Garages	4	4	4	4	4	4	4	4	4	4	
Parking Lots	5	5	7	7	7	7	7	7	7	7	
Total Public Spaces	3,011	3,011	3,044	3,096	3,096	3,121	3,121	3,121	3,121	3,121	
Airport											
Fuel Gallons Sold	251,862	293,034	297,990	262,476	246,183	107,667	380,401	362,585	376,495	346,864	

Source: These statistics came from various City Departments.

Notes: Operating indicators are presented for all periods that were readily available.

Business License information is based on calendar year for 2016 through 2021 then based on May 1st - April 30th.

CITY OF SPARTANBURG, SOUTH CAROLINA

CAPITAL ASSET STATISTICS BY FUNCTION

LAST TEN FISCAL YEARS

UNAUDITED

Function	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Community Development										
Traffic Signals	133	133	132	132	132	132	132	149	139	123
Public Safety - Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	66	54	108	63	68	83	69	124	113	114
Public Safety - Fire										
Fire Station	5	5	5	5	5	5	5	5	5	5
Fire Trucks	10	10	11	9	9	9	9	9	6	10
Public Works										
Streets (in Miles)	187	187	187	186	186	186	186	190	190	190
Collection/Refuse Trucks	14	11	25	16	41	42	41	30	41	46
Parks and Recreation										
Parks Acreage	301	301	316	317	287	287	287	287	287	287
Parks	24	24	26	27	30	30	30	30	30	30
Ball fields	9	9	9	9	9	9	9	9	9	9
Swimming Pools	1	1	1	1	3	3	3	3	3	3
Community Centers	3	3	3	3	3	3	3	3	3	3
Solid Waste										
Collection/Refuse Trucks	14	11	11	16	24	24	24	30	26	26
Transit										
Passenger Buses	12	11	11	11	11	11	11	11	11	12
Parking										
Garages	4	4	4	4	4	4	4	4	4	4
Airport										
Community Hangars	3	3	3	3	3	3	3	2	2	2
Maintenance Hangars	1	1	1	1	1	1	1	1	1	1
T-Hangars	46	46	46	46	46	46	46	46	46	46

Sources: Various City departments.

Notes: Capital asset statistics are presented for all periods that were readily available.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**SCHEDULE OF STATE APPROPRIATIONS**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

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<b>Fiscal Year</b>	<b>Local Government Fund</b>	<b>Merchants Inventory</b>	<b>Accommodations Tax</b>	<b>Manufacturing Tax</b>	<b>Total</b>
2016	\$ 911,127	694,796	34,289	5,763	\$ 1,645,975
2017	791,466	694,796	32,922	5,763	1,524,947
2018	798,466	694,796	38,875	6,400	1,538,537
2019	836,020	694,796	39,550	6,380	1,576,746
2020	877,558	694,796	40,443	8,553	1,621,350
2021	894,378	694,796	28,714	9,496	1,627,384
2022	877,499	694,796	39,489	9,867	1,621,651
2023	919,067	694,796	44,507	24,119	1,682,489
2024	964,818	694,796	48,559	22,739	1,730,912
2025	\$ 1,012,847	694,796	52,563	22,939	\$ 1,783,145

Note: This schedule is a part of our Continuing Disclosure for the Outstanding General Obligation Debt Total state appropriations that were provided to the City under Article X, Sec 14, South Carolina Constitution for current fiscal year

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**HOSPITALITY FEES COLLECTED**

**LAST TEN FISCAL YEARS**

**UNAUDITED**

**ANNUAL HOSPITALITY FEES COLLECTED**

<b>Fiscal Year</b>	<b>Collections</b>	<b>Increase (Decrease) in Collections Over Prior FY</b>	<b>Percentage Change</b>
2016	\$ 4,556,811	\$ 343,681	7.54%
2017	4,787,349	230,538	4.82%
2018	5,041,502	254,153	5.04%
2019	5,336,684	295,182	5.53%
2020	4,956,934	(379,750)	-7.66%
2021	5,380,981	424,047	7.88%
2022	6,221,488	840,507	13.51%
2023	6,934,452	712,964	10.28%
2024	7,111,811	177,359	2.49%
2025	\$ 7,449,144	\$ 337,333	4.53%

**MONTHLY HOSPITALITY FEES COLLECTED**

<b>Month</b>	<b>Fiscal Year 2024 Fees</b>	<b>Fiscal Year 2025 Fees</b>	<b>Percentage Change</b>
July	\$ 596,850	\$ 642,807	7.15%
August	570,044	677,470	15.86%
September	607,191	519,276	-16.93%
October	609,835	644,224	5.34%
November	560,933	201,875	-177.86%
December	636,076	1,057,779	39.87%
January	539,590	528,842	-2.03%
February	604,246	623,659	3.11%
March	645,193	702,050	8.10%
April	588,972	644,441	8.61%
May	661,401	699,616	5.46%
June	491,480	507,105	3.08%
<b>TOTAL</b>	<b>\$ 7,111,811</b>	<b>\$ 7,449,144</b>	<b>4.53%</b>

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**TOP TEN HOSPITALITY FEES COLLECTED**

**LAST THREE FISCAL YEARS**

**UNAUDITED**

<b>Collector</b>	<b>Fiscal Year 2023 Collections</b>	<b>Fiscal Year 2024 Collections</b>	<b>Fiscal Year 2025 Collections</b>
National chain restaurant	\$ 391,491	359,772	\$ 410,524
Locally owned restaurant	192,652	188,733	197,434
National chain restaurant	177,691	175,992	173,904
National chain restaurant	138,280	144,736	159,892
National chain restaurant	135,894	133,238	147,511
National chain restaurant	135,680	128,278	144,228
National chain restaurant	130,054	125,935	128,512
National chain restaurant	117,077	122,518	126,397
National chain restaurant	103,511	96,639	101,483
National chain restaurant	86,922	79,858	81,869
<b>Totals</b>	\$ 1,609,252	1,555,699	\$ 1,671,754
Percent of Total Fiscal Year Hospitality Fee Collections	23.21%	21.87%	22.44%

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**HOSPITALITY FEE PROJECTED COLLECTIONS**

**NEXT FIVE FISCAL YEARS**

**UNAUDITED**

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	<b>Fiscal Year</b>				
	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Projected Hospitality Fee Collections	\$ 7,600,000	7,900,000	8,200,000	8,500,000	\$ 8,800,000
Debt Service on Parity Bonds	810,827	813,474	810,276	786,350	296,757
Debt Service on Series 2019 Bonds	\$ 940,068	939,759	938,569	941,343	\$ 943,038
Projected Debt Service Coverage	4.34	4.51	4.69	4.92	7.10

CITY OF SPARTANBURG, SOUTH CAROLINA

HOSPITALITY FEE FUNDING

LAST NINE FISCAL YEARS

UNAUDITED

	Fiscal Year								
	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>									
Hospitality Fee Collections	\$ 4,776,238	5,041,501	5,337,341	4,956,934	5,380,981	6,221,488	6,934,452	7,111,811	\$ 7,449,144
Sunday Alcohol Permits	4,100	951	11,050	1,801	1,951	602	-	-	-
Interest	11,112	16,473	28,448	26,024	2,421	2,470	46,152	109,729	126,397
<b>Total Revenues</b>	<b>4,791,450</b>	<b>5,058,925</b>	<b>5,376,839</b>	<b>4,984,759</b>	<b>5,385,353</b>	<b>6,224,560</b>	<b>6,980,604</b>	<b>7,221,540</b>	<b>7,575,541</b>
<b>Expenditures</b>									
Debt Service	1,970,188	1,970,112	1,973,882	2,357,315	2,619,806	2,609,258	2,604,756	2,611,825	2,607,587
Discretionary Expenditures	522,345	543,380	535,500	567,123	186,176	587,322	448,600	1,017,549	602,713
Miscellaneous Expenditures	(1,200)	3,000	657	-	-	-	-	-	-
Transfer to Capital Projects Fund	187,768	268,191	209,293	465,245	-	-	-	500,000	-
Transfer to General Fund	1,802,486	2,153,941	2,611,842	2,478,467	2,486,794	2,703,000	3,000,000	3,500,000	3,675,000
Transfer to Miscellaneous Grant Fund	5,425	7,547	-	-	-	-	-	-	-
Transfer to Special Events Fund	76,200	75,000	75,000	51,200	-	279,608	282,787	148,226	123,500
<b>Total Expenditures</b>	<b>4,563,212</b>	<b>5,021,171</b>	<b>5,406,174</b>	<b>5,919,350</b>	<b>5,292,776</b>	<b>6,179,188</b>	<b>6,336,143</b>	<b>7,777,600</b>	<b>7,008,800</b>
<b>Change in Fund Balance</b>	<b>228,238</b>	<b>37,754</b>	<b>(29,335)</b>	<b>(934,591)</b>	<b>92,577</b>	<b>45,372</b>	<b>644,461</b>	<b>(556,060)</b>	<b>566,741</b>
Fund Balance, Beginning of Year	2,113,680	2,341,918	2,379,672	2,350,337	1,415,746	1,508,323	1,553,695	2,198,156	1,642,096
<b>Fund Balance, End of Year</b>	<b>\$ 2,341,918</b>	<b>2,379,672</b>	<b>2,350,337</b>	<b>1,415,746</b>	<b>1,508,323</b>	<b>1,553,695</b>	<b>2,198,156</b>	<b>1,642,096</b>	<b>\$ 2,208,837</b>



City of  
**SPARTANBURG**  
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Program	Assistance Listing Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
<b>DEPARTMENT OF HOUSING / URBAN DEVELOPMENT</b>				
Direct:				
CDBG Entitlement Grant, 44th	14.218	B-18-MC-45-0001	\$ 8,024	\$ -
CDBG Entitlement Grant, 45th	14.218	B-19-MC-45-0004	60,687	-
CDBG Entitlement Grant, 47th	14.218	B-21-MC-45-0004	28,725	12,332
CDBG Entitlement Grant, 49th	14.218	B-23-MC-45-0004	105,977	43,000
CDBG Entitlement Grant, 50th	14.218	B-24-MC-45-0004	530,863	237,336
CDBG - Entitlement Grants Cluster			734,276	292,668
Home Program Year 2024	14.239	M-24-MC-45-0207	20,000	-
COVID-19 - Home American Rescue Plan Funds	14.239	M-21-MP-45-0207	144,999	-
Subtotal 14.239			164,999	-
United Housing Connections - Continuum of Care	14.267	SC0152L4EO12204	54,066	-
United Housing Connections - Continuum of Care	14.267	SC0213L4EO12300	82,132	-
Subtotal 14.267			136,198	-
Lead Based Paint Hazard Control	14.900	N/A	63,282	-
<b>TOTAL DEPARTMENT OF HOUSING / URBAN DEVELOPMENT</b>			<b>1,098,755</b>	<b>292,668</b>
<b>DEPARTMENT OF JUSTICE</b>				
Direct:				
Highland CBCR	16.817	2020-BJ-BX-0004	307,710	-
Equitable Sharing Program	16.922	N/A	27,249	-
Pass Through SC Department of Public Safety:				
Law Enforcement to Assist Victims	16.575	1S24028	8,623	-
Law Enforcement to Assist Victims	16.575	1S24070	50,121	-
Subtotal 16.575			58,744	-
<b>TOTAL DEPARTMENT OF JUSTICE</b>			<b>393,703</b>	-
<b>DEPARTMENT OF TRANSPORTATION</b>				
Direct:				
Federal Aviation Administration:				
Airport Improvement Program (AIP)	20.106	3-45-0051-30-2023	3,895,546	-
Airport Improvement Program (AIP)	20.106	3-45-0051-31-2023	178,752	-
Airport Improvement Program (AIP)	20.106	3-45-0051-32-2024	150,000	-
Airport Improvement Program (AIP)	20.106	3-45-0051-33-2024	237	-
Subtotal 20.106			4,224,535	-
Federal Transit Administration:				
Operating Assistance	20.507	SC 2023-014-00	322,573	-
Operating Assistance	20.507	SC 2024-017-00	134,635	-
Operating Assistance	20.507	SC 2025-008-00	500,000	-
Operating Assistance	20.507	SC 2025-029-00	90,472	-
COVID-19 - Operating Assistance	20.507	SC 2022-016-01	25,000	-
Federal Transit Cluster			1,072,680	-
Pass Through SC Department of Public Safety:				
Office of Highway Safety and Justice Programs	20.600	PT-2024-HS-08-24	21,230	-
Office of Highway Safety and Justice Programs	20.600	PT-2025-HS-08-25	57,741	-
Highway Safety Cluster			78,971	-
<b>TOTAL DEPARTMENT OF TRANSPORTATION</b>			<b>\$ 5,376,186</b>	<b>\$ -</b>

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

Program	Assistance Listing Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
<b>DEPARTMENT OF THE INTERIOR</b>				
Pass Through SC Department of Parks, Recreation & Tourism: Land and Water Conservation Fund	15.916	45-01152	\$ 65,785	\$ -
<b>TOTAL DEPARTMENT OF INTERIOR</b>			<u>65,785</u>	<u>-</u>
<b>US DEPARTMENT OF THE TREASURY</b>				
Direct: COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	N/A	166,000	166,000
<b>TOTAL US DEPARTMENT OF THE TREASURY</b>			<u>166,000</u>	<u>166,000</u>
<b>GRAND TOTALS</b>			<u>\$ 7,100,429</u>	<u>\$ 458,668</u>

See accompanying notes to the schedule of expenditures of federal awards.

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2025**

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**A. – GENERAL**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) presents the activity of all federal award programs of the City of Spartanburg, South Carolina (the “City”) for the year ended June 30, 2025. Expenditures for federal financial assistance awarded directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

**B. – BASIS OF ACCOUNTING**

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the City’s financial statements.

**C. – RELATIONSHIP TO THE FINANCIAL STATEMENTS**

Federal award expenditures are generally reported in the City’s financial statements as (a) expenditures in the General Fund and special revenue funds, (b) expenses or capital asset additions in the enterprise funds, (c) and when loan proceeds are received/made in the special revenue funds.

**D. – MATCHING COSTS**

Matching costs, i.e., the non-federal share of certain program costs, are not included in the accompanying Schedule.

**E. – INDIRECT COST RATE**

The City has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.



City of  
**SPARTANBURG**  
south carolina



**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**

Honorable Mayor and Members of City Council  
 City of Spartanburg  
 Spartanburg, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (“*Government Auditing Standards*”), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Spartanburg, South Carolina (the “City”), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 2, 2026.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City’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 City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City’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*.

## City's Responses to Findings

*Governmental Auditing Standards* requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## 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 City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
March 2, 2026



**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and Members of City Council  
City of Spartanburg  
Spartanburg, South Carolina

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

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

We have audited the City of Spartanburg, South Carolina's (the "City") 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 City's major federal programs for the year ended June 30, 2025. The City'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, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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

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

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

### ***Other Matter***

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-003. Our opinion on each major federal program is not modified with respect to this matter.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2025-003 to be a material weakness.

*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 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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Greene Finney Cauley, LLP*

Greene Finney Cauley, LLP  
Mauldin, South Carolina  
March 2, 2026

**CITY OF SPARTANBURG, SOUTH CAROLINA**

**SCHEDULE OF PRIOR AUDIT FINDINGS**

**YEAR ENDED JUNE 30, 2025**

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**2024-001: RECORDING BALANCE SHEET ITEMS**

**Condition:** The City inadvertently failed to properly record some balance sheet amounts for prepayments, receivables, payables, unearned revenue, and beginning equity. The City failed to initially record some prepayments and accrue grant revenue for the current year's expenditures to construct a local monument. In the Airport Fund, both a grant receivable and an accounts payable balance were inadvertently recorded twice. For a construction project, the City did not initially reverse the full amount of unearned revenue for state revenue that was earned during 2024. The City did not properly record the closing journal entries identified during the fiscal year 2023 audit – as certain beginning fund balances for 2024 were off. These items were adjusted when brought to the City's attention.

**Criteria:** The City should have appropriate internal controls in place to ensure that all necessary balance sheet items have been properly recorded in a timely manner.

**Context, Cause and Effect:** We noted that the City had not initially recorded a prepaid balance which caused the current year's expenditures to be overstated. The City had not properly accrued receivables and accounts payable which impacted revenue and expenditures recorded for 2024. The City also did not recognize revenue that was initially deferred. The City also failed to record the year end entries from fiscal year 2023 which resulted in the City's original trial balance being misstated.

**Status:** The City has addressed most of the instances noted above, but additional items were identified in the audit for the year ended June 30, 2025. See the current year financial statement finding 2025-001 for more details.

**2024-002: REPORTING INFORMATION IN THE SEFA**

**Condition:** During the fiscal year 2024 audit, we noted that significant information was missing from the original Schedule of Expenditures of Federal Awards ("SEFA") that was provided to the auditors. Some project expenditures initially were not reported in the correct period as the City inadvertently failed to accrue receivables and payables related to several federal awards. The City also failed to report a new program on the original SEFA. The SEFA was revised, and the appropriate entries were made by the City when these matters were brought to the City's attention.

**Criteria:** The City should have appropriate internal controls in place to ensure that all federal awards are identified and reported on the SEFA in the appropriate accounting period.

**Context, Cause and Effect:** The SEFA is supplementary information that is included in the City's audited financial statements and is ultimately submitted to the Federal Audit Clearing House each year (if federal expenditures exceed \$750,000). The auditors use the SEFA to determine the major programs that must be audited each year and thus if the amounts are not accurate on the SEFA, it could result in the wrong programs being audited.

**Status:** The City ensured that the SEFA was properly reported for the year ended June 30, 2025.

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2025

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Federal Agency: U.S. Department of Transportation  
Airport Improvement Program: Assistance Listing Number 20.106  
FAIN: 3-45-0051-030-2023  
Repeat Finding from Prior Year? No

**2024-003: REPORTING**

**Questioned Costs**

\$ - 0 - .

**Condition:** We noted that the City did not submit an annual report (SF-425) as required by the OMB *Compliance Supplement* and the Federal Aviation Administration grant agreement.

**Criteria:** All required reports for the program should be properly completed and submitted timely.

**Context, Cause, and Effect:** While performing our testing, we noted that the required annual report was not submitted for the Airport Improvement Program. A draft report was prepared by the City's airport contractor, but the final report was inadvertently not submitted.

**Status:** A similar finding was reported for the year ended June 30, 2025. See the current year federal award finding 2025-003 for more details.

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

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Section I - Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?   X   Yes        No

Significant deficiencies identified that are not considered to be material weaknesses?          X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?   X   Yes        No

Significant deficiencies identified that are not considered to be material weaknesses?        Yes   X   None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (Uniform Guidance)?   X   Yes        No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: \$        750,000

Auditee qualified as low-risk auditee?        Yes   X   No

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

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Section II – Current Year Financial Statement Findings

**2025-001: RECONCILING REVENUE, UNEARNED REVENUE, AND EQUITY CATEGORIES**

**Condition:** Along with the use of its own funds, the City has received numerous sources of federal, state, and local funds to be used on various projects at the City. The City needs to develop a formal process to track the details (i.e. where, how, and when) on the use of these funds. This will allow the City to more readily know the amounts of revenue, unearned revenue, and the classification of equity that should be recorded in the City’s financial statements. With the assistance of Greene Finney Cauley, LLP (“GFC”), these items were reconciled and updated when brought to the City’s attention.

**Criteria:** The City should have appropriate internal controls in place to ensure that all necessary financial statement accounts have been properly reconciled and reported in a timely manner.

**Context, Cause and Effect:** Due to staff changes and the extreme number of ongoing large projects at the City, the City has struggled to keep up with reconciling the various sources of funds used for each of the projects. If left uncorrected, this could result in revenue and unearned revenue not being properly reported/recognized for expenditure-driven grants and equity classifications being improperly reported (i.e. restricted, assigned, etc.). With the assistance of GFC, the City reconciled its source of funds for ongoing projects and will track this on an ongoing basis.

**Recommendation:** We recommend that the City develop and implement appropriate internal controls and accounting procedures to ensure that balance sheet accounts are properly reconciled and reported in a timely manner.

**Response:** The City agrees with this finding and will adhere to the corrective action plan on page 197 in this audit report.

**2025-002: DUPLICATE TRANSIT CLAIM IN THE PRIOR YEAR**

**Condition:** During the fiscal year 2025 audit, the City became aware that it had inadvertently drawn down grant funds twice for the same expenditures in the Transit Fund in the prior year. The City recorded a prior period adjustment once it learned of this error.

**Criteria:** The City should have appropriate internal controls in place to ensure that all federal awards are only drawn down once and that programs/clusters on the schedule of expenditures of federal awards (“SEFA”) are identified and reported on the SEFA in the correct amount.

**Context, Cause and Effect:** The Transit Fund revenues and the SEFA in the prior year were overstated by approximately \$181,000 related to the Federal Transit Cluster. This program was a low-risk Type A program – and thus it had no impact on whether this program would have been tested as a major program in the fiscal year 2024 audit. In addition, the City and GFC do not think the SEFA in the prior year needs to be restated – as we think the SEFA is still fairly stated, in all material respects, in relation to the financial statements as a whole. This error was material to the Transit Fund financial statements and thus a prior period adjustment was made.

**Recommendation:** We recommend that the City ensure that all federal funds are properly drawn down (only drawn down once), that they are properly reported on the SEFA, and that the amounts tie to the City’s accounting records for grant awards.

**Response:** The City agrees with this finding and will adhere to the corrective action plan on page 197 in this audit report.

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2025

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Section III – Current Year Federal Award Findings and Questioned Costs

Federal Agency: U.S. Department of Transportation  
Airport Improvement Program: Assistance Listing Number 20.106  
FAIN: 3-45-0051-030-2023; 3-45-0051-031-2023  
Repeat Finding from Prior Year? Yes

**2025-003: REPORTING**

**Questioned Costs**

\$ - 0 - .

**Condition:** We noted that the City did not submit timely annual reports (SF-425) as required by the OMB *Compliance Supplement* and the Federal Aviation Administration grant agreement.

**Criteria:** All required reports for the program should be properly completed and submitted on a timely basis.

**Context, Cause, and Effect:** While performing our testing we noted that the required annual report was not submitted for the Airport Improvement Program on a timely basis.

**Recommendation:** We recommend that the City develop and implement appropriate internal controls to ensure that all required forms are properly completed and submitted on a timely basis.

**Response:** The City agrees with this finding and will adhere to the corrective action plan on page 197.



**City of Spartanburg**  
**Finance Department**  
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**CITY OF SPARTANBURG, SOUTH CAROLINA**

**CORRECTIVE ACTION PLAN**

**YEAR ENDED JUNE 30, 2025**

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**Section II – Financial Statement Findings**

**Finding:** 2025-001

**Contact Person:** Dennis Locke, Director of Finance and Budget, [dlocke@cityofspartanburg.org](mailto:dlocke@cityofspartanburg.org)

**Corrective Action:** The City will ensure that all significant balance sheet accounts are properly reconciled and reported on a timely basis.

**Proposed Completion Date:** Prior to June 30, 2026

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**Finding:** 2025-002

**Contact Person:** Dennis Locke, Director of Finance and Budget, [dlocke@cityofspartanburg.org](mailto:dlocke@cityofspartanburg.org)

**Corrective Action:** The City will ensure that all federal awards are properly identified, claimed, and reported in the financial statements and the SEFA.

**Proposed Completion Date:** Prior to June 30, 2026

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

**Finding:** 2025-003

**Contact Person:** Dennis Locke, Director of Finance and Budget, [dlocke@cityofspartanburg.org](mailto:dlocke@cityofspartanburg.org)

**Corrective Action:** The City will ensure that all applicable airport project reports are completed and filed on a timely basis.

**Proposed Completion Date:** Prior to June 30, 2026



City of  
**SPARTANBURG**  
south carolina



