CITY OF SPARTANBURG
SOUTH CAROLINA

CITY COUNCIL AGENDA

City Council Meeting
County Council Chambers
366 N. Church Street
Monday, February 10, 2025
5:30 PM

I. **Moment of Silence**

II. **Pledge of Allegiance**

III. **Approval of the Minutes of the January 28, 2025 Meeting**

IV. **Approval of the Agenda of the February 10, 2025 Meeting**

V. **Public Comment**
****Public Comment Forms are available inside Council Chambers on the podium. Please turn in completed form to the Clerk prior to the start of the meeting.**

VI. **FY 2024 Annual Comprehensive Financial Report**
Presenters: Dennis Locke, Finance Director
David Phillips, CPA- Greene Finney Cauley, LLP

VII. **Staff Updates**

VIII. **City Council Updates**

IX. **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 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.

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

City Council Meeting
County Council Chambers
366 N. Church Street
Monday, Tuesday, January 28, 2025
5:30 p.m.

(These minutes to be approved at the February 10, 2025 Council Meeting)

City Council met this date with the following Councilmembers present: Mayor Jerome Rice, Jr, Mayor Pro Tem Erica Brown, Councilmembers Jamie Fulmer, Meghan Smith, Janie Salley, and Ruth Littlejohn. City Manager Chris Story, Deputy City Manager Mitch Kennedy, City Attorney Robert Coler, City Clerk Christie Lindsey were in attendance. Councilmember Rob Rain and Assistant City Manager Kevin Limehouse were absent. 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 January 13, 2025 City Council Meetings**
Councilmember Fulmer *made a motion to approve the minutes as received.*
Mayor Pro Tem Brown *seconded the motion, which carried unanimously 6 to 0.*

IV. **Approval of the Agenda for the January 28, 2025 City Council Meeting -**
Councilmember Salley *made a motion to approve the agenda as received.*
Councilmember Smith *seconded the motion, which carried unanimously 6 to 0.*

V. **Public Comment –**
*Citizen Appearance forms are available at the door and should be submitted to the City Clerk
1. Mr. Kumar-Spoke regarding Public Transportation

VI. **Recognition of City of Spartanburg Retirees, Lt. Alan Bledsoe and MPO Chris Taylor of the Spartanburg Police Department**
Presenter: Jerome Rice, Jr., Mayor
Mayor Rice *presented Lt. Bledsoe and MPO Taylor with an award in recognition of their dedicated service to the City of Spartanburg. Mayor Rice along with fellow Councilmembers shared their congratulations with Lt. Bledsoe and MPO Taylor on their Retirement.*

VII. City of Spartanburg Lead Hazard Control and Healthy Homes Initiative Update
Presenter: Martin Livingston, Community Development Director
David Maher, Program Manager

Martin and David presented Council with information and photos outlining the Lead Hazard Control and Healthy Homes Initiative in the City. The grant funding allowed staff to assist 35 homeowners in removing lead and hazardous materials from their homes.
The grant program was funded from January 1, 2020 until June 30, 2024.

VIII. Resolution

A. **A Resolution Certifying a Building as an Abandoned Building Site Pursuant to the The South Carolina Abandoned Building Revitalization Act, Title 12, Chapter 67, Section 12-67-100 et seq. of the South Carolina Code of Laws (1976), as Amended, Regarding the Property Located at 153 Oakwood Avenue, Spartanburg, South Carolina, Bearing Tax Map# 7-12-08-074.00**
Presenter: Robert P. Coler, City Attorney
Councilmember Fulmer *made a motion to approve the ordinance as presented.* ***Councilmember Smith*** *seconded the motion, which carried unanimously 6 to 0.*

IX. Staff Updates

Chris Story provided an update regarding the continued storm debris cleanup in the City. He advised Council that Daniel Halliman, Administrative Support Manager with Parks, Recreation and Special Events was recognized by the National Recreation and Parks Association as one of the top "30 under 30".
Mr. Story also highlighted The Spartanburg Police Activities League for hosting the Building Bridges with Law Enforcement event held on January 25, 2025 at the CC Woodson Recreation Center.

X. City Council Updates

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

Councilmember Fulmer *made a motion to enter into executive session at 6:36p.m.* ***Councilmember Smith*** *seconded the motion, which carried unanimously 6 to 0.*

XI. Executive Session

A. **Executive Session Pursuant to Section 30-4-70(a)(5) of the South Carolian Code to Discuss Matters Relating to Economic Development "Project New Vision" a Potential Mixed-Income Residential Development near the Downtown Area.**

XII. Adjournment – ***Councilmember Fulmer*** *made a motion to adjourn the meeting. Councilmember Salley seconded the motion, which carried unanimously 6 to 0. The meeting adjourned at 6:52p.m.*

Christie B. Lindsey

Christie B. Lindsey, City Clerk

City of SPARTANBURG south carolina

REQUEST FOR CITY COUNCIL ACTION

TO:	**Chris Story, City Manager**
FROM:	**Dennis R. Locke, Finance Director**
SUBJECT:	**FY 2024 Annual Comprehensive Financial Report**
DATE:	**February 6, 2025**

This City's External Auditors, Greene Finney Cauley, LLP will provide a review of the highlights for our Annual Comprehensive Financial Report for FY 2024.

Annual Comprehensive Financial Report
Fiscal Year Ended June 30, 2024

City of
SPARTANBURG
south carolina

Layout of the 2024 cover by the City of Spartanburg

Annual Comprehensive Financial Report

City of Spartanburg, South Carolina

Fiscal Year Ended June 30, 2024

Prepared by the City's Finance Division

City of
SPARTANBURG
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

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(Continued)

STATISTICAL SECTION (UNAUDITED) (CONTINUED)

COMPLIANCE SECTION

City of Spartanburg
Finance Department
PO Box 1749
145 W Broad Street
Spartanburg, SC 29304
Phone: 864-596-2059
Fax: 864-596-2424
www.cityofspartanburg.org

February 5, 2025

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, 2024. 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, 2024 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, 2024 are fairly presented in conformity with GAAP. The independent auditors' 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 39,000, 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. According to One Spartanburg, our local Chamber of Commerce, Spartanburg continues to be listed 1st for small Metro for Economic Growth, 2nd in Job Market for the U.S., and the 4th Best place to live in S.C. The unemployment rate has decreased to 4.6% as of June 30th.

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

In September 2023, City Council approved the Largest Development in our history. A proposed deal with Johnson Development Associates ("JDA") is the largest economic development project in the City's history. First announced in May 2023, the centerpiece of the transformational development will be a new Minor League Baseball stadium to serve as the future home of the former Down East Wood Ducks of Kinston, NC. The team was renamed to the Hub City Spartanburgers.

Far more than merely a baseball stadium development though, the $425 million development will cover a total of around four blocks of Downtown Spartanburg. 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. Construction on the project will take place in phases, with the stadium and first parking structure expected to be completed by spring of 2025 and subsequent phases to be completed over several years.

In October 2023, City Council unanimously approved a slate of improvements for Duncan Park, as well as the Mary Black Foundation Rail Trail and Mary H. Wright Greenway. Following a framework for spending the City's allocation of American Rescue Plan Act ("ARPA") funding agreed to by Council earlier this year, a total of approximately $580,000 was approved for a variety of improvements including, installation of around 2,300 feet of new asphalt trail and resurfacing around 3,600 feet of existing asphalt trail with in Duncan Park, youth athletic fields improvements including concession and restroom areas, and repair and resurfacing of the nearly 2-mile Mary Black Foundation Rail Trail.

In December 2023, Spartanburg City Council voted unanimously to approve a development agreement with Palmetto Operating Company, LLC for the redevelopment of the former Coca-Cola distribution center which has been vacant since 2017. Plans call for converting the former distribution facility into mixed use and ultimately will total over 75,000 sq. ft. of space, with a blend of apartment units, office space, retail storefronts and an event space. The development is expected to be completed in two phases, with the first phase tackling the renovation of the existing distribution facility. The developer expects to keep the current historic façade intact. Under terms of the development agreement for the $18 million investment, the City agreed to a fee in lieu of property tax arrangement that will generate around $60,000 in local government revenue initially and will gradually increase to $132,000 at the 20-year mark. City Council previously approved a rezoning to facilitate the redevelopment project early this year.

In June 2024, City Council gave final approval to three related agenda items for the new minor league baseball stadium and adjacent developments in a series of 6-0 votes. The three items approved were: An ordinance to authorize the execution of an agreement between the City and Spartanburg County regarding sharing costs of constructing, financing, and maintaining the stadium. An ordinance consenting to the removal of the property from a joint county industrial/business park and including it in a new joint county industrial/business park to facilitate agreements between the City and Spartanburg County regarding their partnership in the development project. An ordinance authorizing the issuance of up to $67.5 million in bond debt to pay for the baseball stadium's construction.

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 comprehensive annual financial report for the 31st consecutive year for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual 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,

Chris Story
City Manager

Dennis R. Locke, CGFO
Finance and Budget Director

Donnita H. Smith, CGFO
Assistant Finance and Budget Director

City of
SPARTANBURG
south carolina

City of SPARTANBURG south carolina

PRINCIPAL OFFICIALS AS OF JUNE 30, 2024

CITY COUNCIL

Jerome Rice, Mayor

Janie Salley, Mayor Pro Tem

Meghan Smith, Council Member
Ruth Littlejohn, Council Member
Jamie Fulmer, Council Member
Rob Rain, Council Member
Erica Brown, 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

MAYOR AND CITY COUNCIL

MUNICIPAL COURT JUDGE
Jacqueline Moss

CITY ATTORNEY
Bob Coler

CITY MANAGER
Chris Story

DEPUTY CITY MANAGER
Mitch Kennedy

ASSISTANT CITY MANAGER
Kevin Limehouse

HUMAN RESOURCES
Michelle Clyburn

NEIGHBORHOOD SERVICES
- **Neighborhood Services**
  Martin Livingston
- **Code Enforcement**
  Vacant

DEVELOPMENT SERVICES
- **Building Inspections**
  Buddy Bush
- **Planning**
  Fredalyn Frasier
- **Parking Enforcement**
  Mark Cleveland
- **Building Maintenance**
  Tony McAbee
- **Capital Projects**
  Jan de Voest

POLICE DEPARTMENT
Chief Alonzo Thompson

FIRE DEPARTMENT
Chief Pierre Brwton

MANAGEMENT SERVICES
- **Finance**
  Dennis Locke
- **Budget & Accounting**
  Donnita Smith
- **Procurement**
  Carl Wright
- **Information Technology**
  Terry Jolley
- **Airport**
  Terry Connorton
- **SPARTA**
  Luis Gonzalez

COMMUNITY SERVICES
- **Community Services**
  Kathy Hill
- **AMPLIFY/MBD**
  Kensley Aiken

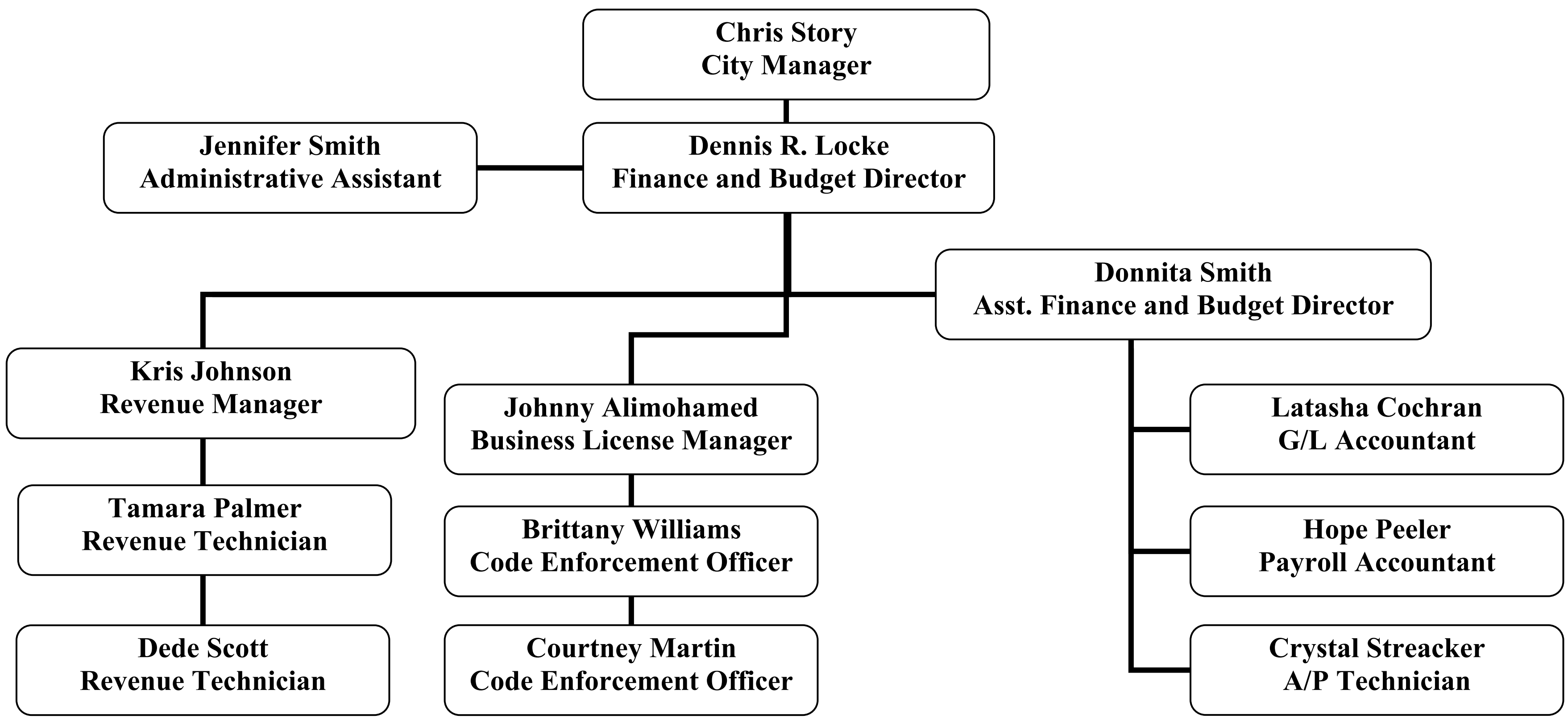
PARKS AND RECREATION SPECIAL EVENTS
- **Parks and Recreation**
  Kim Moultire
- **Special Events**
  Vacant

PUBLIC WORKS
Jay Squires
- **Solid Waste**
  Tim Atkins
- **Street Maintenance**
  Jay Squires
- **Fleet Maintenance**
  Jason Riddle
- **Traffic Services**
  Randal Farr
- **Grounds Maintenance**
  Josh Baker

COMMUNICATIONS & MARKETING
Christopher George

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, 2023

Christopher P. Morrill

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, 2024, 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, 2024, 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 out 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.

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 February 5, 2025 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
February 5, 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, 2024 ("FY 2024" or "2024") compared to year ended June 30, 2023 ("FY 2023" or "2023"). 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 2024 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 $160,278,000 (Net Position). Of this amount, approximately $19,256,000 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 $75,319,000 which consisted of an increase in governmental activities of approximately $75,965,000 and a decrease in business-type activities of approximately $646,000. The increase in governmental activities was due to revenues exceeding expenses. The decrease in business-type activities was due to expenses exceeding revenues.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balance of approximately $98,585,000, an increase of approximately $71,742,000 or approximately 267% in comparison with the prior year fund balance of approximately $26,843,000. The fund balance for the General Fund decreased approximately $5,583,000 (36%) to approximately $10,076,000 at June 30, 2024 compared to the prior year fund balance of approximately $15,659,000. The decrease is primarily due to expenditures and other financing uses exceeding revenues in the current year. Approximately $108,000 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 $9,718,000 is unassigned.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund of approximately $9,718,000 was approximately 19% of total General Fund expenditures.

FINANCIAL HIGHLIGHTS (CONTINUED)

- The City's total capital assets increased by approximately $67,556,000 or 48% from the prior year balance. Total additions were approximately $76,242,000 which were partially offset by depreciation and amortization expense of approximately $7,633,000 and net disposals of approximately $1,053,000.
- The City's debt increased by approximately $63,689,000 or 132% during the current year. The increase was due to the issuance of installment purchase revenue bonds ("IPRB) of $63,820,000, the issuance of a financed purchase obligation of $3,100,000, and the issuance of two new subscription-based information technology arrangements ("SBITA") for approximately $3,247,000, partially offset by regularly scheduled principal payments of approximately $6,478,000.

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 SSFS (major special revenue fund). These are separate nonprofit corporations for which the City is financially accountable. Financial information for the two 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 Other Charges. 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.

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, and the SSFC 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 and Hospitality Tax Fund, as required by General Statutes. A required budgetary comparison schedule has been provided for the General Fund and Hospitality Tax 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.

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.

Major Features of the City's Government-Wide and Fund Financial Statements

		Fund Financial Statements		
	Government-Wide Financial Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	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.
Required financial statements	▪ Statement of Net Position ▪ Statement of Activities	▪ Balance sheet ▪ Statement of revenues, expenditures, and changes in fund balances	▪ Statement of Net Position ▪ Statement of revenues, expenses, and changes in Net Position ▪ Statement of Cash Flows	▪ Statement of fiduciary Net Position ▪ Statement of changes in fiduciary Net Position
Accounting basis and measurement focus	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
Type of balance sheet information	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.
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	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

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 $160,278,000 at the close of the most recent fiscal year. The following table provides a summary of the City's Net Position at June 30, 2024 compared to June 30, 2023:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current & Other Assets	$ 148,177,615	57,905,923	16,199,658	11,516,852	164,377,273	$ 69,422,775
Capital Assets, Net	140,398,085	73,715,032	67,749,397	66,876,767	208,147,482	140,591,799
Total Assets	288,575,700	131,620,955	83,949,055	78,393,619	372,524,755	210,014,574
Deferred Outflows of Resources	8,342,143	8,119,680	230,641	208,617	8,572,784	8,328,297
Liabilities						
Long-Term Liabilities	101,843,475	37,682,630	15,159,992	15,159,275	117,003,467	52,841,905
Net Pension Liability	47,819,299	47,457,833	1,315,721	1,455,550	49,135,020	48,913,383
Net OPEB Liability	804,062	823,150	28,786	25,816	832,848	848,966
Other Liabilities	43,416,235	24,777,939	6,986,348	507,964	50,402,583	25,285,903
Total Liabilities	193,883,071	110,741,552	23,490,847	17,148,605	217,373,918	127,890,157
Deferred Inflows of Resources	1,280,415	3,209,647	2,165,271	2,283,944	3,445,686	5,493,591
Net Position						
Net Investment in Capital Assets	114,571,963	63,395,780	51,739,120	52,751,767	162,746,840	111,953,099
Restricted	16,786,915	9,600,165	-	-	16,786,915	9,600,165
Unrestricted	(29,604,521)	(47,206,509)	6,784,458	6,417,920	(19,255,820)	(36,594,141)
Total Net Position	$ 101,754,357	25,789,436	58,523,578	59,169,687	160,277,935	$ 84,959,123

(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 $162,510,000 from the prior year balance to approximately $372,525,000 at June 30, 2024. Current and other assets increased approximately $94,954,000 primarily due to an increase in cash and cash equivalents due to the strong operating performance (due to an growing economy), grants for the Baseball Stadium Project, and recognition of ARPA grants for loss revenues. Capital assets increased approximately $67,556,000 as total additions were approximately $76,242,000 (primarily due to construction of the new baseball stadium, new fire station, and new municipal police building) which were partially offset by depreciation and amortization expense of approximately $7,633,000 and net disposals of approximately $1,053,000.

Total liabilities increased approximately $89,484,000 from the prior year. The increase was primarily due to an increase in long-term liabilities of approximately $64,162,000 (primarily due to the issuance of the series 2024 IRPB), increase in unearned revenue of approximately $9,894,000 (grants related to the Baseball Stadium Project), and an increase in accounts/retainage payables of approximately $12,362,000 (due to increased construction related activity). 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 $75,319,000 during the current fiscal year due to current year revenues exceeding current year expenses. Please see discussion following the next table regarding this increase.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following table shows the changes in Net Position for 2024 compared to 2023:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues						
Program Revenues:						
Charges for Services	$ 27,449,383	24,664,215	5,682,557	5,691,317	33,131,940	$ 30,355,532
Operating Grants and Contributions	14,542,397	2,057,930	1,370,435	1,072,838	15,912,832	3,130,768
Capital Grants and Contributions	56,292,135	885,080	3,339,419	149,361	59,631,554	1,034,441
General Revenue:						
Property Taxes	24,081,588	21,653,710	-	-	24,081,588	21,653,710
Other Taxes	8,402,772	8,233,506	-	-	8,402,772	8,233,506
Intergovernmental Revenue	964,818	919,067	-	-	964,818	919,067
Other	5,120,351	4,667,422	663,943	396,637	5,784,294	5,064,059
Total Revenues	136,853,444	63,080,930	11,056,354	7,310,153	147,909,798	70,391,083
Program Expenses						
Policy Formulation & Administration	7,559,261	6,859,791	-	-	7,559,261	6,859,791
Public Safety	24,176,710	22,226,239	-	-	24,176,710	22,226,239
Parks, Recreation, and Special Events	3,518,841	2,685,489	-	-	3,518,841	2,685,489
Development Services	3,232,102	2,941,756	-	-	3,232,102	2,941,756
Public Services	12,173,746	11,214,758	-	-	12,173,746	11,214,758
Finance and Administrative Services	4,071,237	2,994,018	-	-	4,071,237	2,994,018
Operating	4,500,527	4,285,354	-	-	4,500,527	4,285,354
Interest and Other Charges	3,282,767	930,864	-	-	3,282,767	930,864
Transit	-	-	2,676,707	2,444,481	2,676,707	2,444,481
Parking	-	-	1,437,340	1,327,725	1,437,340	1,327,725
Airport	-	-	4,303,896	3,984,085	4,303,896	3,984,085
Storm Water	-	-	1,076,589	1,334,527	1,076,589	1,334,527
Spartanburg Recreational Facilities Corp.	-	-	581,263	581,149	581,263	581,149
Total Expenses	62,515,191	54,138,269	10,075,795	9,671,967	72,590,986	63,810,236
Change in Net Position Before Transfers	74,338,253	8,942,661	980,559	(2,361,814)	75,318,812	6,580,847
Transfers In (Out)	1,626,668	519,682	(1,626,668)	(519,682)	-	-
Change in Net Position	75,964,921	9,462,343	(646,109)	(2,881,496)	75,318,812	6,580,847
Net Position, Beginning of Year,	25,789,436	16,327,093	59,169,687	62,051,183	84,959,123	78,378,276
Net Position - End of Year	$ 101,754,357	25,789,436	58,523,578	59,169,687	160,277,935	$ 84,959,123

Governmental Activities

Net Position increased by approximately $75,965,000 for 2024 for governmental activities. Revenues increased by approximately $73,773,000 (117%) to approximately $136,853,000 from the prior year. The overall increase was primarily due to an increase in operating and capital grants and contributions (due to donated capital assets, recognition of ARPA grants for loss revenue, and increased capital grant activity related to the Baseball Stadium Project), increases in charges for services due to continued growth, increases in property and other taxes due to higher assessed values and growth, and an increase in other revenues (due to higher interest rates).

Expenses increased by approximately $8,377,000 (15%) to approximately $62,515,000 from the prior year. The overall increase was primarily due to an increase in salaries (compensation study and step increases of approximately 5%) and benefits, partially offset by not being fully staffed and increased grant-related activity.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-Type Activities

Net Position decreased by approximately $646,000 for 2024 for business-type activities. In aggregate, business-type revenues increased approximately $3,746,000 (51%) to approximately $11,056,000 compared to approximately $7,310,000 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 increased approximately $404,000 (4%) to approximately $10,076,000 primarily due to increases in salaries (compensation study and step increases of approximately 5%), benefits, and other operating costs (i.e. fuel, utilities, repairs and maintenance, etc.).

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, 2024, the City's governmental funds reported a combined ending fund balance of approximately $98,585,000, an increase of approximately $71,742,000 from the prior year fund balance. Approximately 10% of this total amount (approximately $9,681,000) 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 ($210,000; nonspendable), (2) restricted for debt service ($734,000), (3) restricted for tourism related expenditures ($2,117,000), (4) restricted for community development ($3,068,000), (5) restricted for multi county parks ($3,324,000), (6) restricted for baseball stadium capital projects ($60,403,000), (7) restricted for baseball stadium base lease payments ($5,912,000), (8) restricted for special revenue programs ($673,000), (9) restricted for capital projects ($4,027,000), (10) committed for special revenue programs ($38,000), (11) assigned for American Rescue Plan costs ($1,419,000), and (13) assigned for insurance costs ($250,000).

The fund balance for the Capital Projects Fund increased by approximately $12,981,000 during the current fiscal year to a fund balance of approximately $10,859,000. The overall increase was due to revenue and net other financing sources of approximately $64,163,000 exceeding capital outlay and debt service expenditures of approximately $51,182,000. The City was awarded $54,000,000 in expenditure-driven grants for the Baseball Stadium Project. These grants are recognized as revenues as expenditures are incurred. The City also had a net transfer in from other funds of approximately $21,980,000 to support construction of the new baseball stadium, new fire station, and new municipal police building.

The fund balance for the Hospitality Tax Fund decreased by approximately $556,000 during the current fiscal year to approximately $1,642,000, as expenditures and transfers out of approximately $7,778,000 exceeded revenues of approximately $7,222,000.

The fund balance for the ARPA Fund increased approximately $781,000 to a fund balance of approximately $1,419,000. The increase was due to revenues of approximately $10,521,000 exceeding expenditures and other financing uses of approximately $9,740,000. The City received a total of approximately $16,480,000 in stimulus funds and used approximately $11,287,000 through the end of FY 2024 with the remaining balance of approximately $5,193,000 in stimulus funds being unspent (unearned) at year end and approximately $1,419,000 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 was approximately $60,403,000 at year end as revenues and net other financing sources of approximately $62,497,000 (primarily issuance of the IPRB) exceeded expenditures of approximately $2,094,000 (bond issuance costs).

FINANCIAL ANALYSIS OF THE CITY'S FUNDS (CONTINUED)

Governmental Funds (Continued)

General Fund Revenues
The General Fund is the principal fund that accounts for the daily operations of the City. Total revenue for 2024 was approximately $49,869,000, an increase of approximately $4,405,000 (10%) 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 (decrease of 1.2 from the prior year) assessed value increased 12% (partly due to reassessment). Property taxes accounted for 41% or approximately $20,405,000 of total General Fund revenue for 2024. The City received approximately $21,830,000 in revenue from fees, licenses, and permits due to an growing economy. The remaining General Fund revenue sources were fines and forfeitures of approximately $230,000, intergovernmental revenue of approximately $3,741,000, charges for services of approximately $3,098,000, investment earnings of approximately $482,000, and other revenues of approximately $83,000.

General Fund Expenditures
General Fund expenditures for 2024 totaled approximately $51,155,000, which was an approximately $4,675,000 (10%) increase over the previous fiscal year. This reflects an increase in salaries (compensation study and step increases of approximately 5%), benefits, and operating expenditures. 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 20% of total General Fund expenditures. Actual expenditures for these departments were approximately $21,967,000 for Public Safety and approximately $10,269,000 for Public Services. The remaining 37% of General Fund expenditures came from the areas of Policy Formulation and Administration of approximately $8,088,000, Parks, Recreation, and Special Events of approximately $2,589,000, Development Services of approximately $2,377,000, Finance and Administrative Services of approximately $2,511,000, Capital Outlay of approximately $3,175,000, and Debt Service of approximately $179,000.

General Fund Balance
Total fund balance in the General Fund decreased by approximately $5,583,000 to $10,076,000 at June 30, 2024. The City had appropriated fund balance in the FY 2024 budget for capital projects of $6,829,000 (to help support costs associated with the Baseball Stadium Project). The unassigned fund balance increased by approximately $1,256,000 to approximately $9,718,000. Unassigned fund balance represents approximately 19% of total General Fund expenditures.

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 $58,524,000. 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 $51,031,000 (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, overtime wages (due to not being fully staffed), moving costs, and special events costs for which the City elected not to amend the budget. The City's net transfers out exceeded budget primarily due to transferring funds to the Capital Projects Funds to support ongoing construction of the new baseball stadium, new fire station, and new municipal police building. 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, 2024, the City had approximately $208,147,000 in capital assets, net of depreciation and amortization. The total increase in the City's capital assets was approximately $67,556,000 (48%). Total additions were approximately $76,242,000 which were partially offset by depreciation and amortization expense of approximately $7,633,000 and net disposals of approximately $1,053,000. The following table shows capital asset balances (net of depreciation) at June 30, 2024 compared to June 30, 2023:

	Government Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	$ 33,359,566	33,940,675	6,855,143	6,855,143	40,214,709	$ 40,795,818
Construction in Progress	51,553,972	6,666,538	2,993,637	25,000	54,547,609	6,691,538
Building & Improvements	30,227,271	12,259,167	28,130,609	29,446,331	58,357,880	41,705,498
Infrastructure	9,153,705	9,776,639	27,121,071	28,452,196	36,274,776	38,228,835
Machinery & Equipment	2,519,329	2,476,871	943,604	53,239	3,462,933	2,530,110
Vehicles	10,692,158	8,595,142	1,705,333	2,044,858	12,397,491	10,640,000
Right-to-Use Asset - SBITA	2,892,084	-	-	-	2,892,084	-
Totals	$ 140,398,085	73,715,032	67,749,397	66,876,767	208,147,482	$ 140,591,799

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

Long-Term Debt

At June 30, 2024, the City had debt of approximately $111,923,000 versus approximately $48,234,000 in the prior year, an increase of approximately $63,689,000 or 132%. The increase was due to the issuance of installment purchase revenue bonds of $63,820,000, the issuance of a financed purchase obligation of $3,100,000, and the issuance of two new subscription-based information technology arrangements for approximately $3,247,000, partially offset by regularly scheduled principal payments of approximately $6,478,000. The following table shows debt balances at June 30, 2024 compared to June 30, 2023:

	Governmental Activities		Business-Type Activities		Total	
Long-Term Obligations	2024	2023	2024	2023	2024	2023
Debt:						
General Obligation Bonds	$ 2,855,000	3,290,000	-	-	2,855,000	$ 3,290,000
Tax Increment Bonds	610,000	1,210,000	-	-	610,000	1,210,000
Hospitality Tax/SOB Bonds	16,104,318	18,234,535	-	-	16,104,318	18,234,535
Installment Purchase Revenue Bonds	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	8,303,420	7,499,176	-	-	8,303,420	7,499,176
SBITAs	2,230,013	-	-	-	2,230,013	-
Total	$ 96,922,751	33,233,711	15,000,000	15,000,000	111,922,751	$ 48,233,711

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 $16,495,000. The current amount of outstanding general obligation debt at June 30, 2024 is $2,855,000 which leaves an unused legal debt margin of approximately $13,640,000.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTIUNUED)

Long-Term Debt (Continued)

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 2025 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 2025 are projected at approximately $53,556,000, reflecting a 5% increase over the FY 2024 budget. Property tax collections are expected to rise by about 6%, driven by growth and reappraisal. The City has budgeted a 7% increase in revenues from Fees, Licenses, and Permits. Intergovernmental revenues are anticipated to remain relatively stable compared to the previous year. 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.

Hospitality Tax Budget for FY 2025 was increased 4% from the previous fiscal year due to higher hospitality tax collections in FY 24 and an expected further increase in FY 2025. The City increased the budgeted transfers to its other funds at the same percentages as approved by City Council each year.

Key items that factored into the budget preparations for FY 2025 are listed below:

- 3% minimum pay increase for all City employees
- No change in millage rate of 103.2
- There was an moderate increase in the Equipment Replacement Fund
- Only slight increase in departments operating budgets for FY 2025

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, 187 West Broad Street, Spartanburg, South Carolina, 29304.

Basic Financial Statements

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT			
	Governmental Activities	Business-Type Activities	Adjustment	Totals
ASSETS				
Cash and Cash Equivalents	$ 31,267,732	10,751,719	-	$ 42,019,451
Restricted Cash and Cash Equivalents	97,733,668	567,421	-	98,301,089
Restricted Investments	5	-	-	5
Cash held by County Treasurer	67,400	-	-	67,400
Property Taxes Receivable, Net	1,711,054	-	-	1,711,054
Other Receivables, Net:				
Mortgage	70,034	-	-	70,034
Commercial Loan	49,682	-	-	49,682
Other	10,009,151	3,502,767	-	13,511,918
Internal Balances	980,321	(980,321)	-	-
Current Portion of Lease Receivable	-	26,614	-	26,614
Note Receivable	3,000,000	-	-	3,000,000
Other Assets	1,178,606	11,772	-	1,190,378
Prepaids and Inventories	2,109,962	216,459	-	2,326,421
Lease Receivable, Less Current Portion	-	2,103,227	-	2,103,227
Capital Assets:				
Non-Depreciable	84,913,538	9,848,780	-	94,762,318
Depreciable, Net	55,484,547	57,900,617	-	113,385,164
TOTAL ASSETS	**288,575,700**	**83,949,055**	**-**	**372,524,755**
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pension Charges	8,075,748	221,104	-	8,296,852
Deferred Other Postemployment Benefit Charges ("OPEB")	266,395	9,537	-	275,932
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**8,342,143**	**230,641**	**-**	**8,572,784**
LIABILITIES				
Accounts Payable	9,147,981	2,093,224	-	11,241,205
Accrued Interest Payable	232,800	-	-	232,800
Accrued Salaries and Benefits	1,892,310	37,959	-	1,930,269
Retainage Payable	3,262,574	216,336	-	3,478,910
Intergovernmental Payable	267,111	-	-	267,111
Customer Deposits	82,889	28,842	-	111,731
Unclaimed Checks	109	-	-	109
Unearned Revenues	28,530,461	4,609,987	-	33,140,448
Non-Current Liabilities:				
Long-Term Obligations - Due Within One Year	7,505,634	45,000	-	7,550,634
Long-Term Obligations - Due in More Than One Year	94,337,841	15,114,992	-	109,452,833
Net Pension Liability - Due in More Than One Year	47,819,299	1,315,721	-	49,135,020
Net OPEB Liability - Due in More Than One Year	804,062	28,786	-	832,848
TOTAL LIABILITIES	**193,883,071**	**23,490,847**	**-**	**217,373,918**
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Credits	1,143,834	30,540	-	1,174,374
Deferred OPEB Credits	136,581	4,890	-	141,471
Deferred Lease Revenue	-	2,129,841	-	2,129,841
TOTAL DEFERRED INFLOWS OF RESOURCES	**1,280,415**	**2,165,271**	**-**	**3,445,686**
NET POSITION				
Net Investment in Capital Assets	114,571,963	51,739,120	(3,564,243)	162,746,840
Restricted For:				
Debt Service	521,677	-	-	521,677
Tourism Related Costs	2,116,845	-	-	2,116,845
Multi County Parks	3,323,516			3,323,516
Baseball Stadium Base Lease Payments	5,912,275			5,912,275
Capital Projects	4,129,432	-	-	4,129,432
Special Revenue Programs	783,170	-	-	783,170
Unrestricted	(29,604,521)	6,784,458	3,564,243	(19,255,820)
TOTAL NET POSITION	**$ 101,754,357**	**58,523,578**	**-**	**$ 160,277,935**

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, 2024

FUNCTIONS/PROGRAMS		PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION		
					Primary Government		
PRIMARY GOVERNMENT:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Policy Formulation and Administration	$ 7,559,261	-	-	-	(7,559,261)	-	$ (7,559,261)
Public Safety	24,176,710	988,024	927,384	18,521,976	(3,739,326)	-	(3,739,326)
Parks, Recreation, and Special Events	3,518,841	284,355	2,788,531	36,568,459	36,122,504	-	36,122,504
Development Services	3,232,102	1,158,309	1,090,883	1,201,700	218,790	-	218,790
Public Services	12,173,746	3,949,932	-	-	(8,223,814)	-	(8,223,814)
Finance and Administrative Services	4,071,237	21,068,763	-	-	16,997,526	-	16,997,526
Operating	4,500,527	-	9,735,599	-	5,235,072	-	5,235,072
Interest and Other Charges	3,282,767	-	-	-	(3,282,767)	-	(3,282,767)
Total Governmental Activities	**62,515,191**	**27,449,383**	**14,542,397**	**56,292,135**	**35,768,724**	**-**	**35,768,724**
Business-Type Activities:							
Transit	2,676,707	148,202	1,370,435	-	-	(1,158,070)	(1,158,070)
Parking	1,437,340	460,562	-	-	-	(976,778)	(976,778)
Airport	4,303,896	2,537,093	-	3,543,794	-	1,776,991	1,776,991
Storm Water	1,076,589	1,757,329	-	-	-	680,740	680,740
Spartanburg Recreational Facilities Corporation	581,263	779,371	-	-	-	198,108	198,108
Total Business-Type Activities	**10,075,795**	**5,682,557**	**1,370,435**	**3,543,794**	**-**	**520,991**	**520,991**
TOTAL - PRIMARY GOVERNMENT	**$ 72,590,986**	**33,131,940**	**15,912,832**	**59,835,929**	**35,768,724**	**520,991**	**36,289,715**

	Governmental Activities	Business-Type Activities	Total
General Revenues and Transfers:			
General Revenues:			
Taxes:			
Property Taxes Levied for General Purposes	21,694,319	-	21,694,319
Tax Increment	693,982	-	693,982
Motor Vehicle Taxes	1,693,287	-	1,693,287
Hospitality/Accommodation Taxes	7,559,423	-	7,559,423
Other Taxes	843,349	-	843,349
Intergovernmental Revenue - Unrestricted	964,818	-	964,818
Investment Income	3,086,827	459,568	3,546,395
Miscellaneous	397,453	-	397,453
Grants/Contributions Not Restricted to Specific Programs	1,636,071	-	1,636,071
Transfers In (Out)	1,626,668	(1,626,668)	-
Total General Revenues and Transfers	40,196,197	(1,167,100)	39,029,097
CHANGE IN NET POSITION	**75,964,921**	**(646,109)**	**75,318,812**
NET POSITION, Beginning of Year	25,789,436	59,169,687	84,959,123
NET POSITION, End of Year	**101,754,357**	**58,523,578**	**$160,277,935**

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, 2024

	GENERAL FUND	CAPITAL PROJECTS FUND	HOSPITALITY TAX FUND	ARPA FUND	SPARTANBURG STADIUM FACILITIES CORPORATION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and Cash Equivalents	$ 68,280	-	-	-	-	32,250	$ 100,530
Pooled Cash and Cash Equivalents	8,480,242	13,965,125	1,150,616	-	-	5,962,393	29,558,376
Restricted Cash and Cash Equivalents	-	25,961,569	-	6,614,128	60,402,957	4,755,014	97,733,668
Restricted Investments	-	-	-	-	-	5	5
Due from County Treasurer	-	-	-	-	-	67,400	67,400
Property Taxes Receivable, Net	1,691,589	-	-	-	-	19,465	1,711,054
Accounts Receivable, Net	3,512,898	2,451,903	491,480	-	-	179,771	6,636,052
Commercial Loan Receivables	-	-	-	-	-	49,682	49,682
Intergovernmental Receivables	-	1,547,966	-	-	-	1,825,133	3,373,099
Due From Other Funds	1,123,511	-	-	-	-	-	1,123,511
Prepaids and Inventories	107,652	102,310	-	-	-	-	209,962
Mortgages Receivable	-	-	-	-	-	70,034	70,034
Note Receivable	-	-	-	-	-	3,000,000	3,000,000
TOTAL ASSETS	**$ 14,984,172**	**44,028,873**	**1,642,096**	**6,614,128**	**60,402,957**	**15,961,147**	**$ 143,633,373**
LIABILITIES							
Accounts Payable	$ 642,091	7,750,327	-	2,384	-	347,604	$ 8,742,406
Accrued Salaries and Benefits	1,879,887	-	-	-	-	12,423	1,892,310
Customer Deposits	82,889	-	-	-	-	-	82,889
Retainage Payable	-	3,262,574	-	-	-	-	3,262,574
Intergovernmental Payable	267,111	-	-	-	-	-	267,111
Due To Other Funds	-	-	-	-	-	143,190	143,190
Unearned Revenues	39,469	22,157,223	-	5,193,001	-	1,140,768	28,530,461
TOTAL LIABILITIES	2,911,447	33,170,124	-	5,195,385	-	1,643,985	42,920,941
DEFERRED INFLOWS OF RESOURCES							
Unavailable Property Taxes and Sanitation Fees	1,755,546	-	-	-	-	20,488	1,776,034
Unavailable Business Licenses and Other	241,283	-	-	-	-	-	241,283
Unavailable Note Receivables	-	-	-	-	-	110,299	110,299
TOTAL DEFERRED INFLOWS OF RESOURCES	1,996,829	-	-	-	-	130,787	2,127,616
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	4,908,276	33,170,124	-	5,195,385	-	1,774,772	45,048,557
FUND BALANCES							
Nonspendable:							
Prepaids and Inventories	107,652	102,310	-	-	-	-	209,962
Restricted for:							
Debt Service	-	-	-	-	-	733,989	733,989
Tourism Related Costs	-	-	1,642,096	-	-	474,749	2,116,845
Community Development	-	-	-	-	-	3,068,438	3,068,438
Multi County Parks	-	-	-	-	-	3,323,516	3,323,516
Baseball Stadium Capital Project Costs	-	-	-	-	60,402,957	-	60,402,957
Baseball Stadium Base Lease Payments	-	-	-	-	-	5,912,275	5,912,275
Special Revenue Programs						672,871	672,871
Capital Projects	-	4,027,122	-	-	-	-	4,027,122
Committed for:							
Special Revenue Programs	-	-	-	-	-	38,050	38,050
Assigned for:							
American Rescue Plan Act Costs	-	-	-	1,418,743	-	-	1,418,743
Insurance Costs	250,000	-	-	-	-	-	250,000
Capital Projects	-	6,729,317	-	-	-	-	6,729,317
Unassigned	9,718,244	-	-	-	-	(37,513)	9,680,731
TOTAL FUND BALANCES	10,075,896	10,858,749	1,642,096	1,418,743	60,402,957	14,186,375	98,584,816
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 14,984,172**	**44,028,873**	**1,642,096**	**6,614,128**	**60,402,957**	**15,961,147**	**$ 143,633,373**

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

CITY OF SPARTANBURG, SOUTH CAROLINA

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

JUNE 30, 2024

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		**$ 98,584,816**
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.		2,017,317
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 $195,030,332 and the accumulated depreciation was $65,523,223.		129,507,109
Land purchased for redevelopment/resale for Community Development is not a financial resource and therefore is not reported as an asset in the governmental funds but is in the Statement of Net Position		1,178,606
Accrued interest on the debt in governmental accounting are not due or payable in the current period, therefore, they have not been reported as a liability in the funds.		(232,800)
The City's (a) net pension liability, deferred outflows of resources, and deferred inflows of resources related to the City pension plan and (b) proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State retirement plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(40,887,385)
The City's net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the City's OPEB plan are not reported in the governmental funds but is in the Statement of Net Position.		(674,248)
Internal service funds are used by the City to charge the cost of medical insurance and replacement of equipment to the individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		5,690,698
Long-term liabilities, excluding internal service funds, are not due or payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consisted of the following:		
Long-Term Debt	(86,389,318)	
Subscription-Based Information Technology Arrangements ("SBITA")	(2,230,013)	
Compensated Absences (Sick Pay and Vacations)	(4,920,724)	(93,540,055)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		**$ 101,754,357**

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

YEAR ENDED JUNE 30, 2024

	GENERAL FUND	CAPITAL PROJECTS FUND	HOSPITALITY TAX FUND	ARPA FUND	SPARTANBURG STADIUM FACILITIES CORPORATION FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Taxes	$ 20,405,251	-	7,111,811	-	-	4,111,886	$ 31,628,948
Fees, Licenses, and Permits	21,829,943	-	-	-	-	-	21,829,943
Fines and Forfeitures	230,217	-	-	-	-	-	230,217
Federal Government Contributions	-	1,027,223	-	9,735,599	-	1,339,820	12,102,642
State Government Contributions	-	36,827,307	-	-	-	333,798	37,161,105
Local Government Grants and Contributions	-	-	-	-	-	2,788,531	2,788,531
Intergovernmental Revenues	3,741,399	174,477	-	-	-	85,800	4,001,676
Charges for Services	3,097,827	-	-	-	-	-	3,097,827
Investment Earnings	481,776	1,450,012	109,729	784,949	26,631	233,731	3,086,828
Confiscated Drug Funds	-	-	-	-	-	57,940	57,940
Donations	-	849,145	-	-	-	-	849,145
Other	82,879	-	-	-	-	1,173,971	1,256,850
TOTAL REVENUES	**49,869,292**	**40,328,164**	**7,221,540**	**10,520,548**	**26,631**	**10,125,477**	**118,091,652**
EXPENDITURES:							
Current:							
Policy Formulation and Administration	8,088,410	-	-	-	-	-	8,088,410
Public Safety	21,966,993	-	-	-	-	-	21,966,993
Parks, Recreation, and Special Events	2,589,167	-	-	-	-	-	2,589,167
Development Services	2,377,259	-	-	-	-	-	2,377,259
Public Services	10,268,584	-	-	-	-	-	10,268,584
Finance and Administrative Services	2,510,638	-	-	-	-	579,911	3,090,549
Operating	-	-	1,017,549	-	-	3,509,428	4,526,977
Capital Outlay	3,174,794	50,111,079	-	4,107	-	169,340	53,459,320
Debt Service:							
Principal Retirement	157,639	832,788	-	-	-	3,191,579	4,182,006
Interest	21,468	238,473	-	-	-	680,660	940,601
Bond Issuance and Other Fees	-	-	-	-	2,093,674	1,650	2,095,324
TOTAL EXPENDITURES	51,154,952	51,182,340	1,017,549	4,107	2,093,674	8,132,568	113,585,190
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	**(1,285,660)**	**(10,854,176)**	**6,203,991**	**10,516,441**	**(2,067,043)**	**1,992,909**	**4,506,462**
OTHER FINANCING SOURCES (USES):							
Transfers In	13,426,668	22,469,790	-	-	-	7,192,924	43,089,382
Transfers Out	(19,265,275)	(489,541)	(6,760,051)	(9,735,599)	(1,350,000)	(5,484,063)	(43,084,529)
Bond Issuance	-	-	-	-	63,820,000	-	63,820,000
SBITAs Issued	1,392,105	1,854,697	-	-	-	-	3,246,802
Sale of Capital Assets	149,132	-	-	-	-	14,649	163,781
Total Other Financing Sources (Uses)	(4,297,370)	23,834,946	(6,760,051)	(9,735,599)	62,470,000	1,723,510	67,235,436
NET CHANGES IN FUND BALANCES	**(5,583,030)**	**12,980,770**	**(556,060)**	**780,842**	**60,402,957**	**3,716,419**	**71,741,898**
FUND BALANCES, Beginning of Year	15,658,926	(2,122,021)	2,198,156	637,901	-	10,469,956	26,842,918
FUND BALANCES, End of Year	**$ 10,075,896**	**10,858,749**	**1,642,096**	**1,418,743**	**60,402,957**	**14,186,375**	**$ 98,584,816**

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

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, 2024

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	**$ 71,741,898**
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:	
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.	283,597
Debt, Lease, and SBITA proceeds provide current financial resources to governmental funds, but issuing debt or entering into leases or SBITAs also increases long term liabilities in the Statement of Net Position.	(67,066,802)
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.	4,182,006
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.	(1,673)
Contributed infrastructure and other capital assets are not recognized in the governmental funds as no current financial resource has been received, but are recognized in the Statement of Activities as a capital grant.	18,521,976
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.	1,787,811
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	21,506
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.	(471,805)
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.	745,418
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).	(1,053,154)
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.	13,040
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 ($49,901,242) exceeded depreciation expense ($2,640,139) in the current period (excluding internal service funds).	47,261,103
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$ 75,964,921**

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 NET POSITION -
PROPRIETARY FUNDS

JUNE 30, 2024

	TRANSIT FUND	PARKING FUND
ASSETS		
Current Assets:		
Cash and Cash Equivalents	$ 4,496	-
Pooled Cash and Cash Equivalents	-	410,044
Restricted Cash and Cash Equivalents	-	-
Accounts Receivable, Net	897,692	26,116
Current Portion of Lease Receivable	-	-
Other Assets	-	-
Prepaids and Inventories	80,979	-
Total Current Assets	983,167	436,160
Non-Current Assets:		
Lease Receivable, Less Current Portion	-	-
Capital Assets:		
Non-Depreciable	179,840	-
Depreciable, Net	2,866,068	13,472,354
Total Non-Current Assets	3,045,908	13,472,354
TOTAL ASSETS	**4,029,075**	**13,908,514**
DEFERRED OUTFLOW OF RESOURCES		
Deferred Pension Charges	-	28,752
Deferred Other Postemployment Benefit Charges	-	-
TOTAL DEFERED OUTFLOWS OF RESOURCES	**-**	**28,752**
LIABILITIES		
Current Liabilities:		
Accounts Payable	35,170	39,529
Accrued Salaries and Benefits	18,090	-
Retainage Payable	-	-
Customer Deposits	-	28,842
Due To Other Funds	726,287	-
Unearned Revenue	-	7,366
Unclaimed Checks	-	-
Current Portion of Compensated Absences	-	-
Current Portion of Debt	-	-
Total Current Liabilities	779,547	75,737
Long-Term Liabilities:		
Promissory Note Payable	-	-
Compensated Absences, Less Current Portion	-	-
Debt, Less Current Portion	-	-
Net Pension Liability	-	171,094
Net Other Postemployment Benefit Liability	-	-
Total Long-Term Liabilities	-	171,094
TOTAL LIABILITIES	**779,547**	**246,831**
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Credits	-	3,971
Deferred Other Postemployment Benefit Credits	-	-
Deferred Lease Revenue	-	-
TOTAL DEFERED INFLOWS OF RESOURCES	**-**	**3,971**
NET POSITION		
Net Investment in Capital Assets	3,045,908	13,472,354
Unrestricted	203,620	214,110
TOTAL NET POSITION	**$ 3,249,528**	**13,686,464**

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
-	-	-	4,496	$ -
5,492,827	4,844,352	-	10,747,223	1,608,826
-	-	567,421	567,421	-
2,413,018	165,941	-	3,502,767	-
26,614	-	-	26,614	-
11,772	-	-	11,772	-
107,833	-	27,647	216,459	1,900,000
8,052,064	5,010,293	595,068	15,076,752	3,508,826
2,103,227	-	-	2,103,227	-
7,085,995	-	2,582,945	9,848,780	-
29,438,233	174,287	11,949,675	57,900,617	10,890,976
38,627,455	174,287	14,532,620	69,852,624	10,890,976
46,679,519	**5,184,580**	**15,127,688**	**84,929,376**	**14,399,802**
116,747	75,605	-	221,104	-
3,056	6,481	-	9,537	-
119,803	**82,086**	**-**	**230,641**	**-**
1,969,841	48,684	-	2,093,224	405,575
12,824	7,045	-	37,959	-
216,336	-	-	216,336	-
-	-	-	28,842	-
-	-	254,034	980,321	-
4,602,621	-	-	4,609,987	-
-	-	-	-	109
31,000	14,000	-	45,000	-
-	-	-	-	2,096,854
6,832,622	69,729	254,034	8,011,669	2,502,538
-	-	15,000,000	15,000,000	-
69,507	45,485	-	114,992	-
-	-	-	-	6,206,566
694,727	449,900	-	1,315,721	-
6,119	22,667	-	28,786	-
770,353	518,052	15,000,000	16,459,499	6,206,566
7,602,975	**587,781**	**15,254,034**	**24,471,168**	**8,709,104**
16,126	10,443	-	30,540	-
861	4,029	-	4,890	-
2,129,841	-	-	2,129,841	-
2,146,828	**14,472**	**-**	**2,165,271**	**-**
34,638,951	174,287	407,620	51,739,120	4,085,698
2,410,568	4,490,126	(533,966)	6,784,458	1,605,000
37,049,519	**4,664,413**	**(126,346)**	**58,523,578**	**$ 5,690,698**

CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	TRANSIT FUND	PARKING FUND
OPERATING REVENUES		
Charges for Services	$ 134,756	458,655
Contributions	-	-
Other Revenues	13,446	1,907
Sale of Inventory	-	-
TOTAL OPERATING REVENUES	**148,202**	**460,562**
OPERATING EXPENSES		
Personal Services	-	130,255
Depreciation	484,006	823,047
Other Services and Charges	2,192,701	259,946
Claims/Premiums	-	-
Cost of Goods Sold	-	-
Maintenance	-	223,811
TOTAL OPERATING EXPENSES	2,676,707	1,437,059
OPERATING INCOME (LOSS)	**(2,528,505)**	**(976,497)**
NON-OPERATING REVENUES (EXPENSES)		
Federal and State Grants	1,370,435	-
Interest Expense	-	-
Investment Earnings	-	106,602
Other Revenues (Expenses)	-	(281)
Bond Issuance and Bank Fees	-	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	1,370,435	106,321
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	**(1,158,070)**	**(870,176)**
Capital Contributions/Grants	-	-
Transfers In	500,000	-
Transfers Out	-	(1,200,000)
CHANGE IN NET POSITION	**(658,070)**	**(2,070,176)**
NET POSITION, Beginning of Year	3,907,598	15,756,640
NET POSITION, End of Year	**$ 3,249,528**	**13,686,464**

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
502,465	1,757,329	779,371	3,632,576	$ 1,730,294
-	-	-	-	4,624,430
(238)	-	-	15,115	130
2,034,866	-	-	2,034,866	-
2,537,093	**1,757,329**	**779,371**	**5,682,557**	**6,354,854**
537,256	149,982	-	817,493	-
1,382,638	43,786	331,806	3,065,283	1,927,919
828,412	857,071	40,647	4,178,777	428,919
-	-	-	-	4,585,463
1,496,459	-	-	1,496,459	-
59,131	25,750	-	308,692	-
4,303,896	1,076,589	372,453	9,866,704	6,942,301
(1,766,803)	**680,740**	**406,918**	**(4,184,147)**	**(587,447)**
-	-	-	1,370,435	-
-	-	(183,810)	(183,810)	(245,169)
70,139	282,827	-	459,568	-
204,375	-	-	204,094	(43,781)
-	-	(25,000)	(25,000)	-
274,514	282,827	(208,810)	1,825,287	(288,950)
(1,492,289)	**963,567**	**198,108**	**(2,358,860)**	**(876,397)**
3,339,419	-	-	3,339,419	-
-	-	-	500,000	1,921,815
-	(300,000)	(626,668)	(2,126,668)	(300,000)
1,847,130	**663,567**	**(428,560)**	**(646,109)**	**745,418**
35,202,389	4,000,846	302,214	59,169,687	4,945,280
37,049,519	**4,664,413**	**(126,346)**	**58,523,578**	**$ 5,690,698**

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS

YEAR ENDED JUNE 30, 2024

		TRANSIT FUND	PARKING FUND
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Charges for Services	$	133,455	441,466
Receipts from Contributions		-	-
Receipts from Sale of Inventory		-	-
Receipts from Other Revenues		13,446	1,907
Payments for Personal Services		6,968	(136,964)
Payments for Services and Charges		(2,208,577)	(452,521)
Payments for Cost of Goods Sold		-	-
Payments for Other Expenses		-	-
Payments for Claims/Premiums		-	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		(2,054,708)	(146,112)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds		750,279	-
Transfers to Other Funds		-	(1,200,000)
Non-Operating State and Federal Grants		1,304,003	-
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITIES		2,054,282	(1,200,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets		(3)	(876,407)
Capital Grants and Contributions		-	-
Bond, Note, and Debt Proceeds		-	-
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		(3)	(876,407)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Earnings		-	106,602
NET CASH PROVIDED BY INVESTING ACTIVITIES		-	106,602
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(429)**	**(2,115,917)**
CASH AND CASH EQUIVALENTS, Including Restricted and Pooled, Beginning of Year		4,925	2,525,961
CASH AND CASH EQUIVALENTS, Including Restricted and Pooled, End of Year	**$**	**4,496**	**410,044**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Operating Income (Loss)	$	(2,528,505)	(976,497)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities:			
Depreciation Expense		484,006	823,047
Other Revenues (Expenses)		-	(281)
Change in Accounts Representing Operating Activities:			
Accounts Receivable		-	(3,620)
Lease Receivable		-	-
Other Assets		-	-
Prepaids and Inventories		(5,312)	-
Deferred Pension Charges		-	(6,893)
Deferred OPEB Charges		-	-
Accounts Payable/Deposits Payable		(10,564)	31,517
Accrued Salaries and Benefits		6,968	(1,870)
Customer Deposits		-	1,561
Compensated Absences		-	-
Unearned Revenue		(1,301)	(15,130)
Net Pension Liability		-	11,556
Net OPEB Liability		-	-
Deferred Pension Credits		-	(9,502)
Deferred OPEB Credits		-	-
Deferred Lease Revenue		-	-
Net Cash Provided by (Used in) Operating Activities	$	(2,054,708)	(146,112)
Noncash Investing, Capital and Financing Activities:			
Change in Acquisition of Capital Assets Not Yet Paid For	$	-	-

AIRPORT FUND	STORM WATER FUND	SPARTANBURG RECREATIONAL FACILITIES CORPORATION	TOTALS	TOTAL INTERNAL SERVICE FUNDS
502,465	1,784,496	779,371	3,641,253	$ 1,730,294
-	-	-	-	4,624,430
2,034,866	-	-	2,034,866	-
204,137	-	-	219,490	130
(577,383)	(353,433)	-	(1,060,812)	-
(803,988)	(984,303)	(40,647)	(4,490,036)	(425,202)
(1,517,198)	-	-	(1,517,198)	-
-	-	-	-	(43,781)
-	-	-	-	(4,585,463)
(157,101)	446,760	738,724	(1,172,437)	1,300,408
-	-	-	750,279	(300,000)
-	(300,000)	(586,021)	(2,086,021)	1,921,815
-	-	-	1,304,003	-
-	(300,000)	(586,021)	(31,739)	1,621,815
(1,140,867)	(35,359)	-	(2,052,636)	(3,484,583)
5,820,146	-	-	5,820,146	-
-	-	-	-	3,100,000
-	-	-	-	(2,295,756)
-	-	(183,810)	(183,810)	(245,169)
-	-	(25,000)	(25,000)	-
4,679,279	(35,359)	(208,810)	3,558,700	(2,925,508)
70,139	282,827	-	459,568	-
70,139	282,827	-	459,568	-
4,592,317	**394,228**	**(56,107)**	**2,814,092**	**(3,285)**
900,510	4,450,124	623,528	8,505,048	1,612,111
5,492,827	**4,844,352**	**567,421**	**11,319,140**	**$ 1,608,826**
(1,766,803)	680,740	406,918	(4,184,147)	$ (587,447)
1,382,638	43,786	331,806	3,065,283	1,927,919
204,375	-	-	204,094	(43,781)
-	27,167	-	23,547	-
25,991	-	-	25,991	-
3,199	-	-	3,199	-
(20,739)	-	-	(26,051)	-
(22,413)	7,635	-	(21,671)	-
(191)	(162)	-	(353)	-
80,356	(101,482)	-	(173)	3,717
2,479	(48)	-	7,529	-
-	-	-	1,561	-
14,334	(13,617)	-	717	-
-	-	-	(16,431)	-
6,237	(157,622)	-	(139,829)	-
1,607	1,363	-	2,970	-
(42,018)	(40,863)	-	(92,383)	-
(161)	(137)	-	(298)	-
(25,992)	-	-	(25,992)	-
(157,101)	446,760	738,724	(1,172,437)	$ 1,300,408
1,885,277	-	-	1,885,277	$ 396,464

CITY OF SPARTANBURG, SOUTH CAROLINA

STATEMENT OF NET POSITION -
FIDUCIARY FUNDS

JUNE 30, 2024

	PENSION TRUST FUND General Employees' Fund	CUSTODIAL FUND Spartanburg Development Corporation
ASSETS		
Pooled Cash and Cash Equivalents	$ -	$ 292,272
Restricted Cash and Cash Equivalents	-	203,012
Restricted Investments:		
Money Market Mutual Funds	12,246	-
US Securities	851,188	-
Agency Securities	703,425	-
Corporate Bonds	663,394	-
Receivables	17,850	11,282,241
Other Assets	-	117,000
TOTAL ASSETS	**$ 2,248,103**	**$ 11,894,525**
LIABILITIES		
Note Payable	$ -	$ 600,000
TOTAL LIABILITIES	**-**	**600,000**
NET POSITION		
Restricted for Pensions	2,248,103	-
Restricted for Spartanburg Development Corporation	-	11,294,525
TOTAL NET POSITION	**$ 2,248,103**	**$ 11,294,525**

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, 2024

	PENSION TRUST FUND General Employees' Fund	CUSTODIAL FUND Spartanburg Development Corporation
ADDITIONS		
Contributions:		
Employer	$ 800,000	$ -
Total Contributions	800,000	-
Investment Income:		
Interest	31,076	123,648
Realized and Unrealized Appreciation in Fair Value of Investments	49,957	(9,000)
Total Investment Earnings	81,033	114,648
Loan Guarantee Revenue	-	308,168
TOTAL ADDITIONS ALL SOURCES	**881,033**	**422,816**
DEDUCTIONS		
Pension Benefits	913,196	-
Administrative Expenses	49,579	14,489
Community and Development Program Expenses	-	(87,041)
Interest and Settlement Payments	-	123,313
TOTAL DEDUCTIONS	962,775	50,761
CHANGE IN NET POSITION	**(81,742)**	**372,055**
NET POSITION, Beginning of Year	2,329,845	10,922,470
NET POSITION, End of Year	**$ 2,248,103**	**$ 11,294,525**

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

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 39,000 residents and over 370,000 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 145 W. Broad Street, Spartanburg, SC 29304.

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.

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.

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 ***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. 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:

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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:

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)

(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:

- Money market mutual funds 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.

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)

- 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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Inventories and Prepaid Items (Continued)

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

5. Compensated Absences

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. Individuals accumulate general leave, which constitutes vacation, at a rate of one and one-half days per month. Additional days are earned based upon longevity in excess of five years. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Compensated Absences (Continued)

The City reports compensated absences in accordance with the provisions of GASB Statement No. 16 "*Accounting for Compensated Absences*." The entire compensated absence liability and expense is reported on the government-wide financial statements. The portion applicable to the Proprietary Funds is also recorded in the Proprietary Funds financial statements. If applicable, termination payments incurred prior to yearend related to governmental funds are recorded in the fund financial statements (if material).

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 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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

10. Pensions and OPEB (Continued)

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.

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 fiscal year 2024. The level at which expenditures may not legally exceed appropriations is the original budgeted amount.

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 certain other non-major Special Revenue Funds (Federal Home Program, Victims Assistance, Multi County Industrial Park, 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.

At year end, unencumbered balances of appropriations lapse into the unappropriated fund balance of the General Fund.

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, 2024, approximately $317,000 of the City's non-pension trust fund bank balances of approximately $10,598,000 (with a book balance of approximately $9,263,000) 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, 2024, 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	$ 129,776,321	$ 129,776,321
Money Market Mutual Funds	Level 1	AAAm, Aaa-mf, AAAmmf	1,776,326	1,776,326
Total Primary Government			$ 131,552,647	$ 131,552,647

^ 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, 2024, 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.

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.

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

A. Deposits and Investments (Continued)

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

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, 2024, the City's pension trust fund had no deposits.

Investments

The Pension Plan trust portfolio (reported at fair value) at June 30, 2024 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	$ 12,246	12,246	-	-	$ -
US Securities	Level 1	AA+, Aaa, AA+	851,188	207,050	410,965	48,495	184,678
Agency Securities	Level 2	AA+, Aaa, AA+	703,425	-	5,932	-	697,493
Corporate Bonds	Level 2	(2)	663,394	84,356	46,655	125,372	407,011
Total Pension Trust			$ 2,230,253	303,652	463,552	173,867	$ 1,289,182

^ 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.
(2) Credit ratings range from BBB to AA, BAA1 to A3, N/A.
MMMF - Money Market Mutual Funds.
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, 2024, none of the Pension Plan's investments were exposed to custodial credit risk.

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.

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

A. Deposits and Investments (Continued)

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

Investments (Continued)

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 17% and 15% of its investments with the Federal National Mortgage Association (Fannie Mae) and Federal Home Loan Mortgage Corporation (Freddie Mac), respectively, at June 30, 2024. 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 15th property tax due date. Property taxes attach as an enforceable lien on January 1st and are considered delinquent if not paid by March 15th.

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 2023 tax levy was assessed at approximately $206,192,000 ($184,464,000 in the prior year). The City's operating tax rate is currently 103.2 mills (104.4 mills in the prior year). The County bills and collects the City's property taxes. The City had outstanding property taxes receivable of $1,692,000, $7,000, and $12,000 (which is net of an allowance for uncollectibles of approximately $564,000, $1,000, and $4,000 respectively) for general operations, its DDCNC, and for its tax increment district, respectively, at June 30, 2024.

The City has outstanding mortgage and commercial loans receivables of approximately $120,000 as of June 30, 2024.

The City also has an outstanding note receivable of $3,000,000 as of June 30, 2024 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 hanger and fueling facility lease with a tenant for the construction and use of a hanger 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 hanger are currently approximately $3,800 with annual payments for the fueling facility of approximately $20,000. The monthly lease payments for the hanger 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, 2024, the City reported a lease receivable and a corresponding deferred lease revenue of approximately $2,130,000 as required by GASB# 87. The City is amortizing the deferred lease revenue over the life of the full lease term.

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, 2024, the City received approximately $77,000 from the tenant, consisting of $26,000 in lease 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
2025	$ 26,614	50,514	$ 77,128
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
2030-2034	240,720	222,041	462,761
2035-2039	331,622	188,266	519,888
2040-2044	433,989	143,028	577,017
2045-2049	549,266	84,879	634,145
2050-2053	414,245	17,085	431,330
Totals	$ 2,129,841	900,934	$ 3,030,775

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, 2024, 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	$ 2,017,317
Mortgage and Loan Receivables (Special Revenue Funds)	Unavailable	110,299
Unused Stimulus Grants (ARPA Fund)	Unearned	5,193,001
Other Unearned Revenue (General Fund, Capital Projects Fund, and Special Revenue Funds)	Unearned	23,337,460
Total		$ 30,658,077

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, 2024, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable					
Land	$ 33,940,675	363,805	(944,914)	-	$ 33,359,566
Construction In Progress ("CIP")	6,666,538	44,941,167	-	(53,733)	51,553,972
Total Capital Assets, Non-Depreciable	40,607,213	45,304,972	(944,914)	(53,733)	84,913,538
Capital Assets, Depreciable					
Buildings and Improvements	31,025,686	19,161,368	(1,198,559)	-	48,988,495
Infrastructure	49,673,796	-	-	-	49,673,796
Machinery and Equipment	9,027,292	542,709	(128,007)	-	9,441,994
Vehicles	23,484,268	3,765,837	(983,792)	53,733	26,320,046
Furniture and Fixtures	6,582	282,577	(6,583)	-	282,576
Right-to-Use Assets - SBITA	-	3,246,802	-	-	3,246,802
Total Capital Assets, Depreciable	113,217,624	26,999,293	(2,316,941)	53,733	137,953,709
Less: Accumulated Depreciation for:					
Buildings and Improvements	18,766,519	1,158,227	(1,163,522)	-	18,761,224
Infrastructure	39,897,157	622,934	-	-	40,520,091
Machinery and Equipment	6,550,421	715,481	(67,388)	-	7,198,514
Vehicles	14,889,126	1,709,970	(971,208)	-	15,627,888
Furniture and Fixtures	6,582	6,728	(6,583)	-	6,727
Right-to-Use Assets - SBITA	-	354,718	-	-	354,718
Total Accumulated Depreciation	80,109,805	4,568,058	(2,208,701)	-	82,469,162
Total Capital Assets, Depreciable, Net	33,107,819	22,431,235	(108,240)	53,733	55,484,547
Governmental Activities Capital Assets, Net	$ 73,715,032	67,736,207	(1,053,154)	-	$ 140,398,085

Depreciation expense for governmental activities (which includes internal service fund depreciation expense of approximately $1,928,000) was charged to functions/programs as follows:

Functions/Programs	Depreciation Expense
Public Safety	$ 1,803,244
Parks, Recreation, and Special Events	271,989
Public Services	1,362,642
Finance and Administrative Services	1,130,183
Totals - Governmental Activities	$ 4,568,058

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, 2024, was as follows:

Business-Type Activities:	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Capital Assets, Non-Depreciable:					
Land	$ 6,855,143	-	-	-	$ 6,855,143
Construction In Progress	25,000	3,017,937	-	(49,300)	2,993,637
Total Capital Assets, Non-Depreciable	6,880,143	3,017,937	-	(49,300)	9,848,780
Capital Assets, Depreciable:					
Buildings and Improvements	53,776,850	-	-	49,300	53,826,150
Infrastructure	35,854,304	-	-	-	35,854,304
Machinery and Equipment	955,316	911,769	-	-	1,867,085
Vehicles	5,582,067	8,207	(15,250)	-	5,575,024
Total Capital Assets, Depreciable	96,168,537	919,976	(15,250)	49,300	97,122,563
Less: Accumulated Depreciation for:					
Buildings and Improvements	24,330,519	1,365,022	-	-	25,695,541
Infrastructure	7,402,108	1,331,125	-	-	8,733,233
Machinery and Equipment	902,077	21,404	-	-	923,481
Vehicles	3,537,209	347,732	(15,250)	-	3,869,691
Total Accumulated Depreciation	36,171,913	3,065,283	(15,250)	-	39,221,946
Total Capital Assets, Depreciable, Net	59,996,624	(2,145,307)	-	49,300	57,900,617
Business-Type Activities Capital Assets, Net	$ 66,876,767	872,630	-	-	$ 67,749,397

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

Functions/Programs	Depreciation Expense
Transit	$ 484,006
Parking	823,047
Airport	1,382,638
Storm Water	43,786
Spartanburg Recreational Facilities Corporation	331,806
Totals - Business-Type Activities	$ 3,065,283

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 2024, the City did not receive any significant donated infrastructure.

The County constructed the new municipal police building during fiscal year 2024 using the 1% local options sales tax. This building was donated to the City at its completion for approximately $18,522,000.

The City has outstanding construction commitments of approximately $87,145,000 at June 30, 2024 primarily related to the Baseball Stadium Project, fire station renovation, and airport improvement project.

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, 2024, are as follows:

Balance at June 30, 2024	
General Obligation Refunding Bonds - DBP	
$2,855,000	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 1st and October 1st 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.
Tax Increment Refunding Bonds - DBP	
$610,000	Series 2017 – TIRB issued in March 2017, in an original amount of $4,545,000 with an interest rate of 2.24%. The bonds mature April 1, 2025. Interest payments are due April 1st of each calendar year. Annual principal payments of $525,000 begin April 1, 2018 and increase in amounts annually until the annual payment reaches $610,000 in year 2025. The proceeds of these bonds were primarily used to refund the Series 2010 – TIRB.
Hospitality Tax Refunding Bonds and Hospitality Tax Refunding and Improvement Bonds - DBP	
$830,000	Series 2014 – HTRB (Hospitality Fee Pledge) issued in April 2014, in an original amount of $8,250,000 with an interest rate of 2.05%. The bonds mature April 1, 2025. Interest payments are due April 1st of each year. Principal payments begin April 1, 2015, at $675,000 and increase in amounts annually until the annual payment reaches $830,000 in year 2025. The proceeds of these bonds were used to defease the Series 2010 – HTRB.
$1,740,000	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 1st of each year. Principal payments begin April 1, 2017, at $270,000 and increase in amounts 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.

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

D. Long-Term Obligations (Continued)

Balance at June 30, 2024	
$11,230,000	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 1st and October 1st 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.
$ 2,304,318	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 1st 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.

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 1st and November 1st 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.

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

D. Long-Term Obligations (Continued)

Balance at June 30, 2024	
Promissory Notes – SRFC (Blended Component Unit) (Continued)	
$ 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 1st 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.
Financed Purchases - DBP	
$ 94,000	In April 2015, the City entered into a 10-year financed purchase for the purchase of vehicles and equipment for $2,625,000. The rate of interest is 1.49%. The financed purchase matures in April 2025. The financed purchase requires semi-annual payments (interest and principal) of $223,492 beginning October 1, 2015 and decreasing to $47,350 on April 1, 2025. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).
146,289	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).
289,783	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).
255,056	In December 2019, the City entered into a 5-year financed purchase for the purchase of vehicles and equipment for $2,460,000. The rate of interest is 1.80%. The financed purchase matures in October 2025. The financed purchase requires semi-annual payments (interest and principal) of $257,353.55. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).
$1,646,726	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 $248,442.62 until the April 1, 2027 payment at which point payments decrease to $44,402.79. This financed purchase is recorded and funded in the Equipment Replacement Fund (internal service fund).

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

D. Long-Term Obligations (Continued)

Balance at June 30, 2024	
$1,382,375	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).
1,668,979	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).
$2,820,212	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).

The City has 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 begin in October 2028 and continue through October 2032.

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, 2024, the City had $2,855,000 of bonded debt subject to the 8% legal debt limit of approximately $16,495,000, resulting in an unused legal debt margin of approximately $13,640,000.

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, 2024.

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, 2024:

Long-Term Obligations	Type of Issue	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:						
Debt:						
Bonds, Loans, and PN:						
2014 Series - HTRB	DBP	$ 1,645,000	-	815,000	830,000	$ 830,000
2016 Series A - HTRIB	DBP	2,030,000	-	290,000	1,740,000	290,000
2017 Series - TIRB	DBP	1,210,000	-	600,000	610,000	610,000
2017 Series - GORB	DBP	3,290,000	-	435,000	2,855,000	445,000
2019 Series - HUD Loan	DBP	3,000,000	-	-	3,000,000	-
2019 Series - HTB	PT	11,835,000	-	605,000	11,230,000	615,000
2021 Series B - HTRB	DBP	2,724,535	-	420,217	2,304,318	434,672
2024 Series - IPRB	PT	-	63,820,000	-	63,820,000	-
Total Bonds, Loans, and PN		25,734,535	63,820,000	3,165,217	86,389,318	3,224,672
Financed Purchases:						
2015 Financed Purchase *	DBP	186,000	-	92,000	94,000	94,000
2016 Financed Purchase *	DBP	203,370	-	57,081	146,289	57,895
2017 Financed Purchase *	DBP	369,207	-	79,424	289,783	80,899
2018 Financed Purchase *	DBP	280,341	-	280,341	-	-
2019 Financed Purchase *	DBP	758,356	-	503,300	255,056	255,056
2021 Financed Purchase *	DBP	2,124,316	-	477,590	1,646,726	482,196
2022-A Financed Purchase *	DBP	1,744,535	-	362,160	1,382,375	376,275
2022-B Financed Purchase *	DBP	1,833,051	-	164,072	1,668,979	170,249
2023 Financed Purchase *	DBP	-	3,100,000	279,788	2,820,212	580,284
Total Financed Purchases		7,499,176	3,100,000	2,295,756	8,303,420	2,096,854
Total Debt		33,233,711	66,920,000	5,460,973	94,692,738	5,321,526
SBITAs	N/A	-	3,246,802	1,016,789	2,230,013	384,108
Compensated Absences	N/A	4,448,919	2,231,365	1,759,560	4,920,724	1,800,000
Total Governmental Activities		$ 37,682,630	72,398,167	8,237,322	101,843,475	$ 7,505,634
Business-Type Activities:						
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		15,000,000	-	-	15,000,000	-
Compensated Absences	N/A	159,275	43,600	42,883	159,992	45,000
Total Business-Type Activities		$ 15,159,275	43,600	42,883	15,159,992	$ 45,000

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

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 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	DBP Debt		PT Debt		SBITA		
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Totals
Governmental Activities							
2025	$ 4,706,526	533,674	615,000	3,541,221	384,108	65,239	$ 5,689,547
2026	2,995,143	418,289	630,000	4,119,320	200,500	14,830	3,628,762
2027	5,850,497	291,451	1,550,000	4,079,119	204,109	11,221	6,357,278
2028	2,442,903	165,302	1,615,000	4,012,314	207,763	7,568	2,823,536
2029	1,882,646	94,033	1,685,000	3,942,823	433,715	27,021	2,437,415
2030-2034	1,765,023	80,684	9,600,000	18,516,244	799,818	65,838	2,711,363
2035-2039	-	-	12,050,000	16,004,333	-	-	-
2040-2044	-	-	10,340,000	12,920,118	-	-	-
2045-2049	-	-	13,870,000	9,277,940	-	-	-
2050-2054	-	-	18,655,000	4,343,134	-	-	-
2055			4,440,000	135,709	-	-	-
Totals	$ 19,642,738	1,583,433	75,050,000	80,892,275	2,230,013	191,717	$ 23,647,901

Year Ending June 30,	DBP Debt		
	Principal	Interest	Totals
Business-Type Activites			
2025	$ -	183,810	$ 183,810
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
2030-2034	2,364,074	772,626	3,136,700
2035-2039	2,513,213	623,485	3,136,698
2040-2044	2,671,765	464,935	3,136,700
2045-2049	2,840,316	296,382	3,136,698
2050-2054	3,019,501	117,199	3,136,700
2055	313,405	1,085	314,490
Totals	$ 15,000,000	3,174,528	$ 18,174,528

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

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

Interfund balances at June 30, 2024, consisted of the following fund receivables and payables (all of which are expected to be repaid within one year):

Fund	Receivables	Payables
Major Governmental Funds		
General Fund	$ 1,123,511	$ -
Enterprise Funds		
Transit Fund	-	726,287
Spartanburg Recreational Facilities Corporation Fund	-	254,034
Non-Major Funds - In Aggregate by Type		
Special Revenue Funds	-	143,190
Totals	$ 1,123,511	$ 1,123,511

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, 2024, consist of the following:

Fund	Transfers In	Transfers Out
Major Governmental Funds		
General Fund	$ 13,426,668	$ 19,265,275
Capital Projects Fund	22,469,790	489,541
Hospitality Tax Fund	-	6,760,051
ARPA Fund	-	9,735,599
Spartanburg Stadium Facilities Corporation Fund	-	1,350,000
Enterprise Funds		
Transit Fund	500,000	-
Parking Fund	-	1,200,000
Storm Water Fund	-	300,000
Spartanburg Recreational Facilities Corporation Fund	-	626,668
Internal Service Funds	1,921,815	300,000
Non-Major Funds - In Aggregate By Type		
Special Revenue Funds	4,056,940	5,484,063
Debt Service Funds	3,135,984	-
Total	$ 45,511,197	$ 45,511,197

General Fund

Transfers into the General Fund were primarily to recover overhead cost, to cover overtime costs, and to cover loss revenue under the ARPA grants. Transfers out from the General Fund were primarily for grant matches, for operating support, for special events, to eliminate fund deficits, for capital projects, and to make debt payments.

Capital Project Fund

Transfers into the Capital Projects Fund were to help support ongoing projects. Transfers out of the Capital Projects Fund were primarily for debt payments.

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

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

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

ARPA Fund
Transfers out were primarily to the General Fund to cover loss revenue and to the Capital Projects Fund to cover public safety technology and equipment purchases.

Spartanburg Stadium Facilities Corporation Fund
Transfers out were to fund a portion of the base rent payments related to the Baseball Stadium Project.

Transit Fund
Transfers in were primarily for operating costs.

Parking Fund
Transfers out were primarily to the General Fund to cover overhead costs and to the Capital Projects Fund to cover the purchase of parking equipment.

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, 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. There were no transfers out.

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 $3,564,000 of the outstanding balance of these two bonds at June 30, 2024 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

Renaissance Park Project – Ground Lease

In February 2002, the City entered into a Ground Lease whereby the City leased 4.85 acres to Renaissance Park Hotel, LLC (the "Original Hotel Developer") or its successor, to construct, manage, and operate an approximately 250 room hotel, a portion of an approximately 38,000 square foot conference center and a parking garage of approximately 313 spaces to serve the public, including without limitation, patrons of the Hotel and Conference Center. The Original Hotel Developer subsequently defaulted on its loan, and the property was foreclosed by the lender. This property was sold and transferred to another developer and is currently being held by GBPT, LLC. ("Current Hotel Developer").

The Current Hotel Developer has assumed all of the Original Hotel Developer's obligations to the City including ground lease payments of $200,000 annually (which are utilized to pay a portion of the annual debt service for the Tax Increment Financing bonds issued for the project expiring in 2025).

To facilitate this acquisition by a stable, well financed, and experienced ownership team, the City amended the ground lease to extend the term to 2059 and provide the Current Hotel Developer with a land purchase option for $1,500,000 exercisable upon retirement of the TIF bonds. The City likewise extended the conference center lease to 2059. In consideration of the above, SMR committed to make investments in the property and ensure adherence to various operating standards through 2059. The Current Hotel Developer notified the City in fiscal year 2023 of its desire to exercise its land purchase option and purchased the property in November 2023.

In November 2022, the Current Hotel Developer entered into a severance and purchase option agreement with the City whereby it purchased the hotel property (as defined) and the City assigned its interest in the ground lease to the Current Hotel Developer for the price of approximately $1,825,000 with a purchase option for the City Conference Center Improvements and the Silver Hill Street entrance any time after April 1, 2025 for $1.00.

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.

IV. OTHER INFORMATION (CONTINUED)

A. Agreements (Continued)

New Market Tax Credit Agreements (Continued)

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.

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.

IV. OTHER INFORMATION (CONTINUED)

B. Commitments and Contingencies (Continued)

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.

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, 2024.

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, 2024, the City made premium payments totaling approximately $168,000. 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, 2023, totaled approximately $43,867,000. 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, 2024, the City made premium payments totaling approximately $1,050,000. 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, 2023, totaled approximately $8,550,000. 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.

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 System' Pension Trust Funds. The ACFR is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. 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)

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.

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 18.56 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
	2024	2024
Employer Contribution Rate: ^		
Retirement	18.41%	20.84%
Incidental Death Benefit	0.00%	0.20%
Accidental Death Contributions	0.00%	0.20%
	18.41%	21.24%
Employee Contribution Rate ^	9.00%	9.75%

^ 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 $2,054,000 and $2,739,000, respectively, for the year ended June 30, 2024 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, 2024. 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, 2024 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.

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. An experience report on the Systems was most recently issued for the period ending June 30, 2019.

The June 30, 2023 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, 2022. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023 (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%

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 2023 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
Public Equity	**46.0%**	6.62%	3.04%
Bonds	**26.0%**	0.31%	0.08%
Private Equity	**9.0%**	10.91%	0.98%
Private Debt	**7.0%**	6.16%	0.43%
Real Assets	**12.0%**		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Rate of Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

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, 2023 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	$ 58,464,402,454	34,286,961,942	$ 24,177,440,512	58.6%
PORS	$ 9,450,021,576	6,405,925,370	$ 3,044,096,206	67.8%

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.

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, 2024, the City reported liabilities of approximately $19,610,000 and $21,530,000 for its proportionate share of the NPL for the SCRS and PORS, respectively. The NPL were measured as of June 30, 2023, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2022 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, 2023 measurement date, the City's SCRS proportion was 0.081107 percent, which was an increase of 0.004013 from its proportion measured as of June 30, 2022. At the June 30, 2023 measurement date, the City's PORS proportion was 0.707277 percent, which was a decrease of 0.011416 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the City recognized pension expense of approximately $1,117,000 and $2,216,000 for the SCRS and PORS, respectively. At June 30, 2024, 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
SCRS		
Differences Between Expected and Actual Experience	$ 340,458	$ 54,381
Change in Assumptions	300,448	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	26,841
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	680,304	373,953
Employer Contributions Subsequent to the Measurement Date	1,974,158	-
Total SCRS	3,295,368	455,175
PORS		
Differences Between Expected and Actual Experience	1,013,231	265,421
Change in Assumptions	468,586	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	36,950
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	650,907	416,828
Employer Contributions Subsequent to the Measurement Date	2,646,967	-
Total PORS	4,779,691	719,199
Total SCRS and PORS	$ 8,075,059	$ 1,174,374

Approximately $1,974,000 and $2,647,000 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, 2025. 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:

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
2025	$ 397,322	733,948	$ 1,131,270
2026	(268,364)	(273,502)	(541,866)
2027	748,579	975,601	1,724,180
2028	(11,502)	(22,522)	(34,024)
Total	$ 866,035	1,413,525	$ 2,279,560

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	$ 25,337,566	19,609,672	$ 14,848,844
City's proportionate share of the net pension liability of the PORS	30,371,601	21,530,199	14,287,989
Total	$ 55,709,167	41,139,871	$ 29,136,833

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, 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 $573,000 to the PEBA as of June 30, 2024, representing required employer and employee contributions for the month of June 2024 for the SCRS and PORS. This amount is included in Accrued Salaries and Benefits on the financial statements and was paid in July 2024.

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 – 62; vested inactive employees not yet receiving benefits – 2; and no active employees. Consequently, there was no covered payroll for fiscal year 2024. The City Pension Plan provides for a normal retirement age of 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, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was a gain of 6.17%. 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".

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 2024. The actuarially determined contribution was approximately $1,225,000.

Plan Actuarial Assumptions

The total pension liability was determined by an actuarial valuation on January 1, 2024 using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
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 2010 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:	None

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, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table:

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, 2024 were as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at beginning of the year:	$ 11,000,577	2,329,845	$ 8,670,732
Changes for the Year:			
Interest	421,915	-	421,915
Differences between Expected and Actual Experience	(264,878)	-	(264,878)
Contributions - Employer	-	800,000	(800,000)
Net Investment Income	-	82,199	(82,199)
Benefit Payments, Net	(914,362)	(914,362)	-
Administrative Expenses	-	(49,579)	49,579
Net Changes	(757,325)	(81,742)	(675,583)
Balance at end of the year:	$ 10,243,252	2,248,103	$ 7,995,149
City Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability			
Beginning of the Year	21.18%		
End of the Year	21.95%		

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	$ 11,183,243	10,243,252	$ 9,437,823
Plan Fiduciary Net Position	(2,248,103)	(2,248,103)	(2,248,103)
City's Net Pension Liability	$ 8,935,140	7,995,149	$ 7,189,720

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, 2024, the City recognized a pension income of approximately $219,000. At June 30, 2024, 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	$ 221,793	$ -

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
2025	$ 114,617
2026	86,929
2027	18,985
2028	1,262
Total	$ 221,793

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	$ 19,609,672	3,295,368	455,175	$ 1,117,030
PORS	21,530,199	4,779,691	719,199	2,216,137
City Pension Plan	7,995,149	221,793	-	218,742
Total	$ 49,135,020	8,296,852	1,174,374	$ 3,551,909

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.

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	387
Total Membership	447

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.

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% - 9.50%; PORS - 3.50% - 10.50% (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 135% 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 2020 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
US Government Fixed Income			
US Government Agency	58.0%	3.60%	2.09%
US Government MBS/CMO/CMBS	40.0%	5.00%	2.00%
Cash and Short Duration	2.0%	4.25%	0.09%
Total Expected Real Rate of Return	100.0%		4.17%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Rate of Return			6.42%

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, 2023, 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, 2022	$ 1,555,105	706,139	$ 848,966
Changes for the year:			
Service Cost	42,444	-	42,444
Interest	70,964	-	70,964
Difference Between Expected/Actual Experience	(6,755)	-	(6,755)
Changes of assumptions or other inputs	22,952		22,952
Contributions - Employer	-	123,700	(123,700)
Net Investment Income	-	23,023	(23,023)
Benefit Payments	(123,700)	(123,700)	-
Administrative Expense	-	(1,000)	1,000
Net Changes	5,905	22,023	(16,118)
Balances as of December 31, 2023	$ 1,561,010	728,162	$ 832,848

For the year ended June 30, 2024, the City recognized OPEB expense of approximately $109,000. At June 30, 2024, 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	$ 19,278	$ 141,471
Changes of Assumptions	63,277	-
Net Difference Between Projected/Actual Earnings on OPEB Plan Investments	131,527	-
Employer Contributions Subsequent to the Measurement Date	61,850	-
Total	$ 275,932	$ 141,471

Approximately $62,000 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, 2025. 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:

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
2025	$ 28,382
2026	34,124
2027	27,008
2028	(3,973)
2029	(17,746)
Thereafter	4,816
Total	$ 72,611

Discount Rate

The discount rate used to measure the total OPEB liability remained at 4.75% for December 31, 2023 (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	$ 950,025	832,848	$ 725,990

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	$ 759,526	832,848	$ 920,081

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 is 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, SCDEC, 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, 2024.

G. Conduit Debt

The Spartanburg Water System ("Water System") has issued the following bonds in the name of the City for which a portion is still outstanding at June 30, 2024: $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, 2024, the outstanding balances on these bonds were approximately $125,085,000 (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 – City Roads Improvement Fund had a deficit fund balance of approximately $38,000 at June 30, 2024. This fund will receive future revenues and/or transfers to make up this deficit.

IV. OTHER INFORMATION (CONTINUED)

K. Subsequent Events

In October 2024, the City entered into an agreement with Sossamon Construction Company, Inc. for the West Main Street Trail Project for approximately $2,551,000.

In November 2024, the City entered into a change order agreement for approximately $3,297,000 with Kwest Group for the Taxilane Widening and Reconstruction project.

In November 2024, the City entered into a contract with Axon for police equipment and software. The contract term is for 60 months with semi-annual payments ranging from $190,000 to $274,000. Total estimated payments over the life of the contract are approximately $2,266,000.

City of
SPARTANBURG
south carolina

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, 2024

	GENERAL FUND			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Taxes	$ 19,488,760	19,488,760	20,405,251	$ 916,491
Fees, Licenses, and Permits	19,193,000	19,193,000	21,829,943	2,636,943
Fines and Forfeitures	224,000	224,000	230,217	6,217
Intergovernmental Revenues	4,262,927	3,528,259	3,741,399	213,140
Charges for Services	3,216,500	3,179,000	3,097,827	(81,173)
Investment Earnings	200,000	200,000	481,776	281,776
Other Revenues	66,000	111,500	82,879	(28,621)
TOTAL REVENUES	**46,651,187**	**45,924,519**	**49,869,292**	**3,944,773**
EXPENDITURES				
Policy Formulation and Administration	7,160,406	7,160,406	8,299,104	(1,138,698)
Public Safety	23,262,556	23,262,556	24,334,936	(1,072,380)
Parks, Recreation, and Special Events	2,945,917	2,945,917	2,597,417	348,500
Development Services	2,699,984	2,699,984	2,414,093	285,891
Public Services	11,003,962	11,003,962	10,983,347	20,615
Finance and Administrative Services	2,564,203	2,564,203	2,526,055	38,148
TOTAL EXPENDITURES	49,637,028	49,637,028	51,154,952	(1,517,924)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(2,985,841)**	**(3,712,509)**	**(1,285,660)**	**2,426,849**
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	80,000	80,000	149,132	69,132
SBITAs Issued	-	-	1,392,105	1,392,105
Transfers In	4,300,000	5,026,668	13,426,668	8,400,000
Transfers Out	(1,394,159)	(1,394,159)	(19,265,275)	(17,871,116)
TOTAL OTHER FINANCING SOURCES (USES)	2,985,841	3,712,509	(4,297,370)	(8,009,879)
NET CHANGES IN FUND BALANCES	**-**	**-**	**(5,583,030)**	**(5,583,030)**
FUND BALANCES, Beginning of Year	15,658,926	15,658,926	15,658,926	-
FUND BALANCES, End of Year	**$ 15,658,926**	**15,658,926**	**10,075,896**	**$ (5,583,030)**

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, 2024

	HOSPITALITY TAX FUND			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Hospitality Taxes	$ 7,000,000	7,000,000	7,111,811	$ 111,811
Investment Earnings	70,000	70,000	109,729	39,729
Other Revenues	1,000	1,000	-	(1,000)
TOTAL REVENUES	**7,071,000**	**7,071,000**	**7,221,540**	**150,540**
EXPENDITURES				
Operating	508,950	508,950	1,017,549	(508,599)
TOTAL EXPENDITURES	508,950	508,950	1,017,549	(508,599)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**6,562,050**	**6,562,050**	**6,203,991**	**(358,059)**
OTHER FINANCING SOURCES (USES)				
Transfers Out	(6,562,050)	(6,562,050)	(6,760,051)	(198,001)
TOTAL OTHER FINANCING SOURCES (USES)	(6,562,050)	(6,562,050)	(6,760,051)	(198,001)
NET CHANGES IN FUND BALANCES	-	-	**(556,060)**	**(556,060)**
FUND BALANCES, Beginning of Year	2,198,156	2,198,156	2,198,156	-
FUND BALANCES, End of Year	**$ 2,198,156**	**2,198,156**	**1,642,096**	**$ (556,060)**

Note: The Hospitality Tax 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 - 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,									
	2024	2023	2022 (2)	2021 (1)	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ -	-	-	-	-	-	-	-	2,616	$ 7,928
Interest	421,915	482,663	529,558	558,873	589,584	615,178	657,554	709,312	719,395	711,075
Differences Between Expected and Actual Experience	(264,878)	(1,041,634)	(674,526)	4,806	(2,772)	(213,281)	(106,515)	200,278	555,443	(3,011)
Changes of Assumptions	-	-	34,305	(116,154)	(66,206)	324,017	(137,747)	(681,039)	-	551,546
Benefit Payments, Including Refunds of Member Contributions	(914,362)	(1,004,204)	(1,118,101)	(1,253,686)	(1,323,061)	(1,408,466)	(1,536,892)	(1,508,124)	(1,545,732)	(1,568,073)
Net Change in Total Pension Liability	(757,325)	(1,563,175)	(1,228,764)	(806,161)	(802,455)	(682,552)	(1,123,600)	(1,279,573)	(268,278)	(300,535)
Total Pension Liability - Beginning of Year	11,000,577	12,563,752	13,792,516	14,598,677	15,401,132	16,083,684	17,207,284	18,486,857	18,755,135	19,055,670
Total Pension Liability - End of Year	$ 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	$ 18,755,135
Plan Fiduciary Net Position										
Employer Contribution	$ 800,000	800,000	800,000	800,000	1,050,000	1,000,000	950,000	903,842	855,676	$ 810,401
Employee Contribution	-	-	-	-	-	-	-	2,916	4,539	8,304
Net Investment Income	82,199	8,183	(221,671)	(2,114)	214,174	232,295	(18,625)	(982)	264,312	130,645
Benefit Payments, Including Refunds of Member Contributions	(914,362)	(1,004,204)	(1,118,101)	(1,253,686)	(1,323,061)	(1,408,466)	(1,536,892)	(1,508,124)	(1,545,732)	(1,568,073)
Administrative Expenses	(49,579)	(48,727)	(40,500)	(48,627)	(51,655)	(43,573)	(57,390)	(47,983)	(62,040)	(70,455)
Other	-	-	-	-	-	-	12,573	-	-	-
Net Change in Plan Fiduciary Net Position	(81,742)	(244,748)	(580,272)	(504,427)	(110,542)	(219,744)	(650,334)	(650,331)	(483,245)	(689,178)
Plan Fiduciary Net Position - Beginning of Year	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	6,462,666
Plan Fiduciary Net Position - End 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
Net Pension Liability - End of Year	$ 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	$ 12,981,647
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	21.95%	21.18%	20.49%	22.87%	25.07%	24.48%	24.81%	26.96%	28.62%	30.78%
City's Covered Payroll	$ -	-	-	-	-	-	-	41,016	41,580	$ 73,802
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%	30640.17%	31737.89%	17589.83%

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.

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,									
	2024	**2023**	**2022 (2)**	**2021 (1)**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Actuarially Determined Contribution	$ 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	$ 1,076,602
Contributions in Relation to the Actuarially Determined Contribution:										
Employer Contribution	800,000	800,000	800,000	800,000	1,050,000	1,000,000	950,000	903,842	855,676	810,401
Employee Contribution	-	-	-	-	-	-	-	2,916	4,539	8,304
Total Contributions	800,000	800,000	800,000	800,000	1,050,000	1,000,000	950,000	906,758	860,215	818,705
Contribution Deficiency (Excess)	$ 425,249	363,385	410,848	424,932	128,157	158,210	157,132	196,951	252,006	$ 257,897
City's Covered Payroll	$ -	-	-	-	-	-		41,016	41,580	$ 73,802
Contributions as a Percentage of Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2210.74%	2068.82%	1109.33%

Notes to Schedule:

Valuation Date:	January 1, 2024 (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
Amortization Method	Level Percentage of Payroll, Closed
Asset Valuation Method	Fair Value
Salary Increases	N/A
Investment Rate of Return	4.00%
Retirement Age	65
Mortality	PUB-G 2010 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.

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,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Annual Money-Weighted Rate of Return, Net of Investment Expense	6.17%	-2.91%	-10.07%	-2.83%	5.91%	6.17%	-0.43%	-0.02%	4.90%	3.50%

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,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
City's Proportion of the Net Pension Liability (Asset)	0.081107%	0.077094%	0.080399%	0.080626%	0.080148%	0.079343%	0.082407%	0.090223%	0.087831%	0.078627%
City's Proportionate Share of the Net Pension Liability (Asset)	$ 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	$ 14,102,875
City's Covered Payroll	$ 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	$ 7,543,452
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	189.59%	198.81%	189.46%	226.83%	214.01%	213.83%	220.22%	217.58%	199.49%	186.96%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

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,									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 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	$ 814,863
Contributions from the City	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	814,863
Contributions from the State	80,218	80,218	80,218	80,218	80,218	80,203	80,218	-	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
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	7,992,956	7,864,192	$ 7,580,122
Contributions as a Percentage of Covered Payroll	18.41%	17.41%	16.41%	15.41%	15.41%	14.41%	13.41%	11.41%	10.91%	10.75%

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,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
City's Proportion of the Net Pension Liability (Asset)	0.70728%	0.71869%	0.67830%	0.66639%	0.67989%	0.68491%	0.69022%	0.70387%	0.71836%	0.70614%
City's Proportionate Share of the Net Pension Liability (Asset)	$ 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	$ 13,518,595
City's Covered Payroll	$ 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	$ 8,497,405
City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	173.74%	189.90%	171.08%	219.52%	197.59%	204.71%	203.43%	198.96%	176.13%	159.09%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%	64.57%	67.55%

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,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually Required Contribution	$ 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	$ 1,192,042
Contributions from the City	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	1,192,042
Contributions from the State	92,258	92,258	92,259	92,258	92,258	92,258	92,258	-	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
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
Contributions as a Percentage of Covered Payroll	21.24%	20.24%	19.24%	18.24%	18.24%	17.24%	16.24%	14.24%	13.74%	13.41%

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 SEVEN YEARS

	Year Ended 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	$ 42,444	41,075	53,023	51,315	84,824	82,071	$ 79,409
Interest	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	(6,755)	10,440	(180,984)	(1,229)	25,369	(45,308)	(57,110)
Changes of Assumptions	22,952	-	1,328	-	94,068	-	-
Benefit Payments, Including Refunds of Member Contributions	(123,700)	(114,500)	(104,500)	(105,700)	(104,887)	(94,232)	(55,800)
Net Change in Total OPEB Liability	5,905	7,823	(152,831)	21,633	(861,995)	58,226	79,328
Total OPEB Liability - Beginning of Year	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)	$ 1,561,010	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	$ 123,700	114,500	104,500	105,700	104,887	94,232	$ 55,800
Net Investment Income	23,023	(123,995)	(24,133)	44,428	38,213	14,566	21,338
Benefit Payments, Including Refunds of Member Contributions	(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	22,023	(131,478)	(25,383)	37,113	38,213	8,455	11,150
OPEB Plan Fiduciary Net Position - Beginning of Year	706,139	837,617	863,000	825,887	787,674	779,219	768,069
OPEB Plan Fiduciary Net Position - End of Year (b)	$ 728,162	706,139	837,617	863,000	825,887	787,674	$ 779,219
Net OPEB Liability (Asset) - End of Year (a) - (b)	$ 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	46.65%	45.41%	54.13%	50.76%	49.20%	31.00%	31.39%
Covered Payroll	$ 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	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 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"). In the past, the City only provided a self-insured clinic and HRA. The actuary assumed 30% of future retires would elect PEBA and 70% would elect HRA contributions.

2020 No Significant Changes

2022 Changes in medical trends

CITY OF SPARTANBURG, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF THE CITY'S CONTRIBUTIONS

LAST SEVEN YEARS

	Year Ended June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	$ 78,908	79,713	85,761	91,693	123,138	153,457	$ 140,326
Contributions in Relation to the Actuarially Determined Contribution	123,700	114,500	104,500	105,700	104,887	94,232	55,800
Contribution Deficiency (Excess)	$ (44,792)	(34,787)	(18,739)	(14,007)	18,251	59,225	$ 84,526
Covered Payroll	$ 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	0.61%	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% - 9.50%; PORS - 3.50% - 10.50% (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 2020 Experience Study
Mortality Rates	PUB-2010 Mortality Table for Employees with a 135% 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 retires 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

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.

City of
SPARTANBURG
south carolina

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, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
REVENUES			
Taxes:			
Current	$ 19,088,760	19,946,179	$ 857,419
Prior Years, Including Penalties and Execution Fees	400,000	459,072	59,072
Total Taxes	**19,488,760**	**20,405,251**	**916,491**
Fees, Licenses, and Permits:			
Business Licenses and Penalties	14,430,000	16,871,330	2,441,330
Utility Franchise Fees	3,850,000	3,900,648	50,648
Building Permits	550,000	677,360	127,360
Electrical Permits	70,000	59,802	(10,198)
Plumbing Permits	50,000	46,743	(3,257)
Heating & Air Conditioning Permits	90,000	78,366	(11,634)
Miscellaneous Inspections/License Fees	153,000	195,694	42,694
Total Fees, Licenses, and Permits	**19,193,000**	**21,829,943**	**2,636,943**
Fines and Forfeitures:			
Criminal Fines	40,000	-	(40,000)
Traffic Fines	144,000	194,571	50,571
Parking Tickets	40,000	35,646	(4,354)
Total Fines and Forfeitures	**224,000**	**230,217**	**6,217**
Intergovernmental Revenues:			
Local Government Funds	907,724	964,818	57,094
General Government Funds	514,476	557,776	43,300
Accommodations Tax	38,000	48,559	10,559
Inventory Tax	694,796	694,796	-
Manufacturing Tax Reimbursement	15,000	22,739	7,739
Sunday Alcohol Sales	95,000	77,255	(17,745)
Water System Payments	1,128,263	1,128,263	-
Worker's Compensation Recoveries	135,000	247,193	112,193
Total Intergovernmental Revenues	**3,528,259**	**3,741,399**	**213,140**
Charges for Services:			
District 6 & 7 School Guards	650,000	603,332	(46,668)
Dorman High School Security	100,000	79,244	(20,756)
Parks and Recreation	99,000	247,709	148,709
Fleet Charges	55,000	48,628	(6,372)
Sanitation Service Charge	2,275,000	2,118,914	(156,086)
Total Charges for Services	**$ 3,179,000**	**3,097,827**	**$ (81,173)**

(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, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Other Revenues:			
Interest	$ 200,000	481,776	$ 281,776
Miscellaneous	99,500	81,879	(17,621)
Rents	12,000	1,000	(11,000)
Total Other Revenues	**311,500**	**564,655**	**253,155**
TOTAL REVENUES	**45,924,519**	**49,869,292**	**3,944,773**
EXPENDITURES			
Policy Formulation and Administration			
Mayor and Council:			
Personnel Services	168,118	147,378	20,740
Operating Expenditures	84,012	79,314	4,698
	252,130	226,692	25,438
Boards and Commissions:			
Operating Expenditures	1,850	1,850	-
	1,850	1,850	-
City Attorney:			
Personnel Services	243,647	203,580	40,067
Operating Expenditures	206,995	239,459	(32,464)
	450,642	443,039	7,603
City Manager:			
Personnel Services	917,029	1,049,871	(132,842)
Operating Expenditures	305,531	327,556	(22,025)
	1,222,560	1,377,427	(154,867)
Communication and Marketing:			
Personnel Services	189,152	189,011	141
Operating Expenditures	90,750	115,164	(24,414)
	279,902	304,175	(24,273)
Community Relations:			
Personnel Services	235,736	236,201	(465)
Operating Expenditures	55,711	30,087	25,624
	291,447	266,288	25,159
Municipal Court:			
Personnel Services	525,251	449,439	75,812
Operating Expenditures	88,000	108,882	(20,882)
	$ 613,251	558,321	$ 54,930

(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, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Non-Departmental Services:			
Operating Expenditures	$ 679,371	1,597,645	$ (918,274)
Debt Service - SBITA	-	179,107	(179,107)
	679,371	1,776,752	(1,097,381)
Worker's Compensation:			
Personnel Services	112,998	112,996	2
Operating Expenditures	488,420	415,112	73,308
	601,418	528,108	73,310
Human Resources:			
Personnel Services	314,526	309,833	4,693
Operating Expenditures	79,414	116,396	(36,982)
	393,940	426,229	(32,289)
Information Technology:			
Personnel Services	620,998	638,069	(17,071)
Operating Expenditures	1,535,897	1,628,411	(92,514)
Capital Outlay	135,000	31,587	103,413
	2,291,895	2,298,067	(6,172)
Employee Development:			
Personnel Services	-	2,617	(2,617)
Operating Expenditures	82,000	89,539	(7,539)
	82,000	92,156	(10,156)
Total Policy Formulation and Administration	**7,160,406**	**8,299,104**	**(1,138,698)**
Public Safety			
Administration			
Director's Office:			
Personnel Services	1,382,009	1,341,988	40,021
Operating Expenditures	168,875	122,447	46,428
Capital Outlay	24,500	1,416,605	(1,392,105)
	1,575,384	2,881,040	(1,305,656)
Technical and Support Administration:			
Personnel Services	719,911	1,048,171	(328,260)
Operating Expenditures	643,151	331,677	311,474
	1,363,062	1,379,848	(16,786)
Total Administration	$ 2,938,446	4,260,888	$ (1,322,442)

(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, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Law Enforcement			
Detention Transport:			
Operating Expenditures	$ 49,500	46,137	$ 3,363
Capital Outlay	11,270	11,270	-
	60,770	57,407	3,363
Patrol:			
Personnel Services	6,107,895	6,229,072	(121,177)
Operating Expenditures	365,850	120,171	245,679
Capital Outlay	407,002	407,002	-
	6,880,747	6,756,245	124,502
Crime Prevention:			
Personnel Services	1,065,127	1,163,949	(98,822)
Operating Expenditures	11,600	4,627	6,973
	1,076,727	1,168,576	(91,849)
Investigations:			
Personnel Services	2,364,431	2,096,350	268,081
Operating Expenditures	219,504	124,855	94,649
Capital Outlay	48,000	48,000	-
	2,631,935	2,269,205	362,730
Records:			
Personnel Services	492,548	353,534	139,014
Operating Expenditures	20,700	4,278	16,422
	513,248	357,812	155,436
Animal Control:			
Personnel Services	172,370	192,773	(20,403)
Operating Expenditures	103,131	77,745	25,386
Capital Outlay	16,667	16,667	-
	292,168	287,185	4,983
Law Enforcement Administration:			
Personnel Services	385,437	371,371	14,066
Operating Expenditures	54,395	30,925	23,470
	439,832	402,296	37,536
School Crossing Guard:			
Personnel Services	142,015	47,417	94,598
Operating Expenditures	7,684	-	7,684
	149,699	47,417	102,282
Total Law Enforcement	$ 12,045,126	11,346,143	$ 698,983

(Continued)

	REVISED BUDGET	ACTUAL	VARIANCE
Fire			
Fire Administration:			
Personnel Services	$ 818,445	834,239	$ (15,794)
Operating Expenditures	317,975	409,784	(91,809)
Capital Outlay	31,369	31,369	-
	1,167,789	1,275,392	(107,603)
Fire Suppression:			
Personnel Services	5,770,120	6,101,276	(331,156)
Operating Expenditures	904,045	914,207	(10,162)
Capital Outlay	437,030	437,030	-
	7,111,195	7,452,513	(341,318)
Total Fire	8,278,984	8,727,905	(448,921)
Total Public Safety	**23,262,556**	**24,334,936**	**(1,072,380)**
Parks, Recreation, and Special Events			
Parks, Recreation, and Special Events Administration:			
Personnel Services	532,899	442,669	90,230
Operating Expenditures	244,740	254,699	(9,959)
Capital Outlay	3,333	3,333	-
	780,972	700,701	80,271
Special Events:			
Personnel Services	244,755	241,855	2,900
Operating Expenditures	18,526	11,454	7,072
	263,281	253,309	9,972
Parks:			
Personnel Services	455,735	219,870	235,865
Operating Expenditures	88,175	101,686	(13,511)
Capital Outlay	4,917	4,917	-
	548,827	326,473	222,354
Recreation Centers:			
Personnel Services	669,744	818,095	(148,351)
Operating Expenditures	123,400	104,031	19,369
	793,144	922,126	(128,982)
Aquatics:			
Personnel Services	79,884	64,189	15,695
Operating Expenditures	201,160	180,109	21,051
	$ 281,044	244,298	$ 36,746

(Continued)

	REVISED BUDGET	ACTUAL	VARIANCE
Athletics			
Personnel Services	$ 205,449	84,013	$ 121,436
Operating Expenditures	73,200	66,497	6,703
	278,649	150,510	128,139
Total Parks, Recreation, and Special Events	**2,945,917**	**2,597,417**	**348,500**
Development Services			
Economic Development:			
Operating Expenditures	-	77	(77)
	-	77	(77)
Neighborhood Services:			
Personnel Services	251,362	352,052	(100,690)
Operating Expenditures	37,450	38,990	(1,540)
Capital Outlay	6,500	6,500	-
	295,312	397,542	(102,230)
Property Maintenance Inspection:			
Personnel Services	331,678	301,008	30,670
Operating Expenditures	142,286	151,635	(9,349)
Capital Outlay	12,917	12,917	-
	486,881	465,560	21,321
City Engineering:			
Operating Expenditures	-	4	(4)
	-	4	(4)
Planning Department:			
Personnel Services	382,993	249,928	133,065
Operating Expenditures	135,000	100,794	34,206
	517,993	350,722	167,271
Inspections:			
Personnel Services	885,881	778,555	107,326
Operating Expenditures	117,900	54,830	63,070
Capital Outlay	10,500	10,500	-
	1,014,281	843,885	170,396
Parking Enforcement:			
Personnel Services	163,196	140,078	23,118
Operating Expenditures	7,850	3,581	4,269
	$ 171,046	143,659	$ 27,387

(Continued)

	REVISED BUDGET	ACTUAL	VARIANCE
Construction Management:			
Personnel Services	$ 198,314	201,464	$ (3,150)
Operating Expenditures	9,240	4,263	4,977
Capital Outlay	6,917	6,917	-
	214,471	212,644	1,827
Total Development Services	**2,699,984**	**2,414,093**	**285,891**
Public Services			
Public Services Administration:			
Personnel Services	212,567	189,331	23,236
Operating Expenditures	19,850	20,794	(944)
	232,417	210,125	22,292
Ground Maintenance:			
Personnel Services	1,190,373	1,048,781	141,592
Operating Expenditures	618,475	913,856	(295,381)
Capital Outlay	122,465	122,465	-
	1,931,313	2,085,102	(153,789)
Street Maintenance:			
Personnel Services	325,051	246,835	78,216
Operating Expenditures	290,675	284,423	6,252
Capital Outlay	117,035	132,843	(15,808)
	732,761	664,101	68,660
Traffic Services:			
Personnel Services	476,923	480,544	(3,621)
Operating Expenditures	929,912	970,814	(40,902)
Capital Outlay	25,500	25,500	-
	1,432,335	1,476,858	(44,523)
Building Maintenance:			
Personnel Services	621,417	616,304	5,113
Operating Expenditures	885,750	884,142	1,608
Capital Outlay	17,229	14,229	3,000
	1,524,396	1,514,675	9,721
Fleet Maintenance:			
Personnel Services	896,503	899,883	(3,380)
Operating Expenditures	1,519,700	1,450,876	68,824
Capital Outlay	19,500	19,500	-
	$ 2,435,703	2,370,259	$ 65,444

(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, 2024

	REVISED BUDGET	ACTUAL	VARIANCE
Solid Waste:			
Personnel Services	$ 1,587,201	1,583,477	$ 3,724
Operating Expenditures	727,610	678,524	49,086
Capital Outlay	400,226	400,226	-
	2,715,037	2,662,227	52,810
Total Public Services	**11,003,962**	**10,983,347**	**20,615**
Finance and Administrative Services			
Administrative/Risk:			
Operating Expenditures	1,052,000	1,058,111	(6,111)
	1,052,000	1,058,111	(6,111)
Finance Administration:			
Personnel Services	828,252	765,048	63,204
Operating Expenditures	175,713	205,477	(29,764)
	1,003,965	970,525	33,440
Business License Code Enforcement:			
Personnel Services	238,201	228,376	9,825
Operating Expenditures	13,097	6,271	6,826
Capital Outlay	11,250	11,250	-
	262,548	245,897	16,651
Procurement and Property:			
Personnel Services	193,254	204,331	(11,077)
Operating Expenditures	48,269	43,024	5,245
Capital Outlay	4,167	4,167	-
	245,690	251,522	(5,832)
Total Finance and Administrative Services	**2,564,203**	**2,526,055**	**38,148**
TOTAL EXPENDITURES	49,637,028	51,154,952	(1,517,924)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(3,712,509)**	**(1,285,660)**	**2,426,849**
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	80,000	149,132	69,132
SBITAs Issued	-	1,392,105	1,392,105
Transfers In	5,026,668	13,426,668	8,400,000
Transfers Out	(1,394,159)	(19,265,275)	(17,871,116)
TOTAL OTHER FINANCING SOURCES (USES)	**3,712,509**	**(4,297,370)**	**(8,009,879)**
NET CHANGES IN FUND BALANCES	**-**	**(5,583,030)**	**(5,583,030)**
FUND BALANCES, Beginning of Year	15,658,926	15,658,926	-
FUND BALANCES, End of Year	**$ 15,658,926**	**10,075,896**	**$ (5,583,030)**

COMBINING SCHEDULES
FOR NON-MAJOR GOVERNMENTAL FUNDS

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS

JUNE 30, 2024

	NON-MAJOR SPECIAL REVENUE FUNDS	NON-MAJOR DEBT SERVICE FUNDS	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS			
Cash and Cash Equivalents	$ 32,250	-	$ 32,250
Pooled Cash and Cash Equivalents	5,222,161	740,232	5,962,393
Restricted Cash and Cash Equivalents	4,755,014	-	4,755,014
Restricted Investments	-	5	5
Due from County Treasurer	67,400	-	67,400
Property Taxes Receivable, Net	6,865	12,600	19,465
Accounts Receivable	179,771	-	179,771
Commercial Loan Receivables	49,682	-	49,682
Intergovernmental Receivables	1,825,133	-	1,825,133
Mortgages Receivable:			
Home Loans	70,034	-	70,034
Deposits and Other Assets	-	-	-
Note Receivable	3,000,000	-	3,000,000
TOTAL ASSETS	**$ 15,208,310**	**752,837**	**$ 15,961,147**
LIABILITIES			
Accounts Payable	$ 342,023	5,581	$ 347,604
Accrued Salaries and Benefits	12,423	-	12,423
Due To Other Funds	143,190	-	143,190
Unearned Revenue	1,140,768	-	1,140,768
TOTAL LIABILITIES	1,638,404	5,581	1,643,985
DEFERRED INFLOWS OF RESOURCES			
Unavailable Taxes	7,221	13,267	20,488
Unavailable Note Receivables	110,299	-	110,299
TOTAL DEFERRED INFLOWS OF RESOURCES	117,520	13,267	130,787
FUND BALANCES			
Restricted For:			
Debt Service	-	733,989	733,989
Tourism Related Costs	474,749	-	474,749
Community Development	3,068,438	-	3,068,438
Multi County Parks	3,323,516	-	3,323,516
Baseball Stadium	5,912,275	-	5,912,275
Other Special Revenue Programs	672,871	-	672,871
Committed For:			
Special Revenue Programs	38,050	-	38,050
Unassigned	(37,513)	-	(37,513)
TOTAL FUND BALANCES	13,452,386	733,989	14,186,375
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 15,208,310**	**752,837**	**$ 15,961,147**

CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	NON-MAJOR SPECIAL REVENUE FUNDS	NON-MAJOR DEBT SERVICE FUNDS	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES:			
Federal Government Contributions	$ 1,339,820	-	$ 1,339,820
State Government Contributions	333,798	-	333,798
Local Government Grants and Contributions	2,788,531	-	2,788,531
Taxes	3,421,750	690,136	4,111,886
Intergovernmental Revenues	85,800	-	85,800
Investment Earnings	233,688	43	233,731
Miscellaneous	1,173,971	-	1,173,971
Confiscated Drug Funds	57,940	-	57,940
TOTAL REVENUES	**9,435,298**	**690,179**	**10,125,477**
EXPENDITURES:			
Current:			
Finance and Administrative Services	579,911	-	579,911
Operating	3,509,428	-	3,509,428
Capital Outlay	169,340	-	169,340
Debt Service			
Principal Retirement	26,362	3,165,217	3,191,579
Interest	89,390	591,270	680,660
Other	-	1,650	1,650
TOTAL EXPENDITURES	4,374,431	3,758,137	8,132,568
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**5,060,867**	**(3,067,958)**	**1,992,909**
OTHER FINANCING SOURCES (USES):			
Transfers In	4,056,940	3,135,984	7,192,924
Transfers Out	(5,484,063)	-	(5,484,063)
Sale of Capital Assets	14,649	-	14,649
Total Other Financing Sources (Uses)	(1,412,474)	3,135,984	1,723,510
NET CHANGES IN FUND BALANCES	**3,648,393**	**68,026**	**3,716,419**
FUND BALANCES, Beginning of Year	9,803,993	665,963	10,469,956
FUND BALANCES, End of Year	**$ 13,452,386**	**733,989**	**$ 14,186,375**

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.

Stadium Revenue Fund 342 – to account for funds received for the base lease rent payments for the downtown baseball stadium facilities.

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.

Neighborhood Initiative Program Fund 710 – to account for state grants and other revenues restricted for the Neighborhood Initiative Program ("NIP") which are used to stabilize property values through the removal of blighted properties in strategically targeted areas in an effort to prevent future foreclosures for existing property owners.

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, 2024

		Fund 210	Fund 314	Fund 320
		Federal Home Program Fund	Spartanburg Residential Development Corporation Fund	Miscellaneous Grant Fund
ASSETS				
Cash and Cash Equivalents	$	-	24,880	-
Pooled Cash and Cash Equivalents		151,439	-	515,387
Restricted Cash and Cash Equivalents		-	-	44,106
Due from County Treasurer		-	-	-
Property Taxes Receivable		-	-	-
Accounts Receivable, Net		-	-	10,261
Intergovernmental Receivables		11,181	-	363,897
Commercial Loan Receivables		-	-	-
Mortgages Receivable-Home Loans		60,617	9,417	-
Note Receivable		-	-	-
TOTAL ASSETS	**$**	**223,237**	**34,297**	**933,651**
LIABILITIES				
Accounts Payable	$	-	-	177,738
Accrued Salaries and Benefits		-	-	5,230
Due To Other Funds		-	965	-
Unearned Revenues		110,177	-	494,168
TOTAL LIABILITIES		110,177	965	677,136
DEFERRED INFLOWS OF RESOURCES				
Unavailable Taxes		-	-	-
Unavailable Notes Receivable		60,617	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES		60,617	-	-
FUND BALANCES				
Restricted		52,443	-	256,515
Committed		-	33,332	-
Unassigned		-	-	-
TOTAL FUND BALANCES		52,443	33,332	256,515
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$**	**223,237**	**34,297**	**933,651**

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
-	7,370	-	-	$ -
38,081	12,933	149,397	107,671	-
-	-	-	-	4,655,941
-	-	-	67,400	-
-	-	-	6,865	-
-	3,500	-	5,161	-
-	-	-	-	1,256,334
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
38,081	**23,803**	**149,397**	**187,097**	**$ 5,912,275**
-	14,559	-	56,334	$ -
289	826	-	-	-
-	-	-	-	-
-	3,700	186,910	-	-
289	19,085	186,910	56,334	-
-	-	-	7,221	-
-	-	-	-	-
-	-	-	7,221	-
37,792	-	-	123,542	5,912,275
-	4,718	-	-	-
-	-	(37,513)	-	-
37,792	4,718	(37,513)	123,542	5,912,275
38,081	**23,803**	**149,397**	**187,097**	**$ 5,912,275**

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING BALANCE SHEET -
NON-MAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2024

		Fund 362	Fund 380	Fund 480
		Firefighters' 1% Fund	Multi County Industrial Park Fund	Accommodations Tax Fund
ASSETS				
Cash and Cash Equivalents	$	-	-	-
Pooled Cash and Cash Equivalents		-	3,336,691	364,694
Restricted Cash and Cash Equivalents		12,067	-	-
Due from County Treasurer		-	-	-
Property Taxes Receivable		-	-	-
Accounts Receivable, Net		-	-	160,849
Intergovernmental Receivables		-	-	-
Commercial Loan Receivables		-	-	-
Mortgages Receivable-Home Loans		-	-	-
Note Receivable		-	-	-
TOTAL ASSETS	**$**	**12,067**	**3,336,691**	**525,543**
LIABILITIES				
Accounts Payable	$	-	13,175	50,794
Accrued Salaries and Benefits		-	-	-
Due To Other Funds		-	-	-
Unearned Revenues		-	-	-
TOTAL LIABILITIES		-	13,175	50,794
DEFERRED INFLOWS OF RESOURCES				
Unavailable Taxes		-	-	-
Unavailable Notes Receivable		-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES		-	-	-
FUND BALANCES				
Restricted		12,067	3,323,516	474,749
Committed		-	-	-
Unassigned		-	-	-
TOTAL FUND BALANCES		12,067	3,323,516	474,749
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$**	**12,067**	**3,336,691**	**525,543**

Fund 708	Fund 710	Fund 803	Fund 804	
Community Development Fund	Neighborhood Initiative Program Fund	Forfeited Drug-Federal Fund	Forfeited Drug-State Fund	Combined Funds
-	-	-	-	$ 32,250
-	-	434,459	111,409	5,222,161
42,900	-	-	-	4,755,014
-	-	-	-	67,400
-	-	-	-	6,865
-	-	-	-	179,771
193,721	-	-	-	1,825,133
49,682	-	-	-	49,682
-	-	-	-	70,034
3,000,000	-	-	-	3,000,000
3,286,303	**-**	**434,459**	**111,409**	**$ 15,208,310**
29,423	-	-	-	$ 342,023
6,078	-	-	-	12,423
142,225	-	-	-	143,190
42,900	-	302,913	-	1,140,768
220,626	-	302,913	-	1,638,404
-	-	-	-	7,221
49,682	-	-	-	110,299
49,682	-	-	-	117,520
3,015,995	-	131,546	111,409	13,451,849
-	-	-	-	38,050
-	-	-	-	(37,513)
3,015,995	-	131,546	111,409	13,452,386
3,286,303	**-**	**434,459**	**111,409**	**$ 15,208,310**

CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	Fund 210	Fund 314	Fund 320
	Federal Home Program Fund	Spartanburg Residential Development Corporation Fund	Miscellaneous Grant Fund
REVENUES			
Federal Government Contributions	$ 47,365	-	593,586
State Government Contributions	-	-	229,735
Local Government Grants and Contributions	-	-	-
Property Taxes	-	-	-
Intergovernmental Revenues	-	-	-
Hospitality/Accommodations Taxes	-	-	-
Investment Earnings	-	112	198
Miscellaneous	-	-	786,925
Confiscated Drug Funds	-	-	-
Total Revenues	47,365	112	1,610,444
EXPENDITURES			
Finance and Administrative Services	-	-	283,396
Operating	47,365	-	1,203,510
Capital Outlay	-	-	130,582
Debt Service - Principal	-	-	26,362
Debt Service - Interest	-	-	3,590
Total Expenditures	47,365	-	1,647,440
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**-**	**112**	**(36,996)**
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	143,289
Transfers Out	-	-	-
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	-	-	143,289
NET CHANGES IN FUND BALANCES	**-**	**112**	**106,293**
FUND BALANCES, Beginning of Year	52,443	33,220	150,222
FUND BALANCES, End of Year	**$ 52,443**	**33,332**	**256,515**

Fund 322 Victims Assistance Fund	Fund 323 Special Events Fund	Fund 339 City Roads Improvement Fund	Fund 340 Downtown Development Committee Nonprofit Corporation Fund	Fund 342 Stadium Revenue Fund
-	-	-	-	$ -
-	-	-	-	-
-	-	-	-	2,788,531
-	-	-	1,801,608	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
27,688	352,358	-	7,000	-
-	-	-	-	-
27,688	352,358	-	1,808,608	2,788,531
18,218	110,698	-	-	-
-	640,963	-	119,222	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
18,218	751,661	-	119,222	-
9,470	**(399,303)**	**-**	**1,689,386**	**2,788,531**
-	424,387	-	353,940	3,123,744
-	-	-	(5,384,063)	-
-	-	-	-	-
-	424,387	-	(5,030,123)	3,123,744
9,470	**25,084**	**-**	**(3,340,737)**	**5,912,275**
28,322	(20,366)	(37,513)	3,464,279	-
37,792	**4,718**	**(37,513)**	**123,542**	**$ 5,912,275**

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	Fund 362	Fund 380	Fund 480
	Firefighters' 1% Fund	Multi County Industrial Park Fund	Accommodations Tax Fund
REVENUES			
Federal Government Contributions	$ -	-	-
State Government Contributions	104,063	-	-
Local Government Grants and Contributions	-	-	-
Property Taxes	-	1,172,530	-
Intergovernmental Revenues	-	-	-
Hospitality/Accommodations Taxes	-	-	447,612
Investment Earnings	-	186,890	16,072
Miscellaneous	-	-	-
Confiscated Drug Funds	-	-	-
Total Revenues	104,063	1,359,420	463,684
EXPENDITURES			
Finance and Administrative Services	-	-	-
Operating	137,838	548,003	306,234
Capital Outlay	-	-	-
Debt Service - Principal	-	-	-
Debt Service - Interest	-	-	-
Total Expenditures	137,838	548,003	306,234
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(33,775)**	**811,417**	**157,450**
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(100,000)	-
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	-	(100,000)	-
NET CHANGES IN FUND BALANCES	**(33,775)**	**711,417**	**157,450**
FUND BALANCES, Beginning of Year	45,842	2,612,099	317,299
FUND BALANCES, End of Year	**$ 12,067**	**3,323,516**	**474,749**

Fund 708	Fund 710	Fund 803	Fund 804	
Community Development Fund	Neighborhood Initiative Program Fund	Forfeited Drug-Federal Fund	Forfeited Drug-State Fund	Combined Funds
698,869	-	-	-	$ 1,339,820
-	-	-	-	333,798
-	-	-	-	2,788,531
-	-	-	-	2,974,138
85,800	-	-	-	85,800
-	-	-	-	447,612
-	-	23,695	6,721	233,688
-	-	-	-	1,173,971
-	-	57,940	-	57,940
784,669	-	81,635	6,721	9,435,298
167,599	-	-	-	579,911
506,293	-	-	-	3,509,428
38,758	-	-	-	169,340
-	-	-	-	26,362
85,800	-	-	-	89,390
798,450	-	-	-	4,374,431
(13,781)	**-**	**81,635**	**6,721**	**5,060,867**
-	11,580	-	-	4,056,940
-	-	-	-	(5,484,063)
14,649	-	-	-	14,649
14,649	11,580	-	-	(1,412,474)
868	**11,580**	**81,635**	**6,721**	**3,648,393**
3,015,127	(11,580)	49,911	104,688	9,803,993
3,015,995	**-**	**131,546**	**111,409**	**$ 13,452,386**

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, 2024

	FEDERAL HOME PROGRAM FUND			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Federal Government Contributions	$ 241,937	241,937	47,365	$ (194,572)
TOTAL REVENUES	**241,937**	**241,937**	**47,365**	**(194,572)**
EXPENDITURES				
Operating	241,937	241,937	47,365	194,572
TOTAL EXPENDITURES	241,937	241,937	47,365	194,572
NET CHANGES IN FUND BALANCES	**-**	**-**	**-**	**-**
FUND BALANCES, Beginning of Year	52,443	52,443	52,443	-
FUND BALANCES, End of Year	**$ 52,443**	**52,443**	**52,443**	**$ -**

CITY OF SPARTANBURG, SOUTH CAROLINA

VICTIMS ASSISTANCE FUND

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

YEAR ENDED JUNE 30, 2024

	VICTIMS ASSISTANCE FUND			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Other Revenues	$ 25,000	25,000	27,688	$ 2,688
TOTAL REVENUES	**25,000**	**25,000**	**27,688**	**2,688**
EXPENDITURES				
Finance and Administrative Services	18,908	18,908	18,218	690
Operating	6,092	6,092	-	6,092
TOTAL EXPENDITURES	25,000	25,000	18,218	6,782
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**-**	**-**	**9,470**	**9,470**
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGES IN FUND BALANCES	**-**	**-**	**9,470**	**9,470**
FUND BALANCES, Beginning of Year	28,322	28,322	28,322	-
FUND BALANCES, End of Year	**$ 28,322**	**28,322**	**37,792**	**$ 9,470**

CITY OF SPARTANBURG, SOUTH CAROLINA

MULTI COUNTY INDUSTRIAL PARK FUND

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

YEAR ENDED JUNE 30, 2024

	MULTI COUNTY INDUSTRIAL PARK FUND			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Property Taxes	$ 1,100,000	1,100,000	1,172,530	$ 72,530
Investment Earnings	50,000	50,000	186,890	136,890
TOTAL REVENUES	**1,150,000**	**1,150,000**	**1,359,420**	**209,420**
EXPENDITURES				
Operating	1,050,000	1,050,000	548,003	501,997
TOTAL EXPENDITURES	1,050,000	1,050,000	548,003	501,997
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**100,000**	**100,000**	**811,417**	**711,417**
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(100,000)	(100,000)	(100,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(100,000)	(100,000)	(100,000)	-
NET CHANGES IN FUND BALANCES	**-**	**-**	**711,417**	**711,417**
FUND BALANCES, Beginning of Year	2,612,099	2,612,099	2,612,099	-
FUND BALANCES, End of Year	**$ 2,612,099**	**2,612,099**	**3,323,516**	**$ 711,417**

CITY OF SPARTANBURG, SOUTH CAROLINA

ACCOMMODATIONS TAX FUND

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

YEAR ENDED JUNE 30, 2024

	ACCOMMODATIONS TAX FUND			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Accommodation Taxes	$ 220,000	220,000	447,612	$ 227,612
Investment Earnings	5,000	5,000	16,072	11,072
TOTAL REVENUES	**225,000**	**225,000**	**463,684**	**238,684**
EXPENDITURES				
Operating	225,000	225,000	306,234	(81,234)
TOTAL EXPENDITURES	225,000	225,000	306,234	(81,234)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**-**	**-**	**157,450**	**157,450**
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
NET CHANGES IN FUND BALANCES	**-**	**-**	**157,450**	**157,450**
FUND BALANCES, Beginning of Year	317,299	317,299	317,299	-
FUND BALANCES, End of Year	**$ 317,299**	**317,299**	**474,749**	**$ 157,450**

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, 2024

	COMMUNITY DEVELOPMENT FUND			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Federal Government Contributions	$ 658,032	658,032	698,869	$ 40,837
Intergovernmental Revenues	-	-	85,800	85,800
Other Revenues	-	-	-	-
TOTAL REVENUES	**658,032**	**658,032**	**784,669**	**126,637**
EXPENDITURES				
Finance and Administrative Services	244,332	244,332	167,599	76,733
Operating	413,700	413,700	506,293	(92,593)
Capital Outlay	-	-	38,758	(38,758)
Debt Service - Interest	-	-	85,800	(85,800)
TOTAL EXPENDITURES	658,032	658,032	798,450	(140,418)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**-**	**-**	**(13,781)**	**(13,781)**
OTHER FINANCING SOURCES (USES)				
Sale of Assets	-	-	14,649	14,649
TOTAL OTHER FINANCING SOURCES (USES)	-	-	14,649	14,649
NET CHANGES IN FUND BALANCES	**-**	**-**	**868**	**868**
FUND BALANCES, Beginning of Year	3,015,127	3,015,127	3,015,127	-
FUND BALANCES, End of Year	**$ 3,015,127**	**3,015,127**	**3,015,995**	**$ 868**

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

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, 2024

	Fund 540 GENERAL DEBT SERVICE FUND	Fund 543 ST. JOHN - DANIEL MORGAN TIF	TOTALS
ASSETS			
Pooled Cash and Cash Equivalents	$ 24,226	716,006	$ 740,232
Restricted Investments	5	-	5
Property Taxes Receivable, Net	-	12,600	12,600
TOTAL ASSETS	**$ 24,231**	**728,606**	**$ 752,837**
LIABILITIES			
Accounts Payable	$ -	5,581	$ 5,581
TOTAL LIABILITIES	-	5,581	5,581
DEFERRED INFLOWS OF RESOURCES			
Unavailable Property Taxes	-	13,267	13,267
TOTAL DEFERRED INFLOWS OF RESOURCES	-	13,267	13,267
FUND BALANCE			
Restricted for Debt Service	24,231	709,758	733,989
TOTAL FUND BALANCES	24,231	709,758	733,989
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	**$ 24,231**	**728,606**	**$ 752,837**

CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	Fund 540	Fund 543	
	GENERAL DEBT SERVICE FUND	**ST. JOHN - DANIEL MORGAN TIF**	**TOTALS**
REVENUES			
Tax Increment	$ -	690,136	$ 690,136
Investment Earnings	43	-	43
TOTAL REVENUES	**43**	**690,136**	**690,179**
EXPENDITURES			
Debt Service:			
Principal	2,565,217	600,000	3,165,217
Interest	564,166	27,104	591,270
Other	-	1,650	1,650
TOTAL EXPENDITURES	3,129,383	628,754	3,758,137
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	**(3,129,340)**	**61,382**	**(3,067,958)**
OTHER FINANCING SOURCES (USES)			
Transfers In	3,135,984	-	3,135,984
TOTAL OTHER FINANCING SOURCES (USES)	3,135,984	-	3,135,984
NET CHANGES IN FUND BALANCES	**6,644**	**61,382**	**68,026**
FUND BALANCES, Beginning of Year	17,587	648,376	665,963
FUND BALANCES, End of Year	**$ 24,231**	**709,758**	**$ 733,989**

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, 2024

	ST. JOHN-DANIEL MORGAN TIF			
	BUDGETED AMOUNTS			
	ORIGINAL	REVISED	ACTUAL	VARIANCE
REVENUES				
Tax Increment	$ 408,089	408,089	690,136	$ 282,047
TOTAL REVENUES	**408,089**	**408,089**	**690,136**	**282,047**
EXPENDITURES				
Debt Service:				
Principal	600,000	600,000	600,000	-
Interest	27,104	27,104	27,104	-
Other	30,985	30,985	1,650	29,335
TOTAL EXPENDITURES	658,089	658,089	628,754	29,335
NET CHANGES IN FUND BALANCES	**(250,000)**	**(250,000)**	**61,382**	**311,382**
FUND BALANCES, Beginning of Year	648,376	648,376	648,376	-
FUND BALANCES, End of Year	**$ 398,376**	**398,376**	**709,758**	**$ 311,382**

Note: The City's original and revised budget reflected an expected use of fund balance of approximately $250,000.

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 SCHEDULE OF NET POSITION - ALL INTERNAL SERVICE FUNDS

JUNE 30, 2024

	EQUIPMENT REPLACEMENT	MEDICAL INSURANCE TRUST	TOTALS
ASSETS			
Current Assets:			
Pooled Cash and Cash Equivalents	$ 950,273	658,553	$ 1,608,826
Prepaids	1,900,000	-	1,900,000
Total Current Assets	2,850,273	658,553	3,508,826
Non-Current Assets:			
Capital Assets:			
Depreciable, Net	10,890,976	-	10,890,976
Total Non-Current Assets	10,890,976	-	10,890,976
TOTAL ASSETS	**$ 13,741,249**	**658,553**	**$ 14,399,802**
LIABILITIES			
Current Liabilities:			
Accounts Payable/Deposits Payable	$ 401,858	3,717	$ 405,575
Unclaimed Checks	-	109	109
Current Portion of Debt	2,096,854	-	2,096,854
Total Current Liabilities	2,498,712	3,826	2,502,538
Long-Term Liabilities:			
Debt, Less Current Portion	6,206,566	-	6,206,566
Total Long-Term Liabilities	6,206,566	-	6,206,566
TOTAL LIABILITIES	8,705,278	3,826	8,709,104
NET POSITION			
Net Investment in Capital Assets	4,085,698	-	4,085,698
Unrestricted	950,273	654,727	1,605,000
TOTAL NET POSITION	5,035,971	654,727	5,690,698
TOTAL LIABILITIES AND NET POSITION	**$ 13,741,249**	**658,553**	**$ 14,399,802**

CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

	EQUIPMENT REPLACEMENT	MEDICAL INSURANCE TRUST	TOTALS
OPERATING REVENUES			
Charges for Services	$ 1,730,294	-	$ 1,730,294
Contributions	-	4,624,430	4,624,430
Other	-	130	130
TOTAL OPERATING REVENUES	**1,730,294**	**4,624,560**	**6,354,854**
OPERATING EXPENSES			
Services and Charges	160,207	268,712	428,919
Claims/Premiums	-	4,585,463	4,585,463
Depreciation	1,927,919	-	1,927,919
TOTAL OPERATING EXPENSES	2,088,126	4,854,175	6,942,301
OPERATING INCOME	**(357,832)**	**(229,615)**	**(587,447)**
NON-OPERATING REVENUES (EXPENSES)			
Interest Expense	(245,169)	-	(245,169)
Other	(43,781)	-	(43,781)
TOTAL NON-OPERATING REVENUES (EXPENSES)	(288,950)	-	(288,950)
INCOME (LOSS) BEFORE TRANSFERS	**(646,782)**	**(229,615)**	**(876,397)**
Transfers In	1,921,815	-	1,921,815
Transfers Out	-	(300,000)	(300,000)
CHANGE IN NET POSITION	**1,275,033**	**(529,615)**	**745,418**
NET POSITION, Beginning of Year	3,760,938	1,184,342	4,945,280
NET POSITION, End of Year	**$ 5,035,971**	**654,727**	**$ 5,690,698**

CITY OF SPARTANBURG, SOUTH CAROLINA

COMBINING SCHEDULE OF CASH FLOWS - ALL INTERNAL SERVICE FUNDS

YEAR ENDED JUNE 30, 2024

	EQUIPMENT REPLACEMENT	MEDICAL INSURANCE TRUST	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Charges for Services	$ 1,730,294	-	$ 1,730,294
Receipts from Contributions	-	4,624,430	4,624,430
Receipts from Other Revenues	-	130	130
Payments for Services and Charges	(160,207)	(264,995)	(425,202)
Payments for Other Expenses	(43,781)	-	(43,781)
Payments for Claims/Premiums	-	(4,585,463)	(4,585,463)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,526,306	(225,898)	1,300,408
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	1,921,815	-	1,921,815
Transfers from Other Funds	-	(300,000)	(300,000)
NET CASH PROVIDED BY (USED IN) NON-CAPITAL FINANCING ACTIVITI	1,921,815	(300,000)	1,621,815
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets	(3,484,583)	-	(3,484,583)
Debt Proceeds	3,100,000	-	3,100,000
Debt Payments	(2,295,756)	-	(2,295,756)
Interest Paid	(245,169)	-	(245,169)
NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES	(2,925,508)	-	(2,925,508)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**522,613**	**(525,898)**	**(3,285)**
RESTRICTED, POOLED, AND UNRESTRICTED CASH AND CASH EQUIVALENTS - Beginning of Year	427,660	1,184,451	1,612,111
RESTRICTED, POOLED, AND UNRESTRICTED CASH AND CASH EQUIVALENTS - End of Year	**$ 950,273**	**658,553**	**$ 1,608,826**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:			
Net Operating Income (Loss)	$ (357,832)	(229,615)	$ (587,447)
Adjustments to Reconcile Operating Income (Loss) to Cash from Operating Activities			
Depreciation Expense	1,927,919	-	1,927,919
Other Revenues (Expenses)	(43,781)	-	(43,781)
Change in Accounts Representing Operating Activities:			
Accounts Payable	-	3,717	3,717
Net Cash Provided By (Used In) Operating Activities	$ 1,526,306	(225,898)	$ 1,300,408
Supplemental Disclosures of Cash Flow Information			
Noncash Investing, Capital and Financing Activities:			
Acquisition of Capital Assets Not Yet Paid For	$ 396,464	-	$ 396,464

City of
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CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

FOR THE STATE TREASURER'S OFFICE:

COUNTY / MUNICIPAL FUNDS COLLECTED BY CLERK OF COURT	General Sessions	Magistrate Court	Municipal Court	Total
Court Fines and Assessments:				
Court fines and assessments collected			$ 479,273	$ 479,273
Court fines and assessments remitted to State Treasurer			(254,778)	(254,778)
Total Court Fines and Assessments retained			224,495	224,495
Surcharges and Assessments retained for victim services:				
Surcharges collected and retained			7,175	7,175
Assessments retained			20,513	20,513
Total Surcharges and Assessments retained for victim services			$ 27,688	$ 27,688

FOR THE DEPARTMENT OF CRIME VICTIM COMPENSATION (DCVC)

VICTIM SERVICE FUNDS COLLECTED	Municipal	County	Total
Carryforward from Previous Year – Beginning Balance	$ 28,322		$ 28,322
Victim Service Revenue:			
Victim Service Fines Retained by City/County Treasurer			
Victim Service Assessments Retained by City/County Treasurer	20,513		20,513
Victim Service Surcharges Retained by City/County Treasurer	7,175		7,175
Interest Earned			
Grant Funds Received			
Grant from:			
General Funds Transferred to Victim Service Fund			
Contribution Received from Victim Service Contracts:			
(1) Town of			
(2) Town of			
(3) City of			
Total Funds Allocated to Victim Service Fund + Beginning Balance (A)	$ 56,010		$ 56,010
Expenditures for Victim Service Program:	**Municipal**	**County**	**Total**
Salaries and Benefits	$ 18,218		$ 18,218
Operating Expenditures			
Victim Service Contract(s):			
(1) Entity's Name			
(2) Entity's Name			
Victim Service Donation(s):			
(1) Domestic Violence Shelter:			
(2) Rape Crisis Center:			
(3) Other local direct crime victims service agency:			
Transferred to General Fund			
Total Expenditures from Victim Service Fund/Program (B)	18,218		18,218
Total Victim Service Funds Retained by Municipal/County Treasurer (A-B)	37,792		37,792
Less: Prior Year Fund Deficit Repayment			
Carryforward Funds – End of Year	$ 37,792		$ 37,792

CITY OF SPARTANBURG, SOUTH CAROLINA

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

YEAR ENDED JUNE 30, 2024

OPT Contract #: PT-208004-45
Contract Period: July 1, 2019 - December 31, 2020
Performance Period: July 1, 2019 - June 30, 2024

	Budget	Section 5304					SMTF					Local	Variance
		Prior Period	Prior Period	Prior Period	Prior Period	Current Period	Prior Period	Prior Period	Prior Period	Current Period	Current Period		
		Jul '19 - Jul '20	Jul '20 - Jun '21	Jul '21 - Jun '22	Jul '22 - Jun '23	Jul '23 - Jun '24	Jul '19 - Jul '20	Jul '20 - Jun '21	Jul '21 - Jun '22	Jul '22 - Jun '23	Jul '23 - Jun '24		
TECHNICAL ASSISTANCE	$ 25,000	6,520	-	-	-	-	1,630	-	-	-	-	-	$ 16,850
TOTAL CAPITAL	$ 25,000	6,520	-	-	-	-	1,630	-	-	-	-	-	$ 16,850

Approved Budget	$ 25,000
Total Federal Costs	(6,520)
Total State Costs	(1,630)
Total Local Costs	-
Budget Balance	$ 16,850

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.

Contents **Page**

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

City of
SPARTANBURG
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CITY OF SPARTANBURG, SOUTH CAROLINA

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016*	2017*	2018*	2019*	2020*	2021*	2022*	2023*	2024*
Governmental Activities										
Net Investment in Capital Assets	$ 44,324,590	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
Restricted	6,286,921	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
Unrestricted	(33,929,319)	(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)
Total Governmental Activities Net Position	$ 16,682,192	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
Business-Type Activities										
Net Investment in Capital Assets	$ 23,014,313	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
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	2,736,386	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
Total Business-Type Activities Net Position	$ 25,750,699	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
Primary Government										
Net Investment in Capital Assets	$ 67,338,903	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
Restricted	6,286,921	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
Unrestricted	(31,192,933)	(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)
Total Primary Government Net Position	$ 42,432,891	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

* 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									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Expenses										
Governmental Activities:										
Policy Formulation and Administration	$ 7,217,844	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
Public Safety	15,009,975	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
Parks, Recreation, and Special Events	1,336,488	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
Development Services	4,254,332	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
Public Services	8,238,416	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
Finance and Administrative Services	2,463,035	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
Operating	4,938,750	5,010,013	5,800,758	6,557,239	5,497,279	4,881,547	4,771,111	7,411,702	4,285,354	4,500,527
Interest and Other Charges	1,234,964	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
Total Governmental Activities Expenses	44,693,804	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
Business-Type Activities:										
Transit	1,916,397	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
Parking	812,939	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
Airport	1,465,961	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
Storm Water	1,381,968	1,182,618	910,138	854,172	1,425,043	1,092,406	1,111,338	955,146	1,334,527	1,076,589
Spartanburg Recreational Facilities Corporation	-	-	-	-	-	1,036,783	626,374	552,616	581,149	581,263
CC Woodson	410,084	397,663	-	-	-	-	-	-	-	-
Spartanburg Parking Facilities Corporation	1,009,657	1,873,815	-	-	-	-	-	-	-	-
Spartanburg Airport Facilities Corporation	382,543	419,359	-	-	-	-	-	-	-	-
Total Business-Type Activities Expenses	7,379,549	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
Total Primary Government Expenses	$ 52,073,353	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
Program Revenues										
Governmental Activities:										
Charges for Services:										
Public Safety	$ 908,902	1,036,591	713,104	717,286	777,579	906,376	840,902	803,133	1,483,525	$ 988,024
Parks, Recreation, and Special Events	115,815	111,305	97,453	106,746	144,077	151,828	158,073	250,599	283,992	284,355
Development Services	329,411	821,947	715,327	598,563	578,710	893,483	1,068,019	1,018,364	837,923	1,158,309
Public Services	2,718,472	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
Finance and Administrative Services	13,819,673	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
Operating Grants and Contributions										
Public Safety	453,976	762,640	586,892	548,401	553,991	489,148	581,500	744,024	982,647	927,384
Parks, Recreation, and Special Events	-	-	-	-	-	-	-	-	-	2,788,531
Development Services	1,216,341	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
Public Services	383,470	670,435	1,201,044	983,359	929,523	1,033,208	1,016,595	975,504	68,771	-
Operating	-	-	-	-	-	-	-	1,551,673	-	9,735,599
Capital Grants and Contributions										
Public Safety	-	-	-	-	-	-	-	-	-	18,521,976
Parks, Recreation, and Special Events	-	-	-	-	-	-	-	-	-	36,568,459
Development Services	-	-	-	-	-	-	-	-	-	1,201,700
Public Services	-	20,721	-	-	-	-	-	-	-	-
Total Governmental Activities Program Revenues	$ 19,946,060	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

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-Type Activities:										
Charges for Services:										
Transit	$ 273,393	255,887	276,371	213,381	209,960	176,419	172,549	165,671	223,847	$ 148,202
Parking	353,899	408,525	455,636	460,119	476,148	466,993	429,730	487,505	504,045	460,562
Airport	1,099,310	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
Storm Water	1,852,620	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
Spartanburg Recreational Facilities Corporation	-	-	-	-	-	62,413	756,450	764,014	771,655	779,371
CC Woodson	48,000	30,062	-	-	-	-	-	-	-	-
Spartanburg Parking Facilities Corporation	56,250	37,500	-	-	-	-	-	-	-	-
Spartanburg Airport Facilities Corporation	157,258	168,134	-	-	-	-	-	-	-	-
Operating Grants and Contributions										
Transit	-	777,885	-	-	906,315	2,150,464	2,117,704	1,644,862	1,072,838	1,370,435
Airport	-	910,377	-	-	-	-	-	-	-	-
Capital Grants and Contributions										
Transit	-	-	1,945,385	847,962	-	-	-	-	-	-
Airport	-	-	9,318,852	6,334,150	9,346,092	1,903,309	325,970	375,469	149,361	3,543,794
Total Business-Type Activities Program Revenues	3,840,730	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
Total Primary Government Program Revenues	$ 23,786,790	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
Net (Expense)/Revenue										
Governmental Activities	$ (24,747,744)	(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
Business-Type Activities	(782,851)	(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
Total Primary Government Net (Expense)/Revenue	$ (25,530,595)	(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

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
General Revenues and Other Changes in Net Position										
Taxes by Source:										
Property Taxes Levied for General Purposes	$ 13,911,802	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
Tax Increment	2,506,919	2,532,266	2,445,214	2,315,524	2,484,205	2,422,084	323,084	345,378	353,667	693,982
Motor Vehicle Taxes	1,192,612	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
Hospitality Taxes	4,128,299	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
Other Taxes	809,435	868,264	811,053	823,922	831,406	856,206	825,543	806,792	806,207	843,349
Intergovernmental Revenue - Unrestricted	798,466	798,466	812,175	844,738	836,020	1,055,301	1,009,052	1,781,359	886,954	964,818
Unrestricted Investment Earnings	11,797	23,370	42,227	68,753	124,296	414,042	231,862	21,416	69,810	3,086,827
Miscellaneous	919,488	954,259	823,483	930,285	958,640	854,158	875,093	497,341	772,957	397,453
Grants/Contributions Not Restricted to Specific Programs	4,040,241	966,696	4,991,545	1,078,916	1,195,634	289,900	2,058,723	268,931	957,525	1,636,071
Gains (Loss) on Disposal/Sale of Capital Assets	547,108	-	206,051	39,838	174,103	-	-	-	-	-
Transfers	(2,221,954)	(2,048,651)	(10,694,474)	(927,039)	(1,035,929)	(625,000)	(3,207,945)	530,900	962,759	1,626,668
Total Governmental Activities	26,644,213	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
Business-Type Activities:										
Investment Income	52,687	56,639	43,710	33,202	60,904	122,803	95,588	12,615	24,541	459,568
Gains (Loss) on Disposal/Sale of Capital Assets	-	-	-	20,289	4,352	-	-	-	-	-
Gain on Extinguishment of Debt	-	-	6,960,000	-	-	-	-	-	-	-
Transfers	2,221,954	2,048,651	10,694,474	927,039	1,035,929	625,000	3,207,945	(530,900)	(962,759)	(1,626,668)
Total Business-Type Activities	2,274,641	2,105,290	17,698,184	980,530	1,101,185	747,803	3,303,533	(518,285)	(938,218)	(1,167,100)
Total Primary Government	$ 28,918,854	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
Change in Net Position:										
Governmental Activities	$ 1,896,469	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
Business-Type Activities	1,491,790	(588,934)	27,126,281	6,093,020	7,690,459	154,714	1,888,882	(2,400,705)	(3,696,669)	(646,109)
Total Primary Government	$ 3,388,259	(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

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									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
General Fund										
Nonspendable	$ 106,683	113,135	98,095	93,743	93,622	93,066	104,329	143,371	117,782	$ 107,652
Assigned	1,485,024	1,519,081	1,547,572	250,000	250,000	250,000	250,000	250,000	7,078,901	250,000
Unassigned	5,506,926	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
Total General Fund	$ 7,098,633	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
All Other Governmental Funds										
Nonspendable	$ 30,062	1,494	-	-	46,494	-	-	-	-	$ 102,310
Restricted	6,297,316	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
Committed	16,723	14,464	11,857	11,698	24,836	71,566	39,823	44,600	33,220	38,050
Assigned	-	1,599,947	-	43,331	-	-	-	-	637,901	8,148,060
Unassigned	-	-	(811,478)	-	-	-	(16,005)	(162,211)	(2,191,480)	(37,513)
Total All Other Governmental Funds	$ 6,344,101	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

CITY OF SPARTANBURG, SOUTH CAROLINA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)

UNAUDITED

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	$ 23,501,227	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
Fees, Licenses, and Permits	13,728,730	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
Fines and Forfeitures	484,261	623,483	338,617	345,112	352,036	230,781	105,245	196,989	241,330	230,217
Federal Government Contributions	869,299	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
State Government Contributions	309,534	875,843	1,564,114	3,232,009	1,534,275	1,224,712	653,865	2,325,434	614,878	37,161,105
Local Government Grants and Contributions	-	-	-	-	-	-	-	-	-	2,788,531
Intergovernmental Revenue	3,323,739	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
Charges for Services	1,913,727	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
Investment Earnings	7,362	13,551	17,580	114,998	387,737	217,742	21,111	69,804	1,107,821	3,086,828
Confiscated Drug Funds	62,039	3,181	6,831	7,645	112,995	130,541	48,822	2,508	133,047	57,940
Donations	826,255	4,651,000	9,000	255,000	15,000	1,653,715	192,598	346,973	698,514	849,145
Ground Lease Rent	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	-	-
Other	967,455	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
Total Revenues	$ 46,193,628	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
Expenditures										
Current:										
Policy Formulation and Administration	$ 6,542,355	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
Public Safety	14,365,186	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
Parks, Recreation, and Special Events	1,536,359	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
Development Services	2,516,168	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
Public Services	5,773,917	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
Finance and Administrative Services	2,456,687	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
Operating	4,629,834	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
Capital Outlay	3,779,066	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
Debt Service:										
Principal Retirement	2,877,192	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
Interest	715,114	586,019	916,945	729,429	648,642	1,239,615	975,931	833,830	745,666	940,601
Bond Issuance and Other Fees	260,869	352,550	565,327	1,357,473	174,537	589,824	115,887	30,985	42,710	2,095,324
Total Expenditures	45,452,747	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
Excess of Revenues Over (Under) Expenditures	$ 740,881	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

(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									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Other Financing Sources (Uses)										
Transfers In	$ 6,344,645	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
Transfers Out	(8,393,296)	(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)
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	34,612	48,702	120,566	200,083	114,484	229,585	49,577	90,854	1,915,888	163,781
Total Other Financing Sources (Uses)	(2,014,039)	(5,057,517)	3,438,527	(719,460)	14,989,484	22,368,029	965,477	1,053,613	2,426,768	67,235,436
Net Change in Fund Balances	$ (1,273,158)	608,051	(2,606,561)	878,911	13,891,463	(8,068,364)	4,026,921	797,448	3,857,196	$ 71,741,898
Capital Asset Expenditures	$ 3,779,066	1,256,121	3,114,656	2,215,006	4,703,199	11,911,756	818,065	1,417,561	5,016,712	$ 49,901,242
Debt Service as a Percentage of Noncapital Expenditures	8.6%	8.0%	15.4%	7.5%	7.5%	23.0%	9.6%	8.4%	6.9%	8.0%

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: Residential Property	Assessed Real Property: Commercial Property	Assessed Personal Property: Motor Vehicles	Assessed Personal Property: Other	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
2015	$ 113,122,699	7,373,620	11,365,480	9,671,332	189,490	$ 141,343,641	105.0	$ 2,180,337,371	6.5%
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%

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									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
City Direct Rates:										
Basic Rate	105.00	105.00	105.00	105.00	104.40	104.40	104.40	104.40	104.40	103.20
Total Direct Rate	105.00	105.00	105.00	105.00	104.40	104.40	104.40	104.40	104.40	103.20
County Rates:										
Spartanburg County	74.40	74.40	74.40	74.40	72.10	72.10	72.10	74.10	73.60	69.30
School District Rates:										
School District #7	286.80	286.80	296.80	296.80	296.80	296.80	296.80	296.80	297.30	291.70
Sewer District Rates:										
Spartanburg Sewer District	7.50	7.50	8.90	8.90	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

	2024			2015		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Duke Energy Corp	$ 5,738,270	1	2.8%	$ 3,884,830	1	2.7%
Spectrum Southeast, LLC	3,811,300	2	1.9%	2,776,360	2	2.0%
Suso 4 Dorman LP	2,760,000	3	1.4%			
Yeomans Charles L III et al	2,626,550	4	1.3%			
ERP Hillcrest	1,866,510	5	0.9%	1,612,060	5	1.1%
East Main Redevelopment, LLC	1,312,860	6	0.7%	1,115,760	9	0.8%
Piedmont Natural Gas	1,302,870	7	0.6%			
SC Telecommunications Group	1,152,530	8	0.6%	1,171,030	8	0.8%
American Credit Acceptance	1,142,150	9	0.6%			
HD Development of Maryland, INC	1,070,410	10	0.5%			
SSK Land, LLC				1,230,600	7	0.9%
Inland Western Spartanburg, LLC				1,717,030	4	1.2%
Bellsouth Communications				1,979,060	3	1.4%
JM Smith Corporation				1,463,150	6	1.0%
Inland Western Spartanburg, LLC				979,650	10	0.7%
Totals	$ 22,783,450		11.3%	$ 17,929,530		12.7%

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
2015	$ 14,910,487	(69,405)	14,841,082	$ 14,025,397	94.5%	$ 532,891	$ 14,558,288	98.1%
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%

Source: Spartanburg County Auditor's Office

CITY OF SPARTANBURG, SOUTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal	Governmental Activities				Business-Type Activities					
Year Ended June 30	General Obligation Bonds	Other Bonds/Debt	Financed Purchases	SBITAs	General Obligation Bonds	Other Bonds	Promissory Notes	Total Primary Government	Percentage of Personal Income	Per Capita
2015	$ 5,890,000	15,092,285	5,286,773	-	-	920,000	20,600,000	$ 47,789,058	6.0%	$ 1,274
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

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

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2015	$ 5,890,000	N/A	$ 5,890,000	0.3%	$ 157
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

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, 2024

UNAUDITED

Governmental Unit	Governmental Activities Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
County:			
General County Purpose	$ 89,773,411	20%	$ 17,954,682
School District:			
School District 7	216,682,623	58%	125,675,921
School District 6	7,762,000	16%	1,241,920
Sewer District:			
Spartanburg Sanitary Sewer District (Area-City is 45% of Sewer District Area)	$ 125,085,000	23%	28,769,550
Subtotal, Overlapping Debt			173,642,074
City of Spartanburg Direct Debt			96,922,751
Total Direct and Overlapping Debt			$ 270,564,825

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									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Debt Limit	$ 11,668,270	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
Total Net Debt Applicable to Debt Limit	5,890,000	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
Legal Debt Margin	$ 5,342,923	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
Total Net Debt Applicable to Debt Limit as a Percentage of Debt Limit	50.5%	47.2%	45.4%	43.8%	38.2%	34.6%	30.3%	26.3%	22.3%	17.3%

Legal Debt Margin Calculation for Fiscal Year 2024

Assessed Value*	$ 201,681,856
Plus: Merchant's Inventory	4,509,740
Total Assessed Value	206,191,596
Debt Limit (8% of Total Assessed Value)	16,495,328
Amount of Debt Applicable to Debt Limit:	
Total Bonded Debt	2,855,000
Total Amount of Debt Applicable to Debt Limit	2,855,000
Legal Debt Margin	$ 13,640,328

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

PLEDGED 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
2015	$ 4,216,193	910,000	$ 221,500	3.73	$ 2,540,901	N/A	$ 2,540,901	1,458,000	$ 214,276	1.52	$ 428,536	328,525	100,011	435,000	$ 53,116	0.20
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						

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

Fiscal Year	Franchise Fees	CPW Payments	Totals
2015	$ 3,553,294	1,100,000	$ 4,653,294
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

CITY OF SPARTANBURG, SOUTH CAROLINA

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

LAST TEN FISCAL YEARS

UNAUDITED

Fiscal Year	Total Initial Equalized Assessed Value	Total Equalized Assessed Value	Excess of Total Equalized Assessed Value over Initial Equalized Assessed Value	Total Millage Rate	Incremental Tax Revenues	Franchise Fees Received	Total Incremental Tax Revenues and Franchise Fees
2015	$ 657,060	1,564,658	$ 907,598	474	$ 455,593	4,653,293	$ 5,108,886
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	4,353,159	4,750,190
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	4,701,942	5,029,704
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	$ 690,136	5,028,911	$ 5,719,047

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

Fiscal Year Ended June 30	(1) Population	(2) Personal Income	(2) Per Capita Personal Income	(3) Median Age	(4) School Enrollment	(5) Unemployment Rate
2015	37,525	$ 755,866,075	$ 20,143	36.5	8,218	6.9%
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%

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

	2024			2015		
Employer	**Number of Employees**	**Rank**	**Percentage of Total City Employment**	**Number of Employees**	**Rank**	**Percentage of Total City Employment**
Spartanburg Regional	9,648	1	24.71%	6,400	1	17.06%
Spartanburg County	1,515	2	3.88%	1,437	2	3.83%
Spartanburg School District #7	1,574	3	4.03%	1,243	3	3.31%
QS1 Headquarters	475	4	1.22%	520	6	1.39%
Wofford College	421	5	1.08%	450	7	1.20%
City of Spartanburg*	421	6	1.08%	438	8	1.17%
Spartanburg Hospital for Restorative Care	300	7	0.77%			
PricewaterhouseCoopers	260	8	0.67%			
Denny's Corporate Office	250	9	0.64%	285	10	0.76%
Advance America, Inc.	233	10	0.60%	411	9	1.10%
American Credit Acceptance				582	5	1.55%
Walmart				925	4	2.47%
Totals	15,097		38.67%	12,691		33.82%

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

Fiscal Year	Number of Units	Commercial Building Permit Value (A)	Number of Units	Residential Building Permit Value (A)	Commercial	Residential
2015	12	$ 6,749,544	19	$ 2,539,928	978,602,988	$ 966,613,994
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

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

	Fiscal Year									
Function	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Governmental Activities										
Finance and Administrative Services	13	13	14	15	13	14	14	14	14	14
Community Development	31	28	32	31	37	11	15	14	18	12
Parks, Recreation, and Special Events	13	15	16	17	27	20	43	28	44	55
Policy Formulation and Administration	32	34	32	31	33	65	53	59	53	55
Public Safety	218	226	211	245	222	216	213	224	211	210
Public Works	73	69	69	78	79	70	64	61	59	63
Business-Type Activities										
Parking Enterprise	1	1	1	1	1	1	5	9	4	5
Airport	9	7	7	6	8	7	6	7	7	7
Total	390	393	382	424	420	404	413	416	410	421

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

	Fiscal Year									
Function/Program	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Finance and Administrative Services										
Business Licenses Issued	4,975	5,595	5,940	5,674	5,607	5,192	4,955	4,113	4,934	5,379
Courtesy Summons Issued	485	358	506	446	269	383	609	299	507	1,850
Development Services										
Building Permits Issued	2,863	3,526	3,860	4,727	3,927	4,377	4,525	4,723	3,928	4,364
Building Inspections Conducted	3,641	3,723	5,457	6,868	7,220	7,557	8,607	8,941	10,816	7,695
Policy Formulation and Management										
Judicial Cases	13,031	10,636	7,603	8,212	7,170	4,895	2,424	5,214	4,614	6,414
Police Department										
Calls for Service	81,499	80,011	77,269	64,461	52,395	70,906	70,531	69,962	75,108	77,833
Physical Arrests	3,874	4,185	3,616	3,571	3,249	1,883	3,023	3,133	2,724	2,769
Traffic Violations	11,264	8,920	6,509	6,830	7,020	4,804	2,568	5,345	4,265	3,723
Fire Department										
Emergency Responses	2,261	2,508	2,569	3,214	3,194	3,384	3,470	3,072	3,316	3,624
Fires Extinguished	152	193	184	198	171	194	161	356	270	570
Inspections	1,520	1,900	2,021	1,873	2,174	1,392	141	1,571	475	687
Public Works										
Roads Maintained (miles)	187	187	187	187	186	186	186	186	190	
Refuse Collection (tons)	9,610	10,309	10,640	11,053	11,465	11,274	12,158	12,235	11,444	11,232
Yard Waste Collection (tons)	6,585	7,034	4,725	5,328	5,470	5,630	7,726	7,088	4,682	4,070
Recycling Collection (tons)	1,215	1,205	3,447	3,196	3,723	4,929	1,183	3,335	3,917	2,580
Transit										
Passengers per Year	457,758	432,168	397,546	390,364	390,364	324,857	284,517	256,358	266,004	252,043
Parking										
Garages	4	4	4	4	4	4	4	4	4	4
Parking Lots	5	5	5	7	7	7	7	7	7	7
Total Public Spaces	3,011	3,011	3,011	3,044	3,096	3,096	3,121	3,121	3,121	3,121
Airport										
Fuel Gallons Sold	211,589	251,862	293,034	297,990	262,476	246,183	107,667	380,401	362,585	376,495

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 2013 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									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Community Development										
Traffic Signals	133	133	133	132	132	132	132	132	149	139
Public Safety - Police										
Police Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	122	66	54	108	63	68	83	69	124	113
Public Safety - Fire										
Fire Station	5	5	5	5	5	5	5	5	5	5
Fire Trucks	10	10	10	11	9	9	9	9	9	6
Public Works										
Streets (in Miles)	187	187	187	187	186	186	186	186	190	190
Collection/Refuse Trucks	24	14	11	25	16	41	42	41	30	41
Parks and Recreation										
Parks Acreage	301	301	301	316	317	287	287	287	287	287
Parks	24	24	24	26	27	30	30	30	30	30
Ball fields	9	9	9	9	9	9	9	9	9	9
Swimming Pools	1	1	1	1	1	3	3	3	3	3
Community Centers	2	3	3	3	3	3	3	3	3	3
Solid Waste										
Collection/Refuse Trucks	24	14	11	11	16	24	24	24	30	26
Transit										
Passenger Buses	12	12	11	11	11	11	11	11	11	11
Parking										
Garages	4	4	4	4	4	4	4	4	4	4
Airport										
Community Hangars	4	3	3	3	3	3	3	3	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

Fiscal Year	Local Government Fund	Merchants Inventory	Accommodations Tax	Manufacturing Tax	Total
2015	$ 911,127	694,796	34,235	5,763	$ 1,645,921
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

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 Atricle 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

Fiscal Year	Collections	Increase (Decrease) in Collections Over Prior FY	Percentage Change
2015	$ 4,213,130	$ 275,998	6.55%
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	1,264,554	13.51%
2023	6,934,452	712,964	10.28%
2024	$ 7,111,811	$ 177,359	2.49%

MONTHLY HOSPITALITY FEES COLLECTED

Month	Fiscal Year 2023 Fees	Fiscal Year 2024 Fees	Percentage Change
July	$ 494,978	$ 596,850	17.07%
August	520,385	570,044	8.71%
September	561,475	607,191	7.53%
October	574,288	609,835	5.83%
November	539,729	560,933	3.78%
December	610,355	636,076	4.04%
January	577,270	539,590	-6.98%
February	542,093	604,246	10.29%
March	660,374	645,193	-2.35%
April	589,221	588,972	-0.04%
May	656,190	661,401	0.79%
June	608,094	491,480	-23.73%
TOTAL	$ 6,934,452	$ 7,111,811	2.49%

CITY OF SPARTANBURG, SOUTH CAROLINA

TOP TEN HOSPITALITY FEES COLLECTED

LAST THREE FISCAL YEARS

UNAUDITED

Collector	Fiscal Year 2022 Collections	Fiscal Year 2023 Collections	Fiscal Year 2024 Collections
National chain restaurant	$ 217,345	391,491	$ 359,772
Locally owned restaurant	155,437	192,652	188,733
National chain restaurant	147,921	177,691	175,992
National chain restaurant	119,483	138,280	144,736
National chain restaurant	110,674	135,894	133,238
National chain restaurant	110,397	135,680	128,278
National chain restaurant	106,344	130,054	125,935
National chain restaurant	88,039	117,077	122,518
National chain restaurant	79,630	103,511	96,639
National chain restaurant	79,054	86,922	79,858
Totals	$ 1,214,324	1,609,252	$ 1,555,699
Percent of Total Fiscal Year Hospitality Fee Collections	19.52%	23.21%	21.87%

CITY OF SPARTANBURG, SOUTH CAROLINA

HOSPITALITY FEE PROJECTED COLLECTIONS

NEXT FIVE FISCAL YEARS

UNAUDITED

	Fiscal Year				
	2025	**2026**	**2027**	**2028**	**2029**
Projected Hospitality Fee Collections	$ 7,300,000	7,600,000	7,900,000	8,200,000	$ 8,500,000
Debt Service on Parity Bonds	1,678,791	810,827	813,474	810,276	786,350
Debt Service on Series 2019 Bonds	$ 939,520	940,068	939,759	938,569	$ 941,343
Projected Debt Service Coverage	2.79	4.34	4.51	4.69	4.92

CITY OF SPARTANBURG, SOUTH CAROLINA

HOSPITALTIY FEE FUNDING

LAST EIGHT FISCAL YEARS

UNAUDITED

	Fiscal Year							
	2017	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Revenues								
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
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
Total Revenues	**4,791,450**	**5,058,925**	**5,376,839**	**4,984,759**	**5,385,353**	**6,224,560**	**6,980,604**	**7,221,540**
Expenditures								
Parity 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
Discretionary Expenditures	522,345	543,380	535,500	567,123	186,176	587,322	448,600	1,017,549
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
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
Total Expenditures	**4,563,212**	**5,021,171**	**5,406,174**	**5,919,350**	**5,292,776**	**6,179,188**	**6,336,143**	**7,777,600**
Change in Fund Balance	**228,238**	**37,754**	**(29,335)**	**(934,591)**	**92,577**	**45,372**	**644,461**	**(556,060)**
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
Fund Balance, End of Year	**$ 2,341,918**	**2,379,672**	**2,350,337**	**1,415,746**	**1,508,323**	**1,553,695**	**2,198,156**	**$ 1,642,096**

City of
SPARTANBURG
south carolina

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Program	Assistance Listing Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
DEPARTMENT OF HOUSING / URBAN DEVELOPMENT				
Direct:				
CDBG Entitlement Grant, 43rd	14.218	B-17-MC-45-0001	$ 15,840	$ 15,840
CDBG Entitlement Grant, 44th	14.218	B-18-MC-45-0001	29,937	29,937
CDBG Entitlement Grant, 45th	14.218	B-19-MC-45-0004	10,867	10,867
CDBG Entitlement Grant, 46th	14.218	B-20-MC-45-0006	39,222	39,222
CDBG Entitlement Grant, 47th	14.218	B-21-MC-45-0004	118,461	19,103
CDBG Entitlement Grant, 48th	14.218	B-22-MC-45-0004	50,521	7,166
CDBG Entitlement Grant, 49th	14.218	B-23-MC-45-0004	358,047	131,723
COVID-19 - CDBG-CV	14.218	B-20-MW-45-004	75,974	64,900
	CDBG - Entitlement Grants Cluster		698,869	318,758
Home Program Year 2021	14.239	M-21-45-0207	15,500	-
Home Program Year 2022	14.239	M-22-45-0207	892	-
Home Program Year 2023	14.239	M-23-45-0207	17,767	-
COVID-19 - Home American Rescue Plan Funds	14.239	M-21-MP-45-0207	13,206	-
	Subtotal 14.239		47,365	-
United Housing Connections - Continuum of Care	14.267	SC0152L4EO12204	27,893	-
Lead Based Paint Hazard Control	14.900	N/A	202,596	-
TOTAL DEPARTMENT OF HOUSING / URBAN DEVELOPMENT			**976,723**	**318,758**
DEPARTMENT OF HOMELAND SECURITY				
Direct:				
FY 2020 Assistance to Firefighters	97.044	EMW-2020-FG-01340	76,887	-
FY 2021 Assistance to Firefighters	97.044	EMW-2021-FG-05573	73,611	-
	Subtotal 97.044		150,498	
TOTAL DEPARTMENT OF HOMELAND SECURITY			**150,498**	**-**
DEPARTMENT OF JUSTICE				
Direct:				
BJA Justice Assistance Grant	16.738	15PBJA-23-GG-03764-JAGX	46,007	-
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-21-GG-03777-SSIX	227,478	227,478
Highland CBCR	16.817	2020-BJ-BX-0004	12,725	-
Equitable Sharing Program	16.922	N/A	57,940	-
Pass Through SC Department of Public Safety:				
Law Enforcement to Assist Victims	16.575	1V22025	13,158	-
Law Enforcement to Assist Victims	16.575	1S24028	50,963	-
	Subtotal 16.575		64,121	-
TOTAL DEPARTMENT OF JUSTICE			**408,271**	**227,478**
DEPARTMENT OF TRANSPORTATION				
Direct:				
Federal Aviation Administration:				
Airport Improvement Program (AIP)	20.106	3-45-0051-30-2023	2,069,533	-
Federal Transit Administration:				
Operating Assistance	20.507	SC 2019-032-00	266,366	-
Operating Assistance	20.507	SC 2023-014-00	284,945	-
Operating Assistance	20.507	SC 2024-017-00	765,365	-
COVID-19 - Operating Assistance	20.507	SC 2022-016-01	53,759	-
	Federal Transit Cluster		$ 1,370,435	$ -

(Continued)

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

Program	Assistance Listing Number	Grant / Contract Number	Expenditures	Expenditures to Subrecipients
DEPARTMENT OF TRANSPORTATION (CONTINUED)				
Pass Through SC Department of Highway Planning & Construction:				
Highway Planning and Construction (Federal-Aid Highway Programs) - Mary Black Foundation Rail Trail Extension	20.205	N/A	$ 943,612	$ -
Pass Through SC Department of Public Safety:				
Office of Highway Safety and Justice Programs	20.600	PT-2023-HS-08-23	17,113	-
Office of Highway Safety and Justice Programs	20.600	PT-2024-HS-08-24	56,948	-
	Highway Safety Cluster		74,061	-
TOTAL DEPARTMENT OF TRANSPORTATION			**4,457,641**	**-**
DEPARTMENT OF THE INTERIOR				
Pass Through SC Department of Parks, Recreation & Tourism:				
Land and Water Conservation Fund	15.916	45-01152	208,848	-
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			**208,848**	**-**
US DEPARTMENT OF THE TREASURY				
Direct:				
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds (American Rescue Plan)	21.027	N/A	9,735,599	-
TOTAL US DEPARTMENT OF THE TREASURY			**9,735,599**	**-**
GRAND TOTALS			**$ 15,937,580**	**$ 546,236**

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

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, 2024. 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 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of
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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, 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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 5, 2025.

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 2024-001 and 2024-002 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
February 5, 2025

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, 2024. 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, 2024.

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 2024-003. 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 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 2024-003 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
February 5, 2025

2023-001: RECORDING BALANCE SHEET ITEMS

Condition: The City had failed to properly reconcile and record balance sheet amounts for receivables, accounts payable, accrued liabilities, and deferred revenue.

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 initially over-accrued expenditures to fiscal year 2023 by recording too much retainage payable for a construction project. Additionally, there was one instance where a construction project was not recorded for work that was performed in June 2023 but not paid until July 2023. The City revised these items once these items were discussed with the Finance personnel. We also noted that the City had initially failed to record revenue related to a reimbursement for work performed on the TK Gregg Center and for use of the facility. These amounts had been recorded in deferred revenue and were not properly recognized as revenue during 2023. Finance personnel reviewed and revised the accrual after we inquired about the method for recording the accrued receivable.

Status: The City has addressed some of the specific instances noted above but additional items were identified in the audit for the year ended June 30, 2024. See the current year financial statement finding #2024-001 for more details.

2023-002: CAPITAL ASSETS

Condition: In connection with the City's review of its capital asset account balances, the City discovered it had inadvertently not disposed (had not recorded the removal of the capital asset) of some real property that had been sold or donated back in the early 2000s. The City corrected this error by reflecting a prior period adjustment of approximately $2,896,000 in its governmental activities which decreased its net investment in capital assets (component of net position). The depreciation for the Spartanburg Recreational Facilities corporation had been booked twice.

Criteria: All capital assets should be properly reflected in the City's financial statements.

Context, Cause and Effect: During fiscal year 2023, the City discovered it still included land on its capital asset listing that had been disposed of in previous years. As a result, a prior period adjustment was recorded to properly remove these amounts from its capital asset balances. Also the depreciation for the Spartanburg Recreational Facilities Corporation was inadvertently recorded twice. This was corrected once it was brought to the attention of the finance personnel.

Status: The City ensured that the capital assets were properly reported for the year ended June 30, 2024.

CITY OF SPARTANBURG, SOUTH CAROLINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

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:

Assistance Listing Number(s)	*Name of Federal Program or Cluster*
16.710	Public Safety Partnership and Community Policing Grants
20.106	Airport Improvement Program
20.205	Highway Planning and Construction (Federal-Aid Highway Program)
21.027	COVID-19 - Coronovirus State and Local Fiscal Recovery Funds (American Rescue Plan)

Dollar threshold used to distinguish between type A and type B programs:	$ 750,000	
Auditee qualified as low-risk auditee?	Yes	X No

Section II – Current Year Financial Statement Findings

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.

Recommendation: We recommend that the City develop and implement appropriate internal controls and accounting procedures to ensure that all balance sheet activity is properly recorded in a timely manner.

Response: The City agrees with this finding and will adhere to the corrective action plan on page 190 in this audit report.

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.

Recommendation: We recommend that the City ensure that all federal funds are captured on the SEFA and 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 190 in this audit report.

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
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.

Recommendation: We recommend that the City develop and implement appropriate internal controls to ensure that all required forms are submitted appropriately.

Response: The City agrees with this finding and will adhere to the corrective action plan on page 190.

City of Spartanburg
Finance Department
PO Box 1749
145 W Broad Street
Spartanburg, SC 29304
Phone: 864-596-2059
Fax: 864-596-2424
www.cityofspartanburg.org

CITY OF SPARTANBURG, SOUTH CAROLINA

CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2024

Section II – Financial Statement Findings

Finding:	2024-001
Contact Person:	Dennis Locke, Director of Finance and Budget, dlocke@cityofspartanburg.org
Corrective Action:	The City will ensure that all significant balance sheet accounts are properly recorded and reflected on the City's financial statements in the appropriate accounting period.
Proposed Completion Date:	Prior to June 30, 2025

Finding:	2024-002
Contact Person:	Dennis Locke, Director of Finance and Budget, dlocke@cityofspartanburg.org
Corrective Action:	The City will review all grants received to ensure that all federal awards are properly identified and reported on the Schedule of Expenditures of Federal Awards.
Proposed Completion Date:	Prior to June 30, 2025

Section III – Federal Award Findings and Questioned Costs

Finding:	2024-003
Contact Person:	Dennis Locke, Director of Finance and Budget, dlocke@cityofspartanburg.org
Corrective Action:	The City will ensure that all applicable airport project reports are completed and filed timely.
Proposed Completion Date:	Prior to June 30, 2025