



NEW ISSUE – BOOK-ENTRY ONLY

Ratings: Moody's: Aa1
Underlying: Aa2
(See "RATINGS")

In the opinion of Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, Bond Counsel, under existing law, (1) assuming compliance by the School District with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the Bonds (a) is excludable from gross income for federal individual income tax purposes, and (b) is not an item of tax preference for purposes of the federal alternative minimum tax, and (2) interest on the Bonds is exempt from all State of South Carolina, county, municipal, and school district and other taxes or assessments imposed within the State of South Carolina, except estate, transfer and certain franchise taxes. See "LEGAL MATTERS – Tax Exemption" herein.

\$17,000,000
SPARTANBURG COUNTY SCHOOL DISTRICT SIX,
SOUTH CAROLINA
GENERAL OBLIGATION BONDS
SERIES 2022

Dated: Date of Delivery

Due: April 1, as shown below

The not exceeding \$17,000,000 General Obligation Bonds, Series 2022 ("**Bonds**"), will be general obligation bonds of Spartanburg County School District Six, South Carolina ("**School District**"), and as such the full faith, credit, resources and taxing power of the School District will be irrevocably pledged for the payment thereof. See "THE BONDS – Security" herein.

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

The Bonds will be dated as of their date of delivery and will mature on April 1 in each of the years and in the principal amounts and will bear interest (based on a 360-day year consisting of twelve 30-day months) at the rates shown below. Interest on the Bonds is payable semiannually, commencing on April 1, 2023. The Bonds are not subject to optional redemption.

(April 1)	Principal	Interest			
<u>Year</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP</u> [†]
2023	\$9,735,000	5.00%	2.20%	101.460	847065HC6
2024	4,465,000	5.00	2.30	104.029	847065HD4
2025	2,800,000	5.00	2.35	106.465	847065HE2

The interest rates were determined through a competitive sale process held on August 30, 2022. The Bonds were awarded to the Underwriter (as defined herein), which has provided the information shown above concerning the reoffering yields for the Bonds. See "UNDERWRITING" herein.

The Bonds are offered when, as and if issued and subject to the approving opinion as to their legality of Parker Poe Adams & Bernstein LLP, Bond Counsel, Columbia, South Carolina. It is expected that the Bonds in definitive form will be available for delivery, under DTC's Fast Automated Securities Transfer program, on or about September 21, 2022.

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

This Official Statement is dated August 30, 2022.

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REGARDING USE OF THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

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

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

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

BOARD OF TRUSTEES

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

SUPERINTENDENT

Dr. Darryl F. Owings

ASSISTANT SUPERINTENDENT FOR FINANCE

Dr. Omar G. Daniels

BOND COUNSEL

Parker Poe Adams & Bernstein LLP

FINANCIAL ADVISOR

First Tryon Advisors

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INTRODUCTION

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

The Issuer

The General Obligation Bonds, Series 2022 (“**Bonds**”), are being issued by Spartanburg County School District Six, South Carolina (“**School District**”), a duly constituted body politic and political subdivision of the State of South Carolina (“**State**”).

Security

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

Purpose of the Bonds

The Bonds are being issued for the purposes of (i) defraying the costs of, among other things, constructing, improving, equipping, renovating and repairing of school buildings or other school facilities or the cost of the acquisition of land whereon to construct or establish such school facilities in the School District, which projects are either (a) approved by the Board of Trustees of the School District (“**Board**”) in the School District’s capital improvement budget as such budget may be modified from time to time, or (b) otherwise approved expenditures that constitute capital improvements under Title 59, Chapter 71, Article 1 (“**School Bond Act**”), Code of Laws of South Carolina, 1976, as amended (“**South Carolina Code**”); provided that in the event of a delay or change in plans concerning the enumerated projects, the Board reserves the right to substitute other capital improvements therefor; (ii) paying all or a portion of the principal and interest of the School District’s \$10,000,000 General Obligation Bond Anticipation Note, Series 2021 (“**Series 2021 BAN**”), maturing on September 22, 2022, and (iii) paying the costs and expenses of issuing the Bonds, all as authorized by resolutions adopted by the Board on August 2, 2021, and August 1, 2022 (collectively, “**Resolution**”).

Details of the Bonds

The Bonds will be general obligation bonds of the School District; will be issuable in fully registered form and, when issued, will be registered to Cede & Co., as nominee for The Depository Trust Company, New York, New York (“**DTC**”); will be dated as of their date of delivery, which is expected to be September 21, 2022, will bear interest (based on a 360-day year consisting of twelve 30-day months) from their date at the rates shown on the front cover hereof payable semiannually on each April 1 and October 1, initially on April 1, 2023, until they mature; and will mature serially in successive annual installments on April 1 in each of the years and in the principal amounts set forth on the front cover hereof. The Bonds are not subject to optional redemption prior to their stated maturities. See “THE BONDS” for further information.

Tax Status of Interest on the Bonds

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

district, and all other taxes and assessments, direct or indirect, general or special, whether imposed for the purpose of general revenue or otherwise, except estate or other transfer taxes and certain franchise taxes. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. See “LEGAL MATTERS – Tax Exemption” herein. The form of the opinion to be delivered by Bond Counsel at closing is attached hereto as Appendix B.

Professionals Involved in the Offering

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

Independent Auditors

Halliday, Schwartz & Co., Certified Public Accountants, the School District’s independent auditor, has not been engaged to perform, and has not performed, since the date of the Annual Comprehensive Annual Financial Report of the School District for the fiscal year ended June 30, 2021 (“**School District 2021 ACFR**”), a portion of which is included herein as Appendix A, any procedures on the School District 2021 ACFR. Halliday, Schwartz & Co. has not performed any procedures relating to this Official Statement.

Authority for the Issue

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

Information Concerning Terms of the Offering

The Bonds are being issued in book-entry-only form. It is expected that the Bonds will be delivered to Cede & Co., at the offices of DTC, on or about September 21, 2022, and will be available for credit to the accounts of the Participants (as defined in “THE BONDS – Book-Entry System”) and, through them, the actual purchaser of the Bonds (“**Beneficial Owner**”) on such date. Information on limitations on transfer of ownership is set forth in “THE BONDS – Book-Entry System” and “THE BONDS – Discontinuance of Book-Entry System.”

General

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

THE BONDS

Description

The Bonds will be general obligation bonds of the School District; will be issued in fully registered, book-entry-only form in denominations of \$5,000 each or any whole multiple thereof not exceeding the principal amount of Bonds maturing each year; will be numbered from R-1 upward; will be dated as of their delivery date, which is expected to be September 21, 2022; will bear interest (based on a 360-day year consisting of twelve 30-day months) from their date at the rates shown on the front cover hereof, payable

semiannually on April 1 and October 1, commencing April 1, 2023, to the person in whose names the Bonds are registered at the close of business on the 15th day of March or on the 15th day of September (each a “**Record Date**”) next preceding such April 1 or October 1 until they mature; and will mature serially on April 1 in each of the years and in the principal amounts as shown on the front cover hereof.

Book-Entry System

Beneficial ownership interests in the Bonds will be available only in book-entry form. Beneficial owners of the Bonds (“**Beneficial Owners**”) will not receive a physical bond certificate representing their interests in the Bonds purchased. Unless and until the book-entry system has been discontinued, the Bonds will be available only in book-entry form in denominations of \$5,000, or any whole multiple thereof. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, IS THE REGISTERED OWNER OF THE BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE OWNERS OF THE BONDS SHALL MEAN DTC OR ITS NOMINEE AND SHALL NOT MEAN THE BENEFICIAL OWNERS.

THE FOLLOWING DESCRIPTION OF DTC, ITS PROCEDURES AND RECORDKEEPING ON BENEFICIAL OWNERSHIP INTEREST IN THE BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS ON THE BONDS TO DTC PARTICIPANTS (AS DEFINED BELOW) OR TO BENEFICIAL OWNERS OF THE BONDS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE BONDS, AND OF OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED SOLELY ON INFORMATION FURNISHED BY DTC TO THE SCHOOL DISTRICT FOR INCLUSION IN THIS OFFICIAL STATEMENT. ACCORDINGLY, THE SCHOOL DISTRICT MAKES NO REPRESENTATIONS CONCERNING THESE MATTERS.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered bonds registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Bond in the aggregate principal amount of each maturity of the Bonds will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of certificated bonds. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each Beneficial Owner is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive

written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests with respect to the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, unless the use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all of the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the enabling documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar/Paying Agent and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an omnibus proxy to the Registrar/Paying Agent as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the omnibus proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE BONDS FOR SUBSTANTIALLY ALL PURPOSES, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OF REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF THE BENEFICIAL OWNERS IS UNKNOWN TO THE SCHOOL DISTRICT, TO DTC OR TO THE REGISTRAR/PAYING AGENT, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING DISTRIBUTION OF INFORMATION REGARDING THE BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Payments of principal, interest and any redemption premiums on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Registrar/Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its

nominee), the Registrar/Paying Agent or the School District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registrar/Paying Agent's responsibility, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants. THE SCHOOL DISTRICT CAN GIVE NO ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

DTC may discontinue providing its service as depository with respect to the Bonds at any time by giving reasonable notice to the Registrar/Paying Agent or the School District. Under such circumstances, in the event that a successor depository is not obtained, bond certificates are required to be printed and delivered.

The School District may decide to discontinue the use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

The School District and the Registrar/Paying Agent have no responsibility or obligation to DTC, the Direct Participants, the Indirect Participants or the Beneficial Owners with respect to (1) the accuracy of any records maintained by DTC or any Participant, or the maintenance of any records; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the Bonds, or the sending of any transaction statements; (3) the delivery or timeliness of delivery by DTC or any Participant of any notice to any Beneficial Owner which is required or permitted under the Resolution to be given to Owners; (4) the selection of the Beneficial Owners to receive payments upon any partial redemption of the Bonds; or (5) any consent given or other action taken by DTC or its nominee as the registered owner of the Bonds, including any action taken pursuant to an omnibus proxy.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the School District believes to be reliable, but the School District takes no responsibility for the accuracy thereof.

The School District and the Registrar/Paying Agent cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants will distribute to the Beneficial Owners of the Bonds (1) payments of principal of, premium, if any, and interest with respect to the Bonds, (2) confirmations of their ownership interests in the Bonds or (3) prepayment or other notices sent to DTC or Cede & Co., its partnership nominee, as the registered owner of the Bonds, or that they will do so on a timely basis, or that DTC, Direct Participants or Indirect Participants will serve and act in the manner described in this Official Statement.

Beneficial Owners of the Bonds may experience some delay in their receipt of distributions of principal and interest on the Bonds since such distributions will be forwarded by the Registrar/Paying Agent to DTC and DTC will credit such distributions to the accounts of Direct Participants, which will thereafter credit them to the accounts of Beneficial Owners either directly or indirectly through Indirect Participants. Issuance of the Bonds in book-entry form may reduce the liquidity of the Bonds in the secondary trading market since investors may be unwilling to purchase Bonds for which they cannot obtain physical certificates. In addition, because transactions in the Bonds can be effected only through DTC, Direct Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge Bonds to persons or entities that do not participate in the DTC system, or otherwise to take action in respect of such Bonds, may be limited due to the lack of a physical certificate.

Discontinuance of Book-Entry System

In the event that the Bonds are no longer in book-entry-only form, the certificates held by DTC or a successor securities depository will be canceled and the School District will execute and deliver the Bonds in fully registered form to the Beneficial Owners of the Bonds as shown on the records of the DTC Participants or the nominee of a successor securities depository. If no other securities depository is named,

interest on the Bonds will be paid by check or draft of the Registrar/Paying Agent, mailed to the person in whose name the Bond is registered as of the close of business on the fifteenth day of each month immediately preceding such payment, and principal shall be payable to the registered owner at maturity upon presentation and surrender thereof to the Registrar/Paying Agent at its principal corporate trust office. In such event, the School District will maintain through the Registrar/Paying Agent books of registry for the purpose of registering ownership and transfer of the Bonds. The Bonds would be transferable by the registered owner in person or by his duly authorized attorney upon surrender of the Bond to be transferred together with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney. The Registrar/Paying Agent will, upon receipt thereof, authenticate and deliver a new Bond or Bonds in like principal amount as the Bond so presented. The School District and the Registrar/Paying Agent will deem and treat the person in whose name each Bond is registered as the absolute owner thereof for all purposes.

Defeasance

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

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

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

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

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

Authorization

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

Purpose

The Bonds are being issued for the purposes of (i) defraying the costs of, among other things, constructing, improving, equipping, renovating and repairing of school buildings or other school facilities or the cost of the acquisition of land whereon to construct or establish such school facilities in the School District, which projects are either (a) approved by the Board in the School District's capital improvement

budget as such budget may be modified from time to time, or (b) are otherwise approved expenditures that constitute capital improvements under the School Bond Act; provided that in the event of a delay or change in plans concerning the enumerated projects, the Board reserves the right to substitute other capital improvements therefor; and (ii) paying all or a portion of the principal and interest of the School District's Series 2021 BAN, maturing on September 22, 2022, and (iii) paying the costs and expenses of issuing the Bonds, all as authorized by the Resolution.

Security

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

Additional Security for the Bonds

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

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

The following table shows the amount of State General Fund appropriations subject to being so withheld which were received by the School District for the fiscal years ended June 30, 2017 through 2021, and a projection for the fiscal year ending June 30, 2022 ("**Fiscal Year 2022**").

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>Amount</u>
2017	\$57,437,099
2018	61,842,551
2019	63,167,932
2020	65,934,540
2021	67,999,802
2022 [†]	71,099,445

[†] Unaudited.

The intercept provisions of the State Constitution are enhanced by Section 59-71-155 of the South Carolina Code, which applies to all school district general obligation bonds outstanding. Under the statutory enhancement, a county treasurer is required to notify the State Treasurer on the fifteenth day prior to the due date of any payment of principal or interest on a school district's general obligation bonds if the county treasurer or any other paying agent does not have on deposit the sum required to make that payment. On the third business day prior to the due date of the payment, if the county treasurer or any other paying agent does not have on hand the amount required to effect such payment, the State Treasurer is directed to transfer to the county treasurer from the general fund of the State the sum necessary to effect such payment, provided that the total amount of the payments so transferred in any fiscal year may not exceed the amount appropriated in the State's budget under the Aid to Classrooms program[†] for that fiscal year. The anticipated amount appropriated for the Aid to Classrooms program for the fiscal year beginning July 1, 2022, is \$3,161,425,448. Thereafter, the State Treasurer shall withhold from the School District from funds payable to it from the State, amounts necessary to reimburse the general fund of the State for any amounts

so advanced, plus investment earnings foregone by the State on such amounts pending reimbursement. The provision contains a mechanism to reimburse the School District for such withholdings from taxes thereafter collected. If there is an advance from the State Treasurer under these provisions, the county auditor is directed to adjust the millage levied for the payment of debt service on the bonds for the next fiscal year in order to file a report with the State Treasurer demonstrating compliance not later than five business days after millage is set for the next fiscal year.

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

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

Miscellaneous

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

THE SCHOOL DISTRICT

General Description

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

According to Census Bureau data estimates, the population of the County as of July 1, 2021, was 335,864. The most recent population estimate of the School District was 70,999. A portion of the City of Spartanburg is within the boundaries of the School District. The School District’s composition embraces urban, suburban, and rural areas.

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

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

Board of Trustees and Principal Administrative Officials

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

<u>Name</u>	<u>Occupation</u>	<u>Term Expiration</u> <u>November</u>
Mr. Lynn Harris, Chairman	Engineering Services Mgr., Milliken Chemical	2023
Ms. Christie B. Johnson, Vice-Chair	Educator, Spartanburg Community College	2025
Mr. Charles Boyd, Secretary	Retired, State Farm Insurance Companies	2023
Ms. Nicole Bulman	Certified Public Accountant	2025
Rev. Kevin Harrison	Executive Pastor, Anderson Mill Road Baptist Church	2025
Mr. Wendell J. Lee	Retired, Lee Well Drilling	2023
Mr. Henry B. Ross, Jr., Secretary	Mortgage Broker	2023
Ms. Tracy Smith	Retired Educator	2025
Mr. Troy Yarborough	CEO, Agape Care Group	2025

The Superintendent of the School District is Dr. Darryl F. Owings. Dr. Owings was named Superintendent in June 2002. He was educated in the public schools of the County. Dr. Owings holds a Bachelor of Arts degree from Newberry College, and a Master of Education and a Doctor of Education from the University of South Carolina.

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

County Board of Education

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

Public School Enrollment in the School District

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

<u>School Year</u>	<u>Grades 1-8</u>	<u>Grades 9-12</u>	<u>Kindergarten</u>	<u>Total</u>
2017-18	6,819	3,345	804	10,968
2018-19	6,587	3,310	762	10,659
2019-20	6,865	3,415	757	11,037
2020-21	6,609	3,505	752	10,866
2021-22	6,668	3,636	761	11,065

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

Public School Enrollment in the County

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

<u>School Year</u>	<u>Grades 1-8</u>	<u>Grades 9-12</u>	<u>Kindergarten</u>	<u>Total</u>
2017-18	29,062	13,774	3,522	46,358
2018-19	29,589	13,704	3,524	46,817
2019-20	30,082	13,918	3,509	47,509
2020-21	29,110	14,202	3,318	46,630
2021-22	29,942	14,497	3,656	48,095

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

School District Employees

The following table sets forth a categorical breakdown of the School District's total professional public school staff for the 2022-23 school year.

<u>Administrative</u>	
Superintendent	1
Assistant Superintendents	4
Supervisors, Directors	15
Principals	14
Assistant Principals	3
<u>Instructional</u>	
Teachers	790
Librarians	14
Guidance Counselors	27
<u>Other Professionals</u>	
Non-instructional	20
TOTAL	888

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

COVID Response

Although South Carolina has eased certain restrictions related to COVID-19, the spread of COVID-19 remains a concern and it may have a material impact on current School District operations, its financial performance in the future, and the sources of revenues utilized by the School District. This Official Statement identifies certain potential impacts of COVID-19 on the School District, but the full impact cannot be predicted and there may be other impacts on the School District not identified herein. Data presented in this Official Statement regarding revenues received by the School District in prior fiscal years should not be relied upon as a projection of revenues to be received by the School District in the present and future fiscal years.

ECONOMIC CHARACTERISTICS

Commerce and Industry

The School District is located in the County, which was founded in 1785 and is located in the northwestern Piedmont section of the State, approximately 180 miles northeast of Atlanta, Georgia, and 60 miles southwest

of Charlotte, North Carolina. The County is part of the Spartanburg MSA and the Greenville-Spartanburg-Anderson Combined Statistical Area, the largest in the State, which encompasses Abbeville, Anderson, Cherokee, Greenville, Greenwood, Laurens, Oconee, Pickens, Spartanburg and Union Counties. The County includes the City of Spartanburg, which is the county seat and one of the largest cities in the State.

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

Recent economic development projects within the County include a \$10 million investment by AMAMCO Tool & Supply Company and the creation of approximately 10 new jobs; a \$39.8 million investment by Siemens Energy Management and the creation of 176 new jobs; an investment of \$17.3 million by Tietex International and the creation of approximately 100 new jobs; a \$14.3 million investment by PGS USA LLC, and the creation of approximately 25 new jobs.

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

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

Population Growth

The United States Census Bureau ("**Census Bureau**") reported that the 2020 population of the County was 327,997. This figure represents an approximate 15.4% increase in population over the 2010 census of 284,307. The estimated population of the County as of July 1, 2021 was 335,864.

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

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

Source: U.S. Census Bureau.

Per Capita Income

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

<u>Year</u>	<u>Per Capita Income</u>
2017	\$40,722
2018	41,709
2019	43,148
2020	44,169
2021	46,543

Source: Spartanburg County Annual Comprehensive Financial Report 2021 ("**County 2021 ACFR**"); U.S. Bureau of Economic Analysis.

Median Family Income

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

<u>Year</u>	<u>County</u>	<u>State</u>
2016	\$47,706	\$49,587
2017	51,035	50,675
2018	53,567	52,449
2019	55,588	56,360
2020	53,485	57,216

Source: S.C. Revenue and Fiscal Affairs Office; U.S. Census Bureau

Median Age and Education Levels

In 2019, the latest year for which information is available, the Census Bureau reported that the median age of the population of the County was 38.2, which places the County's median age close to the State's median age of 39.4. The Census Bureau further reported as of the 2020 census that an estimated 24.5% of the County's population 25 years or older had obtained a bachelor's degree or higher. Because the County's number of adults with a college education is lower than the national and State averages, the County implemented a plan with The College Hub of Spartanburg County to meet the goal of having 45% of its citizens holding a baccalaureate or associate degree by 2030.

Construction

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

<u>Year</u>	<u>Residential</u>		<u>Commercial</u>	
	<u>Permits Issued</u>	<u>Value of Permits</u>	<u>Permits Issued</u>	<u>Value of Permits</u>
2017	2,076	\$357,335,533	580	\$523,154,134
2018	2,436	397,327,602	383	422,386,777
2019	2,547	414,843,939	401	481,158,490
2020	2,807	454,114,497	286	258,045,536
2021	3,487	664,050,523	376	524,163,937

Source: County 2021 ACFR; Spartanburg County Office of Building and Fire Codes

Retail Sales

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

<u>Fiscal Year</u>	<u>Total Retail Sales</u>	<u>Increase/Decrease Over Previous Year</u>
2017-18	\$10,874,456,952	\$ 374,351,002
2018-19	12,777,102,063	1,902,645,111
2019-20	12,249,271,511	(527,830,552)
2020-21	12,302,092,907	52,821,396
2021-22	14,670,705,979	2,368,613,072

Source: S.C. Department of Revenue.

Capital Investment

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

<u>Year</u>	<u>Total Capital Investment</u>	<u>Additional Employment</u>
2017	\$885,310,000	1,789
2018	779,539,000	2,094
2019	354,126,687	811
2020	433,607,625	446
2021	1,930,000,000	4,000

Source: County 2021 ACFR.

Major Employers

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

<u>Name</u>	<u>Product or Service</u>	<u>Approximate Number of Employees</u>
BMW Manufacturing Corp	Automotive Manufacturer	11,000
Spartanburg Regional Medical Center	Health Services	9,000
ABM Onsite Services	Integrated On-site Services	4,500
South Carolina State Government	State Government	2,493
Adidas	Sporting and Recreational Goods	2,000
Spartanburg County	County Government	1,568
Draexlmaier Automotive of America	Wire Harnesses	1,223
Michelin Tire Corp.	Radial Truck Tires	1,165
Benore Logistics Systems	Logistics	1,100
Cryovac, LLC	Food Packaging	1,100

Source: County 2021 ACFR.

Labor Force

The labor force participation rates of residents of the County for the last five years are as follows:

Spartanburg County Labor Force Estimates

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Civilian Labor Force	140,106	142,621	146,695	150,134	153,496
Employment	132,080	135,864	140,787	145,417	149,576
Unemployment	8,026	6,757	5,908	4,717	3,920
Percentage of Force Unemployed	5.7	4.7	4.0	3.1	2.6

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Note: Workers involved in labor disputes are included among the employed. Total employment also includes agricultural workers, proprietors, self-employed persons, workers in private households, and unpaid family workers.

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

Nonagricultural Wage and Salary Employment

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Forestry, Fishing and Related Services	215	233	(D)	(D)	(D)
Mining	265	261	(D)	(D)	(D)
Utilities	188	182	252	277	274
Construction	9,784	10,615	10,869	11,285	10,933
Manufacturing	28,355	30,058	33,252	35,656	34,831
Wholesale Trade	8,356	8,202	8,135	7,732	8,646
Retail Trade	18,699	19,043	19,464	18,105	18,215
Transportation and Warehousing	8,801	8,202	8,135	7,732	8,646
Information	1,418	1,323	(D)	1,130	1,007
Finance and Insurance	5,225	5,182	5,482	5,390	5,479
Real Estate and Rental and Leasing	5,504	5,961	6,214	6,033	5,996
Professional, Scientific and Technical Services	7,120	7,623	8,144	8,028	8,260
Management of Companies and Enterprises	2,045	2,264	2,171	2,101	2,087
Administrative Support, Waste Management and Remediation Services	13,270	14,981	15,045	16,109	13,248
Educational Services	3181	3,460	(D)	3,936	(D)
Health Care and Social Assistance	11,885	12,741	(D)	12,605	(D)
Arts, Entertainment, and Recreation	2,203	2,393	(D)	(D)	(D)
Accommodation and Food Services	12,298	12,498	(D)	(D)	(D)
Other Services (except Government)	9,844	10,014	(D)	10,689	10,047
Federal, State & Local Government and Gov't Enterprises	<u>21,784</u>	<u>22,184</u>	<u>21,961</u>	<u>24,934</u>	<u>24,751</u>
TOTALS	171,770	179,998	186,887	193,494	188,194

(D) indicates confidential information.

Note: Totals may not add due to confidential information. Updated November 16, 2021 – revised statistics for 2016-2019.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

Unemployment

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

<u>Month</u>	<u>Rate</u>
July 2021 [†]	4.4%
August 2021 [†]	4.2
September 2021 [†]	3.3
October 2021 [†]	3.3
November 2021 [†]	3.1
December 2021 [†]	3.2
January 2022	3.5
February 2022	3.8
March 2022	3.1
April 2022	2.4
May 2022	3.0
June 2022	3.4

[†] Data were subject to revision April 15, 2022.

Source: U.S. Bureau of Labor Statistics.

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

<u>Year</u>	<u>County[†]</u>	<u>State[†]</u>	<u>United States[†]</u>
2017	4.0%	4.2%	4.4%
2018	3.1	3.4	3.9
2019	2.5	2.8	3.7
2020	6.3	6.0	8.1
2021	4.0	4.0	5.3

[†] Data were subject to revision on March 2, 2022.

Source: U.S. Bureau of Labor Statistics.

Facilities Located Within or Serving the County

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

The Greenville-Spartanburg International Airport (“**GSP**”), approximately 17 miles west of the City of Spartanburg, serves the County and currently provides direct service to 17 major cities through seven airlines. GSP completed the \$128 million terminal renovation Wingspan program in 2017. The renovation program was designed to impact the economic landscape, improve efficiency, increase capacity, integrate sustainable practices, and incorporate safety process. Then, in September 2019, GSP opened its new \$33 million, 110,000 square-foot commercial cargo facilities. In September 2020, GSP was ranked 20th busiest cargo hub in the nation, followed by recognition as “Best Small Airport in North America by Customer in 2020” by Airports Council International in April 2021.

The Spartanburg Downtown Memorial Airport (“**SMA**”) was the first commercial airport in South Carolina. The SMA recently completed a \$25 million capital project extending and rebuilding part of its runway and upgrading airport navigational and lighting systems. SMA has nearly 80,000 operations annually and serves more than 100 local aircraft and 5,000 general aviation airports through the United States.

Educational Facilities. The County is home to and served by numerous institutions of higher learning. The University of South Carolina Upstate, a four year, coeducational State-supported institution, had a Fall 2021 enrollment of 5,349. Converse College, a women’s college, had a Fall 2021 enrollment of approximately 1,440 students. Wofford College, a four year, residential liberal arts college, had a Fall 2021 enrollment of 1,761 students. Spartanburg Community College, a two year college, had a Fall 2021 enrollment of approximately 6,097 students. Sherman College of Straight Chiropractic, a private graduate college, had a Fall 2021 enrollment of approximately 394 students. Spartanburg Methodist College, a two-year college, had a Fall 2021 enrollment of approximately 1,040 students. The Edward Via College of Osteopathic Medicine, a private, non-profit osteopathic medical school, had a Fall 2021 enrollment of approximately 600 students.

Medical Facilities. The County is served by numerous state-of-the-art healthcare facilities. The Spartanburg Regional Health Services District, Inc., operated as Spartanburg Regional Healthcare System (“**System**”), is an integrated-delivery healthcare system comprising a variety of health services and facilities and serving four counties in upstate South Carolina, including the County. The System consists of numerous facilities and services including: Spartanburg Medical Center and Spartanburg Medical Center – Mary Black Campus with more than 500 physicians, and a total of 747 beds, services include surgical, cancer, emergency, maternity, a Heart Center and inpatient rehabilitation; Union Medical Center is a 143-bed facility located in Union, South Carolina, offering access to a multi-specialty physician group; Cherokee Medical Center is a 125-bed acute care facility with medical, surgical, imaging and emergency services; Pelham Medical Center, a 48-bed, acute-care facility, including and emergency center, a medical office

building, and numerous amenities and practices; Spartanburg Hospital for Restorative Care, a 97-bed long-term acute-care hospital with a 25-bed skilled nursing facility; Ellen Sagar Nursing Center, a 113-bed long-term care facility offering skilled nursing and rehabilitation services; Woodruff Manor, an 88-bed skilled nursing and rehabilitation facility; Immediate Care Centers, five convenient walk-in locations offering quick, quality care for minor medical emergencies; The Sports Medicine Institute provides sports medicine and orthopaedic services to professional and recreational athletes, including physical therapists and athletic trainers; Gibbs Cancer Center & Research Institute, which includes eight locations across the Upstate; AccessHealth Spartanburg is a collaborative enterprise to connect uninsured individuals with community health care providers. The Spartanburg Regional Foundation, a healthcare system foundation which works to increase access to health care within the System's service areas, has reverted more than \$30 million to support health and wellness within the community.

Spartanburg Rehabilitation Institute (“**SRI**”), a 40-bed rehabilitation hospital, is a member of the Ernest Health, Inc., network of rehabilitation and long-term acute care hospitals, and is the only freestanding acute rehabilitation hospital in the County. SRI provides specialized medical and rehabilitative services to patients with functional deficits resulting from injury or illness. Inpatient services include acute rehabilitation, nursing care and medical management for patients suffering from stroke, spinal cord injury, brain injury, and amputation to name a few.

Also serving the County is The Carolina Center for Behavioral Health, a 138-bed, private behavioral health system which specializes in psychiatric and chemical dependency treatment and provides inpatient, partial hospitalization and intensive outpatient programs.

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FINANCIAL AND TAX INFORMATION

Five Year Summary of General Fund Operations

The following table sets forth a summary of the School District's General Fund operations for the fiscal years ended June 30, 2017 through 2021.

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES					
Local	\$30,835,380	\$33,404,628	\$38,177,998	\$38,141,913	\$40,777,873
State	57,437,099	61,842,551	63,167,932	65,934,540	67,999,802
Intergovernmental	<u>830,811</u>	<u>762,037</u>	<u>827,103</u>	<u>835,743</u>	<u>837,466</u>
TOTAL REVENUES	\$89,103,290	\$96,009,216	\$102,173,033	\$104,912,196	\$109,615,141
EXPENDITURES					
Instruction	\$54,411,317	\$56,888,705	\$59,576,743	\$62,775,454	\$64,371,330
Supporting Services	35,281,022	37,633,568	39,947,209	41,065,054	41,783,718
Intergovernmental	<u>1,039,471</u>	<u>1,069,529</u>	<u>1,090,702</u>	<u>1,233,891</u>	<u>981,576</u>
TOTAL EXPENDITURES	\$90,731,810	\$95,591,802	\$100,614,654	\$105,074,399	\$107,136,624
REVENUES OVER (UNDER) EXPENDITURES	(1,628,520)	417,414	1,558,379	(162,203)	2,478,517
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	—	—	—	\$ 5,000	—
Transfers In	\$3,146,089	\$2,849,334	\$3,407,239	3,485,490	\$3,925,495
Transfers Out	<u>(1,490,855)</u>	<u>(2,379,734)</u>	<u>(3,139,127)</u>	<u>(3,119,239)</u>	<u>(4,255,493)</u>
TOTAL OTHER FINANCING SOURCES	\$1,655,234	\$469,600	\$268,112	\$371,251	\$(329,998)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	26,714	887,014	1,826,491	209,048	2,148,519
FUND BALANCE Beginning of Year	\$10,559,397	\$10,586,112	\$11,473,126	\$13,299,617	\$13,508,665
FUND BALANCE End of Year	\$10,586,111	\$11,473,126	\$13,299,617	\$13,508,665	\$15,657,184

Source: School District Financial Reports for years ended June 30, 2017 through 2021.

Financial Statements

The financial statements of the School District for the years ended June 30, 2017 through 2021, have been audited by Halliday, Schwartz & Co. Copies of complete audited financial statements are available for inspection at the School District offices and are available through the EMMA at <http://emma.msrb.org/>.

Budget Procedure

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

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

State Budget Reductions. Reductions in funding provided to the School District may be adjusted by two methods to reflect actual and expected reductions in State revenues. First, reductions in funding may be incorporated into the State budget when adopted. Amounts appropriated to school districts may be reduced from year to year. Second, reductions in funding may be made during a fiscal year. Appropriations made by the State are monitored against income throughout the fiscal year by the State's Board of Economic Advisors, which meets quarterly and reports its findings to the State Fiscal Accountability Authority. If at the end of the first, second or third quarter of any fiscal year, the Board of Economic Advisors reduces the revenue forecast for the fiscal year by 3% or less; within 3 days of that determination, the Director of the State Executive Budget Office must reduce general fund appropriations by the requisite amount as prescribed by law and further must immediately notify the State Treasurer and Comptroller General of the reduction. Upon that notification, the appropriations are considered reduced; however, no agencies, departments, institutions, activity, program, item, special appropriation, or allocation for which the General Assembly has provided funding may be discontinued, deleted, or deferred by the Director of the Executive Budget Office. The Director of the State Executive Budget Office is required to apply any reduction to the rate of expenditure as uniformly as practicable, except that no reduction may be applied to funds encumbered by a written contract with any agency, department, or institution not connected with State government. If at the end of the first, second, or third quarter of any fiscal year the Board of Economic Advisors reduces the revenue forecast for the fiscal year by more than 3%, the President Pro Tempore of the Senate and the Speaker of the House of Representatives may call each respective house into session to take action to avoid a year-end deficit. If the General Assembly does not take action within 20 days of the determination of the Board of Economic Advisors, the Director of the Executive Budget Office is required to reduce general fund appropriations by the requisite amount in the manner prescribed by law and in accordance with the provisions that apply to a reduction of 3% or less, as described above. The School District operates with a fiscal year beginning July 1 of each calendar year and concluding June 30 of the following calendar year.

Millage Increase Limitations. The authority described in the preceding paragraph, however, may only be exercised consistent with general law that restricts the ability of school districts to increase annual millage imposed for general operating purposes. Act No. 388, adopted by the General Assembly in 2006 ("*Act 388*"), limits increases in annual millage levied for general operating purposes to a rate equal to the

sum of (a) the increase in the consumer price index, plus (b) the rate of population growth in a school district. Act No. 57, adopted by the South Carolina General Assembly in 2011 (“*Act 57*”), amended Act 388 to allow school districts to add to the annual millage rate any increase allowed, but not imposed, for the three property tax years preceding the year which the current millage limitation applies. In addition, in the year of reassessment, the limits in place for “rollback” millage (as discussed in “FINANCIAL AND TAX INFORMATION – Property Taxation and Assessment – *Millage in Years of Reassessment*” herein) continue to apply.

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

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

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

Following are budget summaries for Fiscal Year 2022 and fiscal year ending June 30, 2023 (“*Fiscal Year 2023*”).

	Fiscal Year <u>2021-2022</u>	Fiscal Year <u>2022-2023</u>
<u>Revenues</u>		
Local Sources	\$38,333,550	40,984,207
County Sources	817,032	1,310,658
State Sources	<u>69,133,021</u>	<u>75,971,578</u>
Total Revenues	108,283,603	118,266,443
<u>Expenditures</u>		
Instructional	69,039,057	77,367,968
Supporting Services	44,761,764	48,245,072
Debt Service	<u>—</u>	<u>—</u>
Total Expenditures	113,800,821	125,613,040
Excess (Deficit) of Revenues Over Expenses	(5,517,218)	(7,346,597)
Other Financing Sources (Uses)		
Transfers In	9,265,373	11,057,767
Transfers Out	<u>(3,748,155)</u>	<u>(3,711,170)</u>
Budget Surplus (Deficit)	0	0

Revenues

For Fiscal Year 2023, it is estimated that 35.2% of general fund revenues will come from local sources and 64.8% of general fund revenues will have come from the County and the State.

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

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

<u>Fiscal Year</u>	<u>Amount</u>
2017-2018	\$29,974,410
2018-2019	29,977,317
2019-2020	29,250,985
2020-2021	29,678,394
2021-2022 [†]	30,661,455

[†] Unaudited.

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

<u>Fiscal Year</u>	<u>Amount</u>
2017-2018	\$7,311,308
2018-2019	7,358,211
2019-2020	7,919,763
2020-2021	6,859,527
2021-2022 [†]	8,346,348

[†] Unaudited.

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

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

For Fiscal Year 2023, the State has appropriated funds in an amount of 75% of the total cost of the Aid to Classrooms program (“**State Portion**”) and the required local portion is equal to 25% of the total cost (“**Local Portion**”).

A particular school district’s total Aid to Classrooms funding is based on the school district’s percentage share of the total number of weighted pupil units in the State. A school district’s allocation of the State Portion is calculated by subtracting the school district’s imputed Local Portion (as determined by multiplying the school district’s index of taxpaying ability – which is the school district’s relative fiscal capacity compared to the other school districts in the State – against the total Local Portion) from the school district’s total Aid to Classroom funding. For Fiscal Year 2023, each school district will receive the amount determined under the Aid to Classrooms funding formula or the actual amount received in Fiscal Year 2022 from certain state aid.

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

The chart below illustrates the difference in the School District’s budgeted State revenue between Fiscal Year 2022 and Fiscal Year 2023 due to the adoption of the Aid to Classrooms funding program.

<u>State Revenue</u>	<u>Original Budget 2021-2022</u>	<u>Proposed Budget 2022-2023</u>
Bus Driver Salaries	\$ 529,753	\$ 614,983
Fringe Benefits	14,493,543	869,488
EFA	29,973,943	–
Aid to Classrooms - Teacher Salaries	3,286,970	–
Property Tax Relief-Tier 1	3,175,730	3,175,730
Homestead Reimbursement-Tier 2	1,096,861	1,096,861
Property Tax Relief-Tier 3	11,612,170	12,634,411
Merchant’s Inventory Tax Relief	603,271	503,271
Manufacturer’s Depreciation Relief	714,769	661,259
Other State Revenue	124,648	204,240
Education Funding	–	51,952,972
Current ED Funding GF		
Education Funding EIA		
Current ED Funding EIA		
PEBA On Behalf of Revenue	<u>637,099</u>	<u>637,099</u>
TOTAL	\$66,248,757	\$72,350,314

Revenues from Ad Valorem Taxes

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

<u>Fiscal Year</u>	<u>General Fund</u>
2017-2018	\$30,434,173
2018-2019	32,534,036
2019-2020	32,979,832
2020-2021	35,343,832
2021-2022 [†]	35,974,949
2022-2023 ^{††}	36,439,777

[†] Unaudited.

^{††} Projection as budgeted.

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

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

<u>Fiscal Year</u>	<u>General Fund</u>
2017-2018	\$2,764,535
2018-2019	2,862,673
2019-2020	2,759,355
2020-2021	3,370,495
2021-2022 [†]	3,341,546
2022-2023 ^{††}	3,428,333

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

^{††} Projection as budgeted.

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

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

<u>Fiscal Year</u>	<u>Special Revenues</u>
2017-2018	\$11,520,035
2018-2019	11,944,329
2019-2020	13,043,847
2020-2021	18,254,827
2021-2022 [†]	23,932,217
2022-2023 ^{††}	24,323,417

[†] Unaudited. Increases in Fiscal Year 2021 and Fiscal Year 2022 are directly related to COVID relief funds received or expected to be received from the Federal Government.

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

Investment Policies

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

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

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

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

Property Taxation and Assessment

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

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

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

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

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

Reassessment. Under law enacted by the General Assembly in 1995, every fifth year the County and the State are required by law to effect an appraisal of all property within the County and to implement that appraisal as a new assessment in the following year. The County completed a county-wide reassessment plan for the 2018 tax year (which corresponds to the School District's 2018-2019 fiscal year).

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

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

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

Manufacturer's Exemption

Act No. 202, enacted by the South Carolina General Assembly in 2022 ("**Act 202**"), provides an exemption for a portion of the property tax value of manufacturing property. The total exemption is equal to 42.8571% and is effective for property tax year 2022 (Fiscal Year 2022-23). The exemption reduces the effective assessment ratio on manufacturing property from 10.5% to 6.0%.

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

Homestead Exemptions – Property Tax Relief

State law provides a general exemption from all *ad valorem* property taxes that applies to the first \$50,000 of the fair market value of the dwelling place of persons who are over 65 years of age, totally and permanently disabled or legally blind ("**Homestead Exemption**"). The School District received \$1,096,081 in 2010-11 Fiscal Year attributable to taxes imposed for operating purposes and this amount will not change

in succeeding years. The State pays each taxing entity the amount to which it is entitled for the payment of general obligation bonds by April 15 each year from the amounts credited to the Trust Fund for Tax Relief. The fixed payment for operating tax reimbursements is paid as a tier one distribution from the Homestead Exemption Fund.

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

The School District has annually received \$3,175,730 from the State, pursuant to the Property Tax Relief Exemption. The School District anticipates receiving \$3,175,730 for Fiscal Year 2022.

Payments in Lieu of Taxes

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

The State provides alternative provisions respecting the distribution of payments in lieu of taxes to entities having taxing jurisdiction at the location of the investment: (i) revenues received in respect of property that is not included in a multicounty or business industrial park (“**MCIP**”) are allocated annually in proportion to the amounts that would have been received by the taxing entities if the payments were taxes, based on the relative millage rates of overlapping taxing entities in a given year; and (ii) revenues received from property that is in an MCIP, however, is distributed in accordance with the agreement creating the park; the amount of the distribution to each taxing entity is, for all practical purposes, controlled by the County. Property may be included in an MCIP under terms of agreements between two or more contiguous counties with individual sites being determined primarily by the county in which the site is located. Payments in lieu of taxes may be diverted from taxing entities to fund projects which support economic development activities, including projects that are used solely by a single enterprise, either directly or through the issuance of special source revenue bonds secured by payments in lieu of taxes. A county government may also utilize the payments in lieu of taxes derived from an MCIP for its own corporate purposes or those of other taxing entities in that county by altering the distribution percentages for the payments by ordinance.

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

Projects on which these payments in lieu of taxes are made are considered taxable property at the level of the negotiated payment for purposes of calculating bonded indebtedness limits and for purposes of computing the index of taxpaying ability pursuant to the South Carolina Education Finance Act. If the property is situated in an MCIP, the calculation of assessed value for debt limit purposes is based upon the

relative share of payments received by all taxing entities which overlap the MCIP. Accordingly, a recipient of payments from an MCIP is able to include only a fraction of the assessed value of property therein in calculating its debt limit.

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

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

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

Assessed Values

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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal</u>	<u>SCTC</u>	<u>Manufacturing</u>	<u>Vehicles</u>	<u>Fee-in-Lieu of Taxes</u>	<u>Total Taxable Property[†]</u>
2013	\$165,068,917	\$1,688,320	\$ 9,471,760	\$39,037,525	\$21,213,050	\$15,855,666	\$252,335,238
2014	169,519,970	1,958,300	10,258,440	38,047,682	22,938,076	15,426,460	258,148,928
2015	170,294,547	1,749,360	9,743,660	37,841,346	25,183,587	14,943,192	259,755,692
2016	173,541,006	1,846,160	10,707,980	38,420,244	26,820,842	16,852,524	268,188,756
2017	176,299,564	1,854,474	10,789,240	37,485,261	27,756,183	14,831,164	269,015,886
2018	182,017,522	2,105,899	12,077,509	44,869,831	28,762,300	16,973,485	286,806,543
2019	202,324,206	2,318,900	12,225,400	44,458,347	27,918,500	26,999,959	316,245,312
2020	207,843,031	2,785,795	49,545,192	27,801,564	27,801,564	30,958,623	327,476,101
2021	212,229,785	1,773,940	13,124,660	49,875,999	27,979,563	32,133,800	337,117,747
2022 ^{††}	222,696,923	2,780,560	9,162,590	53,835,992	31,600,746	38,176,406	358,253,217

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

^{††} Unaudited.

Source: County Auditor.

Estimated Value of All Taxable Property in the County

The assessed value and estimated market value of all taxable property in the County for Fiscal Year 2022 by classification of property is set forth below.

<u>Classification of Property</u>	<u>Assessed Value as of June 30, 2022[†]</u>	<u>Market Value as of June 30, 2022[†]</u>
Real Property	\$221,075,320	\$5,105,448,177
Mobile Homes	1,621,603	34,037,200
Motor Vehicles	31,600,746	526,679,100
Public Utilities	19,394,942	184,713,733
Manufacturing Property	31,031,570	295,538,761
Marine Equipment [†]	721,600	6,872,380
SCTC (Business Personal)	9,162,590	87,262,761
Furniture	1,986,180	18,916,000
Airplanes	72,780	1,819,500
Transportation	3,409,480	35,889,263
Subtotal	320,076,811	6,297,176,875
Merchant's Inventory	4,793,050	—
Fee-in-Lieu-of Taxes	38,176,406	—
Total	\$363,046,267	\$6,297,176,875

[†] Unaudited.

Source: County Auditor; County Assessor.

Exempt Manufacturing Property

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

Tax Collection Procedure

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

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

Millage History

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

<u>Fiscal Year</u>	<u>Operations</u>	<u>Debt Service</u>	<u>Total</u>
2018-2019	165.0	52.6	217.6
2019-2020	165.0	52.6	217.6
2020-2021	165.0	52.6	217.6
2021-2022	165.0	52.6	217.6
2022-2023	165.0	52.6	217.6

Tax Collections for Last Five Years

The County

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

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Current Collections</u>	<u>% of Current Taxes Collected</u>	<u>Delinquent Tax Collections[†]</u>	<u>Total Collections</u>	<u>% of Total Taxes Collected</u>
2016-2017	\$423,556,730	\$401,606,376	94.8	\$13,590,633	\$415,197,009	98.0
2017-2018	442,338,394	422,918,424	95.6	8,455,466	431,373,890	97.5
2018-2019	502,311,148	478,937,551	95.3	7,864,024	486,801,575	96.9
2019-2020	526,990,138	502,297,983	95.3	10,552,628	512,850,611	97.3
2020-2021	564,581,216	537,596,519	95.2	16,304,394	553,900,913	98.1

[†] Does not include delinquent tax penalties.

Source: County 2021 ACFR.

The School District

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

<u>Fiscal Year</u>	<u>Taxes Levied</u>	<u>Current Collections</u>	<u>% of Current Taxes Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Collections</u>	<u>% of Total Taxes Collected</u>
2016-2017	\$52,031,613	\$47,389,541	91.1	\$1,456,462	\$48,846,003	93.9
2017-2018	56,179,243	54,244,857	96.6	1,133,296	55,378,153	98.6
2018-2019	62,939,789	61,578,986	97.8	926,772	62,505,758	99.3
2019-2020	64,522,203	62,208,312	96.4	1,162,170	63,370,482	98.2
2020-2021	66,364,507	64,985,536	97.9	1,107,614	66,093,150	99.6

Source: School District 2021 ACFR

Ten Largest Taxpayers

The ten largest taxpayers in the School District, the assessed value of the taxable property of each taxpayer, and the percentage each taxpayer represents of the total assessed value within the School District as of fiscal year ended June 30, 2021 (“*Fiscal Year 2021*”), are shown below.

<u>Taxpayer</u>	<u>Assessed Valuation</u>	<u>% of Total Assessed Value</u>
Michelin North America Inc.	\$8,726,479	2.6
Spartanburg DC Inc.	6,318,085	1.9
Toray Composite Materials	5,377,789	1.4
Duke Energy Corp.	4,592,960	1.3
Norfolk Southern Corp.	4,530,098	0.9
Transcontinental Gas Pipeline	3,020,600	0.8
Suso 4 Dorman LP	2,760,000	0.7
Parkside at Laurel West	2,408,090	0.7
Yeomans Charles L. III	2,380,480	0.7
Tietex International Ltd.	2,304,640	0.7

Source: School District 2021 ACFR.

Building Aid

The State provides a portion of the School District's cost of constructing new buildings, making capital repairs and renovations to existing buildings and other improvements. Annually the State allocates to each school district the sum of \$30 per pupil for grades 1-12 and \$15 per kindergarten pupil. That amount is set aside in a trust fund for each school district to be used on projects approved by the State Department of Education. No moneys have been allocated to this program by the General Assembly since the 2000-01 fiscal year, and \$0 is expected for Fiscal Year 2023. The School District has used all funds so set aside to date and expects to use any moneys that become available in the future, if any, as soon as possible to fund its capital needs.

As part of the program adopted with the EIA, the State further provided that revenues resulting from the increased sales tax may be used to fund a School Building Aid Program. The amount so designated is set aside and allocated to each school district on a per pupil basis. These amounts are required to be used (either spent or contracted for) or forfeited by each district within 48 months of the date when appropriated. The School District has used and expects to use any funds available to it in the future as soon as possible to fund its capital needs.

South Carolina Educational Assistance Endowment Fund

During the legislative session ended in mid-June of 1995, the General Assembly enacted provisions to establish an Educational Assistance Endowment Fund ("**Endowment**") to be funded initially from revenues derived from the extension of operations of a low-level nuclear waste disposal facility located in Barnwell, South Carolina. Seventy percent of the funds deposited to the Endowment are required to be used for Public School Facilities Improvement with the balance being applied to Higher Education Scholarship Grants. The Endowment is to be managed so that its programs will be permanently funded from the amounts deposited therein. In 1996, the General Assembly later enacted provisions establishing the procedure for the use and allocation of the funds in the Endowment.

The School District has not received any funds from the Endowment since the 2000-01 fiscal year and because the original revenue projections for this source have not been realized, the Endowment is not expected to provide significant future revenues.

The Education Accountability Act of 1998

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

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

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

If a school receives a rating of below average or unsatisfactory, that school must review and revise its improvement plan (required of every school under the Aid to Classrooms program, as described in more detail in "FINANCIAL AND TAX INFORMATION – Revenues" herein). Once the revised plan is developed, a school district's superintendent and board of trustees must review and approve the plan. In addition, schools that receive unsatisfactory ratings (or those receiving a below average rating, which so request) will be assigned an external review. If these plans are not implemented satisfactorily or within the

period expected, or if student academic performance has not met expected progress, the State Board of Education may declare a state of emergency in the school.

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

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

Charter Schools

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

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

There are presently two charter schools in the School District.

Retirement Benefits

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

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

For Fiscal Year 2021, the School District made contributions to the SCRS of \$10,993,772 and to the PORS of \$14,032, which amounts equaled the statutorily required contributions to SCRS and PORS.

School District employees eligible for participation in the SCRS may choose to participate in the ORP, which is a defined contribution plan in which participants direct the investments of their funds in a plan administered by one of four investment providers. The Systems assumes no liability for the ORP benefits

and for this reason the ORP is not considered part of the retirement systems for financial statement purposes. Contributions to the ORP are set at the same rates as the SCRS. To participate in the ORP, participants must irrevocably waive participation in the SCRS.

Additionally, the Authority issues its own Comprehensive Annual Financial Report for the Systems (“**Report**”). A copy of the Report for Fiscal Year 2021, may be found at https://www.peba.sc.gov/sites/default/files/cafr_2021.pdf. Additionally, the financial information for the Systems is included in the Annual Comprehensive Financial Report for the State (“**State Report**”). A copy of the State Report may be found at <https://cg.sc.gov/financial-reports/annual-comprehensive-financial-reports-acfrs>.

Future Contribution to Plans: Act No. 13 of 2017 (collectively, “**Plan Legislation**”) statutorily sets the contribution rates to the SCRS and PORS for both employers and employees through the fiscal year ending June 30, 2027 as follows:

<u>Fiscal Year</u>	SCRS		PORS	
	<u>Employer Contribution</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Employee Contribution</u>
2021-2022	16.56%	9.00%	19.24%	9.75%
2022-2023	17.56	9.00	20.24	9.75
2023-2027	18.56	9.00	21.24	9.75

† Act 135 of 2020 of the General Assembly suspended the annual increase in the employer contribution rate for the SCRS and PORS for Fiscal Year 2021 as required by statute. Instead, the employer contribution percentages for Fiscal Year 2021, previously set by statute at 16.56% for the SCRS and 19.24% for the PORS, remained at the same rates imposed for Fiscal Year 2020 (i.e. 15.56% for SCRS and 18.24% for PORS). In each year since, including for employer contributions for Fiscal Year 2023, the General Assembly has suspended the statutory increase in the employer contributions for SCRS and PORS and instead increased the employer contribution one percent over the prior fiscal year. It is unknown whether the General Assembly will continue to suspend the increase in employer contribution as set forth in the statute in future fiscal years.

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

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

<u>Fiscal Year</u>	<u>Funding Period</u>
2022-23	25 years
2023-24	24 years
2024-25	23 years
2025-26	22 years
2026-27	21 years
2027-28 and after	20 years

The Plan Legislation permits employer contribution rates to be increased above those as set forth in the table above or as set by the Authority after the fiscal year ending June 30, 2027, if the contribution rates are insufficient to meet the funding periods as set forth above. Increases to employer contribution rates to meet the funding period set forth above may be made without limitation.

Reporting Plan Liability: In accordance with the Governmental Accounting Standards Board's Statement No. 68, the School District reported its proportionate share of the overall net pension liability of the Systems – which represents the difference between the total cost of the Systems' expected future benefits to be paid and the value of assets on hand to cover the benefits – in the School District's financial statements for Fiscal Year 2021. The School District reported its proportionate share of SCRS and PORS Net Pension Liability as \$159,918,245 and \$196,254, respectively or 0.625860% and 0.005918% of the total net pension liability.

Other Post-Employment Benefits

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

Employers, such as the School District, participating in the healthcare plan are mandated by State statute to contribute at a rate assessed each year. For Fiscal Year 2021, the covered payroll surcharge was 6.26%.

Reporting OPEB Liability: In accordance with newly implemented GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“*OPEB*”), the School District, as a participant in a cost-sharing, multiple-employer defined benefit plan for the purpose of providing post-employment benefits, reported as of June 30, 2021, a net OPEB liability of \$144,370,595 for its proportionate share of the collective net OPEB liability or 0.799773%. The net OPEB liability was measured as of June 30, 2020.

Liability Insurance

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

Cybersecurity

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

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

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

DEBT STRUCTURE

Legal Debt Limit of the School District

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

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

The School District's debt limit as of June 30, 2022, is computed below:

Assessed Value [†]	\$363,046,267.00
	<u> x 8%</u>
Constitutional Debt Limit	29,043,701.00
Outstanding Debt Subject to Limit ^{††}	- 10,290,000.00
Amount on Deposit in Debt Service Funds	<u>+ 6,638,084.00</u>
Legal Debt Available Without a Referendum	\$25,391,785.00

[†] Unaudited.

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

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

Outstanding Indebtedness

The following table gives specific information concerning all general obligation bonds of the School District outstanding as of August 1, 2022.

<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Original Amount Issued</u>	<u>Interest Rate</u>	<u>Balance as of August 1, 2022</u>
09/10/2020	04/01/2023	\$15,500,000	2.00%	\$ 3,920,000
09/13/2021	04/01/2024	16,000,000	2.00-4.00	<u>6,370,000</u>
TOTAL				\$10,290,000

General Obligation Debt

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

<u>Fiscal Year</u>	<u>General Obligation Indebtedness</u>
2017-2018	\$12,370,000
2018-2019	10,340,000
2019-2020	10,260,000
2020-2021	11,135,000
2021-2022	10,290,000

Composite Debt Service

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Estimated Total Debt Service</u>
2023	\$18,045,000	\$ 792,536	\$18,837,536
2024	6,445,000	291,225	6,736,225
2025	<u>2,800,000</u>	<u>70,000</u>	<u>2,870,000</u>
TOTAL	\$27,290,000	\$1,153,761	\$28,443,761

Source: Financial Advisor.

Other Indebtedness

The School District issued its Series 2021 BAN on September 22, 2021. The Series 2021 BAN matures on September 22, 2022, and will be repaid from a portion of the proceeds of the Bonds.

Legal Debt Limit of Incorporated Municipalities and Special Purpose Districts

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

Overlapping Debt

The following table sets forth the assessed value of all taxable property in each political subdivision overlapping the School District, either wholly or in part, as of June 30, 2021, and the total amount of general obligation indebtedness of each such political subdivision which was outstanding as of June 30, 2021.

	<u>Assessed Value</u>	<u>General Obligation Indebtedness</u>
<u>Political Subdivision</u>		
Spartanburg County	\$1,311,063,353	\$62,657,696
<u>Incorporated Municipality</u>		
City of Spartanburg	165,448,857	37,001,223
<u>Special Purpose Districts</u>		
Croft Fire District	35,275,086	1,802,866
Hilltop Fire	15,532,395	871,475
Westview Fairforest Fire	111,716,191	970,000
Spartanburg Sanitary Sewer District	789,846,399	143,496,000
Startex Wellford Water (SJWD)	239,479,302	11,375,000
Woodruff Roebuck Water District	92,841,686	49,751,062

Source: County 2021 ACFR; School District 2021 ACFR.

Miscellaneous Debt Information

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

LEGAL MATTERS

Litigation

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

Tax Exemption

On the date of issuance of the Bonds, Parker Poe Adams & Bernstein LLP, Columbia, South Carolina, as Bond Counsel, will render an opinion that, under existing law, (1) assuming compliance by the School District with certain requirements of the Code, interest on the Bonds (a) is excludable from gross income for federal income tax purposes, and (b) is not an item of tax preference for purposes of the federal individual alternative minimum tax, and (2) interest on the Bonds is exempt from all State, county, municipal, and school district and other taxes or assessments imposed within the State, except estate, transfer and certain franchise taxes. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax.

The Code imposes various restrictions, conditions and requirements relating to the exclusion of interest on obligations, such as the Bonds, from gross income for federal income tax purposes, including, but not limited to, the requirement that the School District rebate certain excess earnings on proceeds and amounts

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

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

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

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

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

Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date thereof. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may thereafter come to Bond Counsel's attention, or to reflect any changes in law that may thereafter occur or become effective. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that Bond Counsel deems relevant to such opinion. Bond Counsel's opinion expresses the professional judgment of the attorneys rendering the opinion regarding the legal issues expressly addressed therein. By rendering its opinion, Bond

Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment, of the transaction on which the opinion is rendered, or of the future performance of the School District, nor does the rendering of such opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Original Issue Premium

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

Legality

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

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

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

United States Bankruptcy Code

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

of creditors. A petitioner has the right to reinstate indebtedness under its plan according to the original maturity schedule of such indebtedness notwithstanding any provision in the documents under which the indebtedness arose relating to the insolvency or financial condition of the debtor before the confirmation of the plan, the commencement of a case under the Bankruptcy Code, or the appointment of or taking possession by a trustee in a case under the Bankruptcy Code or by a receiver or other custodian prior to the commencement of a case under the Bankruptcy Code.

RATINGS

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

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

CONTINUING DISCLOSURE

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

In connection with the issuance of the Bonds and in accordance with the Securities and Exchange Commission Rule 15c2-12(b)(5), the School District will execute and deliver prior to closing a Disclosure Dissemination Agent Agreement ("**Disclosure Agreement**"), in substantially the form attached hereto as Appendix C. Pursuant to the Disclosure Agreement, the School District will provide certain financial information and operating data relating to the School District ("**Annual Report**") by not later than February 1 following the end of the preceding fiscal year of the School District, commencing with the fiscal year ended June 30, 2022, and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is set forth in the form of the Disclosure Agreement. These covenants have been made for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Underwriter (as defined herein) in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The sole remedy for failure by the School District to comply the provisions of the Disclosure Agreement, is an action to compel performance by the School District.

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

STRUCTURE – Outstanding Indebtedness” and “DEBT STRUCTURE – Composite Debt Service,” the School District covenanted to annually provide the following financial information and operating data:

- (1) the School District’s audited financial statements for the preceding fiscal year;
- (2) a table of the School District’s general fund revenues and expenditures for the previous fiscal year;
- (3) the School District’s budget for the current fiscal year;
- (4) tables of the School District’s sources of revenue for the previous fiscal year;
- (5) a table of the assessed values of all taxable property in the School District for the previous fiscal year and an estimated true value of all taxable property;
- (6) a table of the School District’s property tax collections for the previous fiscal year;
- (7) a table of the School District’s ten largest taxpayers for the previous fiscal year;
- (8) a table of the millage levied by the School District for the previous fiscal year;
- (9) the School District’s legal debt limit as of the close of the previous fiscal year;
- (10) the School District’s outstanding indebtedness, including long term lease obligations, as of the close of the previous fiscal year; and
- (11) the School District’s composite debt service for as of the close of the previous fiscal year.

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

For the annual report with respect to June 30, 2017, due February 1, 2018, the School District filed a report on January 25, 2018, which included its audited financial statements, its general fund revenues and expenditures for the five previous fiscal years, the budget for the then current fiscal year, the sources of revenue for the four previous fiscal years and an estimate for the current fiscal year, a table of the assessed values of all taxable property in the School District for the five previous fiscal years and an estimated true value of all taxable property, a table of property tax collections for the five previous fiscal years, a table of the School District’s ten largest taxpayers for the previous fiscal year, a table of the millage levied by the School District for the four previous fiscal years and an estimate for the current fiscal year, the School District’s legal debt limit as of June 30, 2017, the School District’s outstanding indebtedness, including long term lease obligations, as of June 30, 2017, and the School District’s composite debt service for fiscal year ended June 30, 2017.

For the annual report with respect to June 30, 2018, due February 1, 2019, the School District made a filing on January 25, 2019, which included its audited financial statements, and a second filing on January 29, 2019, which included its general fund revenues and expenditures for the five previous fiscal years, the budget for the then current fiscal year, the sources of revenue for the four previous fiscal years and an estimate for the current fiscal year, a table of the millage levied by the School District for the four previous fiscal years and an estimate for the current fiscal year, a table of property tax collections for the four previous fiscal years, a table of the School District’s ten largest taxpayers for the previous fiscal year, a table of the assessed values of all taxable property in the School District for the four previous fiscal years and an estimated true value of all taxable property, the School District’s legal debt limit as of June 30, 2018, the School District’s outstanding indebtedness, including long term lease obligations, as of June 30, 2018, and the School District’s composite debt service for fiscal year ended June 30, 2018.

For the annual report with respect to June 30, 2019, due February 1, 2020, the School District made a filing on January 27, 2020, which included its audited financial statements, and a second filing on January 27, 2020, which included its general fund revenues and expenditures for the five previous fiscal years, the budget for the then current fiscal year, the sources of revenue for the four previous fiscal years and an estimate for the current fiscal year, a table of the millage levied by the School District for the four previous fiscal years and an estimate for the current fiscal year, a table of property tax collections for the four previous fiscal years, a table of the School District’s ten largest taxpayers for the previous fiscal year,

a table of the assessed values of all taxable property in the School District for the four previous fiscal years and an estimated true value of all taxable property, the School District's legal debt limit as of June 30, 2019, the School District's outstanding indebtedness, including long term lease obligations, as of June 30, 2019, and the School District's composite debt service for fiscal year ended June 30, 2019.

For the annual report with respect to June 30, 2020, due February 1, 2021, the School District made a filing on January 27, 2021, which included its audited financial statements, and a second filing on January 27, 2021, which included its general fund revenues and expenditures for the five previous fiscal years, the budget for the then current fiscal year, the sources of revenue for the four previous fiscal years and an estimate for the current fiscal year, a table of the millage levied by the School District for the four previous fiscal years and an estimate for the current fiscal year, a table of property tax collections for the four previous fiscal years, a table of the School District's ten largest taxpayers for the previous fiscal year, a table of the assessed values of all taxable property in the School District for the four previous fiscal years and an estimated true value of all taxable property, the School District's legal debt limit as of June 30, 2020, the School District's outstanding indebtedness, including long term lease obligations, as of June 30, 2020, and the School District's composite debt service for fiscal year ended June 30, 2020.

For the annual report with respect to June 30, 2021, due February 1, 2022, the School District made a filing on January 27, 2022, which included its audited financial statements, and a second filing on January 27, 2022, which included its general fund revenues and expenditures for the five previous fiscal years, the budget for the then current fiscal year, the sources of revenue for the four previous fiscal years and an estimate for the current fiscal year, a table of the millage levied by the School District for the four previous fiscal years and an estimate for the current fiscal year, a table of property tax collections for the four previous fiscal years, a table of the School District's ten largest taxpayers for the previous fiscal year, a table of the assessed values of all taxable property in the School District for the four previous fiscal years and an estimated true value of all taxable property, the School District's legal debt limit as of June 30, 2021, the School District's outstanding indebtedness, including long term lease obligations, as of June 30, 2021, and the School District's composite debt service for fiscal year ended June 30, 2021.

The School District incorporated by reference its Official Statement dated September 9, 2021, on September 22, 2021, its Official Statement dated August 24, 2021, on September 8, 2021, its Official Statement dated September 15, 2020, on September 21, 2020, its Official Statement dated August 27, 2020, on September 8, 2020, its Official Statement dated September 17, 2019, on September 23, 2019, its Official Statement dated August 27, 2019, on September 9, 2019, its Official Statement dated September 13, 2018, on September 18, 2018, its Official Statement dated August 28, 2018, on September 4, 2018, its Official Statement dated September 14, 2017, on September 19, 2017, its Official Statement dated August 29, 2017, on September 1, 2017.

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

UNDERWRITING

The Bonds have been purchased at a competitive sale for resale by Morgan Stanley & Co., LLC ("**Underwriter**"), at a purchase price of \$17,492,375.02 (representing the par amount of the Bonds plus an original issue premium of \$503,045.85, less an underwriter's discount of \$10,670.83). The interest rate and yield, which information has been provided by the Underwriter, of the Bonds are stated on the cover hereof. The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the initial public offering prices. In addition, the initial public offering prices of either series of the Bonds may be changed from time to time by the Underwriter without prior notice. The School District will not pay a fee to the Underwriter for underwriting the Bonds.

Morgan Stanley & Co. LLC., an underwriter of the Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

MISCELLANEOUS

Certificate as to the Official Statement

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

Financial Advisor

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

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CONCLUSION

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

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

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

/s/ Lynn Harris

Chairman, Board of Trustees

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APPENDIX A

**A PORTION OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT
OF THE SCHOOL DISTRICT**

FOR FISCAL YEAR ENDED JUNE 30, 2021

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For Fiscal Year Ending
June 30, 2021

2021

*Where Children
are always **FIRST.***



Spartanburg County School District Six

Comprehensive Annual Financial Report



2021

Prepared by Office of Finance

For The Fiscal Year Ended June 30, 2021

Roebuck, South Carolina

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**SPARTANBURG COUNTY SCHOOL DISTRICT SIX
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX

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1390 CAVALIER WAY
ROEBUCK, SOUTH CAROLINA 29376

DR. DARRYL F. OWINGS
SUPERINTENDENT

TELEPHONE (864) 576-4212
FAX (864) 574-6265

December 31, 2021

Members of the Board of Trustees and Citizens of Spartanburg County School District Six

The Comprehensive Annual Financial Report of Spartanburg County School District Six ("the District") for the fiscal year ended June 30, 2021, is submitted herewith. The Comprehensive Annual Financial Report is management's report of the financial operations to the Board of Trustees (the "Board"), taxpayers, grantor agencies, employees, the South Carolina Department of Education, and other interested parties. The government-wide financial statements in this report provide an overview of the District's governmental activities, while detailed fund financial statements describe specific activities of each fund group used in accounting for the District's financial transactions.

Responsibility for the accuracy and completeness of the financial statements and fairness of the presentation, including all disclosures, rests with the District. We believe that the data, as presented, is accurate in all material aspects, that information is presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain maximum understanding of the District's financial activities have been included.

U.S. generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

As required by GAAP, the financial statements of the reporting entity include those of the District (the primary government) in conformity with GASB Statement No. 14, The Financial Reporting Entity, (GASB Statement No. 14). In accordance with GASB Statement No. 14, the District has reviewed its operating entity definition in order to ensure conformance and that this report included all funds and account groups of the District. The District is not included in any other reporting entity, nor are there any other entities included in this report.

District Profile

Spartanburg County School District Six (SD6) is one of seven districts in Spartanburg County. The District is a consolidated unified system formed in 1951 when six smaller local districts were formed into one district. Similar consolidations were done throughout the county to form the other six districts. SD6 operates a system of schools primarily for grades kindergarten through twelve. SD6 has no component units, which are legally separate organizations for which SD6 is financially accountable.

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

Spartanburg County School District Six operates one high school, one ninth grade school, three middle schools, nine elementary schools, and a child development center. The average age of the District's schools from original construction is 40 years. A list of school buildings with respective years of construction (including additions) can be found in the Statistical Data Section. Each day, SD6 challenges and inspires more than 11,252 young people in grades K-12 and 271 four-year-old kindergarten students. SD6 shares RD Anderson Technology and Career Center with Spartanburg School District Four and Spartanburg School District Five, a jointly governed organization. In addition, SD6 shares the Spartanburg County Master Skills Center with the six other Spartanburg County school districts. The District, through its 15 schools, provides services to students from diverse ethnic, academic, and economic backgrounds. There are over 2,081 language minority students who speak 31 languages. A culturally rich District, the student population is comprised of 29% African Americans; 21% Hispanic; 39% Caucasian; 3% Asian/Pacific Islanders; and 8% Multi-Racial.

The mission statement of Spartanburg School District Six is:

Where children are always first, ensures the highest quality education for all children by providing a highly qualified staff, a challenging curriculum, first class facilities, and a safe and nurturing environment.

The beliefs of Spartanburg County School District Six are:

- *All students can learn when provided meaningful appropriate learning opportunities.*
- *A clean, safe, nurturing environment is essential for learning.*
- *A highly qualified motivated staff with high expectations is essential for all children to learn.*
- *Community involvement and parental support are crucial to the learning process.*
- *The District must have a commitment to continuous improvement to ensure student achievement and promote life-long learning.*
- *Our schools serve a vital role in the unity and development of the community.*

ECONOMIC CONDITIONS AND OUTLOOK

Spartanburg County is located in the Northwestern Piedmont section of South Carolina. The county contains the intersection of interstates 85 and 26, which are two of the most traveled interstate highways in the U.S. The School District is located in the southeast central part of the county and encompasses a land area of approximately 138 square miles. Its composition embraces urban, suburban, and rural areas with an estimated population within the School District of 66,652. Spartanburg County is an international melting pot with a history of Scotch-Irish, German and Indian traders of the mid-1700s to its international growth of German, Swiss, Japanese, Indian, Asian, and British companies of today. Spartanburg continues to be a model in world class economic diversification. Spartanburg County has shifted from a county with a high concentration of textiles to one with international firms from diverse industries to sustain economic growth and development. The high concentration of international firms in Spartanburg County has provided national and international exposure to the area as well as a foundation for economic growth. Spartanburg County has one of the highest per capital investment incomes in the nation. Today, over 80 international companies are located in Spartanburg County with over 500 manufacturing firms. With over 25 new projects planned in 2020, Spartanburg County has commitments of \$433.6 million in total investments and 446 new jobs.

Prior to the coronavirus pandemic, the District's sizeable tax base experienced sustained growth, and it is expected to benefit from its location within the regionally important Greenville-Spartanburg metropolitan area after the situation surrounding the pandemic subsides. Fully valued at \$6.2 billion as of 2020, the District's tax base grew at a sound 6.3%. From our industrial beginnings in textiles in the early 20th century to our late 20th century and new millennium status as an automotive hub, Spartanburg County has capitalized on our industrial strengths and evolved into a high-growth economic area. Since Bayerische Motoren Werke Aktiengesellschaft (BMW) located to our area in the mid-'90s, more than 100 automotive-related suppliers and companies have located in the region. BMW Manufacturing produces more than 1,500 vehicles per day for over 125 markets. BMW Manufacturing employs close to 11,000 employees. BMW represents an investment of \$11.4 billion in the footprint of Spartanburg County's economy.

Spartanburg County is served by nationally recognized Spartanburg Regional Healthcare System, highlighted by its investments in state-of-the-art medical technology. Spartanburg Regional Healthcare System employs over 9,000 employees and provides the highest quality of care to patients in Spartanburg, Cherokee and Union counties in South Carolina, and Polk and Rutherford counties in North Carolina.

Spartanburg County offers a wealth of educational opportunities beyond the K-12 experience. Spartanburg County is home of nine higher education centers: the University of South Carolina Upstate, Wofford College, Converse College, Spartanburg Methodist College, Spartanburg Community College, Virginia College, Sherman College of Straight Chiropractic, and the Edward Via College of Osteopathic Medicine. With the opportunities available to higher education in the county comes the challenge in increasing the lower levels of educational attainment.

Spartanburg County School District Six's proportional mix of manufacturing, residential and commercial development continues to strengthen the District's ability to sustain its financial condition. While the coronavirus outbreak caused the county's unemployment rate to spike in the spring of 2020 (reaching 15% as of April), it has since steadily recovered and was 4.5% as of June 2021. The continued investment trend is evidenced by the further expansion of existing companies in the area and the location of new companies in Spartanburg.

Spartanburg County School District Six is committed to preparing children to meet the challenges they may face upon entering life after graduation. Beginning with early childhood to kindergarten through high school, Spartanburg County School District Six continues to focus on college and career readiness to meet the workforce demands of a growing manufacturing and business community and the success of our graduates' pursuit of higher education.

ACCOMPLISHMENTS

Spartanburg County School District Six, for a fifth year in a row, earned an "excellent rating" from the South Carolina Education Oversight Committee. An "excellent rating" means that the District's performance level substantially exceeds the standards for progress.

The graduation rate continues to increase, and more than 75.8% of the graduates of Spartanburg School District Six attend a 2- or 4-year college. The on-time graduation rate is 86.3%.



MAJOR INITIATIVES

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

The District continues to focus on curriculum, instruction, assessment and evaluations, and the social and emotional wellbeing of the student.

The District is committed to continuous improvement and meeting the need for real world learning experiences for students. Recent efforts to meet the needs of our students are all within the vision and the goals of the District.

- Our instructional program begins with the realization that the readiness of our youngest students has a tremendous impact on the rest of their academic career. An early childhood focus is essential to improving academic success for children. In addition, efforts to reduce the number of students K-8 qualifying for intervention and increasing English Language proficiency acquisition for ESOL in listening, speaking, reading and writing have been major instructional initiatives designed to meet the needs of individual students.
- The College and Career Program was designed to create a “college culture” for elementary, middle, and high school students. The dual credit scholarship program provides all students the opportunity to enroll in a dual credit course and attain college credit without restriction of financial barriers, as long as the student maintains an A or B average in the class. For the 2020-2021 school year, Spartanburg County School District Six graduated 719 students, who earned \$35,545,685 in scholarship funding. College or career readiness is the goal for all students by their senior year through dual enrollment, AP courses, or career courses through R.D. Anderson Applied Technology Center. Over 1,091 dual enrollment credits were awarded and 848 AP exams were given. The District was very proud of the highest academic accolades including 51 Palmetto Fellows, one National Merit Finalists, one National Merit Commended, and four College Board Rural and Small Town Scholars.

LONG-TERM FINANCIAL PLANNING

Spartanburg County School District Six is a prudent and conservative steward of taxpayer dollars and focuses its spending on programs that enhance the educational experience of the children it serves. The District remains financially sound and has managed its educational programs within its available resources. Education funding has become more dependent upon the stability and growth of state resources. With the passage of legislation like Act 388, school districts must minimize the volatility of an unstable funding source by building budgets, knowing that federal and state cuts or reductions are possible within any upcoming fiscal year. The future is faced an infusion of federal funds that were authorized under ESSER to support activities such IDEA, Adult Education and Family Literacy Act, coordinate emergency response, address needs of highly vulnerable populations support school leaders and school needs, ensure preparedness and

coordination (systems & procedures), training related to infectious diseases, purchase cleaning supplies to sanitize and clean schools, planning/coordinating for continued education during, purchase education technology, mental health support, and summer learning. The District has begun long-term planning on how to continue the funded services with other dollars once the federal funds expire. Along with the state and local barriers, the School District continues to fiscally plan for the uncertainties in state allocations of education funding.

Public education funding is still volatile, and many unfunded mandates and the full funding of the Education Finance Act will continue to compete with other state funding challenges. Within the education budget, teacher recruitment, teacher shortages, and teacher salaries will continue to be an unfunded priority without significant increases in state revenue to support the general fund budget. With the funding challenges of the SC General Assembly, the District must make proactive financial decisions using historical trends and continuously assess District needs and priorities. Student growth remains manageable and the growth within the tax base solidifies the financial stability of the School District. The District projects multiple year budgets to create sustainability strategies that will sustain the District Six experience in spite of limited growth in state funding in comparison to increases in expenditures caused from growth in employee benefits and teacher salaries. The goal will be to provide financial resources that support the existing and new experiences offered by the District. The short- and long-term goal is to make data driven decisions that prepare all students to be college and career ready based on the prioritization of needs parallels with the district's resources.



CAPITAL IMPROVEMENT PROGRAM

A comprehensive long range school facilities study was completed in 2019 and updated in 2021. The report provided recommendations for meeting long range facility needs based on demographic projections, educational adequacy, the capacity of each school, and the fiscal impact of implementing the recommendations. The District internally updates the capital plan using enrollment forecasting tools which forecast no significant changes in enrollment in the next three to five years. School enrollment and facility assessments continue to be updated annually in the District. The District completed a new Fairforest Middle school, which opened in the 2019-2020 school year. The new

middle school was designed to accommodate a STEAM curriculum with three grade level houses and a fine arts house. The new Fairforest Middle addresses building infrastructure challenges resulting from the old Fairforest Middle School building's age, as well as resolves middle school capacity challenges arising from the northern region of the School District. The School District has begun capital discussions for additions at three 3 elementary schools. As enrollment growth continues, the District has reviewed the capacity and age of the buildings to prioritize the next additions. The District is planning for additions at Arcadia Elementary, Fairforest Elementary, and Lone Oak Elementary. Also, upon completion of the additions, the District will begin planning for a new middle school to replace the existing Dawkins Middle School.

BUDGETARY CONTROLS

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Board of Trustees. Activities of the general fund and debt service fund are included in the annual appropriated budget. Capital projects funds are budgeted on a project basis. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and to provide the means by which spending activities are controlled. The District maintains an encumbrance accounting system as one technique of accomplishing budgetary control. The District utilizes a line-item budget of proposed expenditures and the means of financing them. The emphasis of the budget process is to identify the activities requiring resources and to prioritize those activities according to the needs of the entire District. Budgetary control is maintained at the function level by organizational unit through the encumbrance of estimated purchase amounts to coincide with the execution of contracts, approval of personnel transactions, or release of purchase orders to vendors. The superintendent approves any proposed expenditures that exceeds the budget at the function level. As demonstrated by the statements and schedules included in the financial section of this report, the District continues to meet its responsibility of sound financial management.

INTERNAL CONTROLS

To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with the U.S. generally accepted accounting principles (GAAP). As the cost of internal controls should not outweigh their benefits, the District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the government-wide activities and governmental funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

RETIREMENT PLAN

Substantially all District employees are members of a pension plan. The South Carolina Public Employee Benefit Authority (PEBA) administers five public pension plans; four are defined benefit plans and one is a defined contribution plan. Currently, the majority of District employees are participants in the defined contribution plan.

The Systems' defined contribution plan offers retirement and disability benefits, cost of living adjustments, life insurances and survivor benefits. The plan's provisions are established under Title 9 of the SC Code of Laws. Comprehensive Annual Financial Reports containing financial statements and required supplementary information for the system is issued and publicly available by writing the PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

INDEPENDENT AUDIT

Spartanburg County School District Six's financial statements were audited by Halliday, Schwartz, & Co.. The audit was made in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards. The financial statements present fairly the financial position of Spartanburg County School District Six at June 30, 2021. Their audit also includes the single audit on federal awards.

AWARDS

The Government Finance Officers Association (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to Spartanburg County School District Six for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2020. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

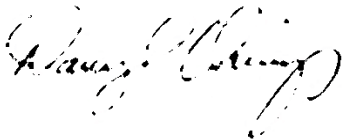
In addition, the District was also awarded The Association of School Business Officials International Certificate of Excellence in Financial Reporting for its CAFR for the fiscal year ended June 30, 2020. This award is the highest form of recognition in school financial reporting issued by the Association of School Business Officials International. The District is pleased to receive this award and we believe our current report continues to conform to the Certificate of Excellence program requirements. A Certificate of Excellence is valid for one year only.

ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the staff of the District. We would like to express appreciation to all the members of this office who assisted in the timely closing of the School District's financial records and the preparation of this report.

In closing, sincere gratitude is expressed to the Board of Trustees for their leadership and dedication to Spartanburg County School District Six, its taxpayers, employees, and most importantly, its students. To the citizens of Spartanburg County School District Six, please accept our gratitude for your support of our successful School District.

Respectfully submitted,



Dr. Darryl Owings,
Superintendent



Dr. Omar Daniels
Assistant Superintendent for Finance

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Spartanburg County School District Six
South Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morrell

Executive Director/CEO

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ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

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

Spartanburg School District Six

**for its Comprehensive Annual Financial Report
for the Fiscal Year Ended June 30, 2020.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence.



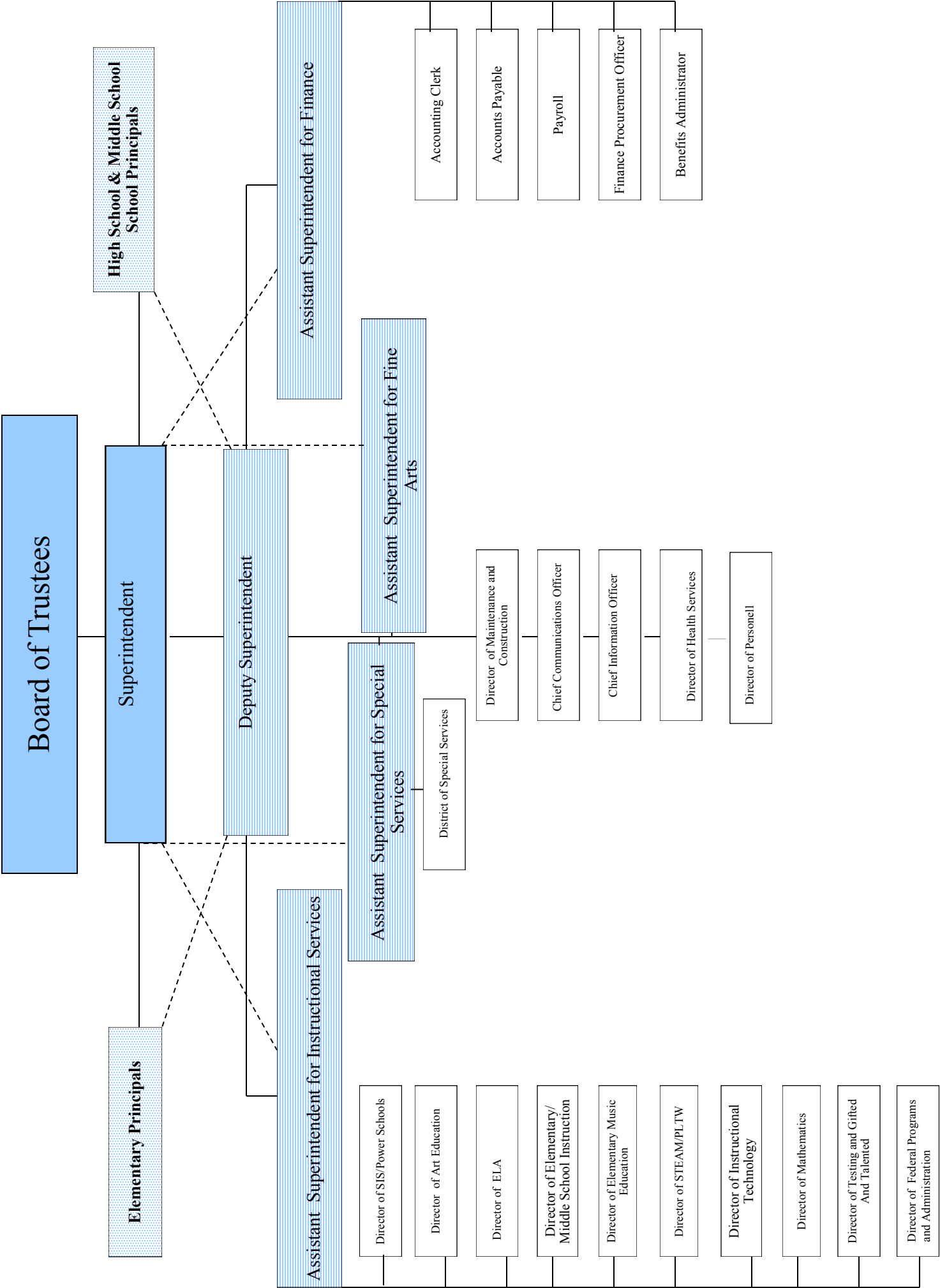
W. Edward Chabal

W. Edward Chabal
President

David J. Lewis

David J. Lewis
Executive Director

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**SPARTANBURG COUNTY SCHOOL DISTRICT SIX
DAVID L. EUBANKS ADMINISTRATIVE BUILDING
1390 CAVALIER WAY, ROEBUCK, SOUTH CAROLINA 29376**

Board of Trustees and Administrative Officials

The Board of Trustees

Mr. Lynn Harris	Chairman
Mrs. Christie Johnson	Vice-Chairman
Mr. Henry Ross	Secretary
Mr. Charles Boyd	Member
Mr. Michael Crook	Member
Mr. Michael Forrester	Member
Rev. Kevin Harrison	Member
Dr. Mary Lou Hightower	Member
Mr. Wendell Lee	Member

Administrative Officials

Dr. Darryl Owings
Superintendent

Mr. Ken Kiser
Deputy Superintendent

Dr. Omar Daniels
Assistant Superintendent for Finance

Dr. Alan Eggert
Assistant Superintendent for Special Services

Dr. Donna Gutshall
Assistant Superintendent for Fine Arts

Mrs. Shawn Wootton
Chief Academic Officer

Financial Section



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

Independent Auditor's Report

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Spartanburg County School District Six ("the District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Spartanburg County School District Six, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter - Change in Accounting Principle & Restatement of Beginning Net Position/Fund Balance

As discussed in Note 13 and 14 to the financial statements, as of June 30, 2021 Spartanburg County School District Six adopted new accounting guidance, Statement No. 84 of the Governmental Accounting Standards Board (GASB), *Fiduciary Activities*. The implementation of GASB No. 84 resulted in the restatement of beginning net position and fund balances. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 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, misrepresentation, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

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

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

Other Information

Management is responsible for the other information included in the comprehensive annual financial report. The other information comprises of the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021, on our consideration of Spartanburg County School District Six's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 23, 2021

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Introduction

Our discussion and analysis of Spartanburg County School District Six (SD6) financial performance provides and overview of SD6's financial activities for the fiscal year ended June 30, 2021. It should be read in conjunction with SD6's financial statements and notes to the financial statements to enhance their understanding and use of the financial report.

Financial Highlights

- On the governmental funds balance sheet, the assets of SD6 exceeded the liabilities and deferred inflows of resources by \$40.8 million.
- Total revenues increased \$10.0 million from \$148.9 million in fiscal year 2020 to \$158.9 million in fiscal year 2021.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,205,587 which is 14.2% of total General Fund expenditures for fiscal year 2021.
- At the end of the current fiscal year, fund balance for the General Fund increased 15.9% for fiscal year 2021.
- The debt obligations of SD6 that receive credit ratings are rated with a credit enhancement from the State of South Carolina and receive rating of "Aa1" by Moody's Investor Service Inc.

On the financial statements:

- The District implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *"Fiduciary Activities in 2021"*. The statement established criteria for identifying activities of all state and local governments. Based on the implementation of GASB No. 84, the pupil activity funds, as previously reported as agency funds, will now be reported as special revenue funds in the Special Revenue Fund-Special Projects major fund. There will be no fiduciary activities in the district in 2021.
- The District implemented Governmental Accounting Standards Board ("GASB") Statement No. 75, *"Accounting and Financial Reporting for Postemployment Benefits other than Pensions"* ("GASB 75" or "Statement") in 2018. The statement established financial reporting requirements and related disclosures for postemployment benefits. The Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer-Plans*. GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Overview of the Financial Statements

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

SD6's basic financial statements consist of two types of statements, the government-wide financial statements and the fund financial statements, each with a different perspective of SD6's financial condition.

- Government-wide financial statements including the Statement of Net Position and the Statement of Activities which provide a broad, long-term overview of SD6 finances,
- Fund financial statements that provide a great level of detail of revenues and expenditures and focus on how well SD6 has performed in the short term in the most significant funds, and
- The notes to the financial statements explain some of the information in the financial statements and provide more detailed data.

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the readers with a broad overview of the SD6's finances, in a manner similar to private sector business. The Statement of Net Position and the Statement of Activities provide information about the activities of the school district as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting. The basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The **Statement of Net Position** presents information on all of SD6's assets plus deferred outflows of resources and liabilities less deferred inflows of resources, with the difference between the two reported as *net position*. Increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

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

Fund Financial Statements

The fund financial statements provide more detailed information about SD6's funds, focusing on its most significant or *major* funds – not the school district as a whole. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

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

The school district has only Governmental Funds.

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

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

SD6 maintains 7 significant governmental funds: General Fund, Special Revenue-Special Projects, Education Improvement Act, Food Service, Spartanburg County Alternative School, Debt Services, and the Capital Projects Fund. The basic governmental fund financial statements can be found on Exhibits C-1 through Exhibit D-1 of this report.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

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

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Financial Analysis as a Whole

All of SD6's services are reported in the government-wide financial statements, excluding fiduciary funds. Instruction, support services, community services, and interest and other charges are reported in the government-wide statements. Property taxes, state grants, operating grants and contributions, and investment earnings finance most of these activities. Additionally, all capital and debt financing activities are reported here.

Net Position

The following table provides a summary of SD6's net position as of June 30, 2021 and 2020.

Summary of Net Position As of June 30				
Governmental Activities				
	2021	2020*	Difference	%Change
Current assets	\$ 55,267,703	\$ 43,238,393	\$ 12,029,310	27.8%
Capital assets, net	204,000,734	210,839,072	(6,838,338)	-3.2%
Total Assets	259,268,437	254,077,465	5,190,972	2.0%
Deferred Outflows of Resources	57,849,427	33,163,006	24,686,421	74.4%
Current liabilities	14,008,700	13,890,991	117,709	0.8%
Long-term liabilities	336,903,989	298,608,901	38,295,088	12.8%
Total Liabilities	350,912,689	312,499,892	38,412,797	12.3%
Deferred Inflows of Resources	10,178,114	12,496,296	(2,318,182)	-18.6%
Net Position:				
Net Investment				
in Capital Assets	190,959,125	185,614,780	5,344,345	2.9%
Debt Service-Restricted	5,779,010	4,882,530	896,480	18.4%
Unrestricted	(240,711,074)	(228,253,027)	(12,458,047)	-5.5%
Total Net Position	\$ (43,972,939)	\$ (37,755,717)	\$ (6,217,222)	-16.5%

*Not restated for MD&A purposes.

Total assets increased \$5.2 million or 2.0% above June 30, 2020. At year end for governmental activities, capital assets represented 78.7% of total assets. Capital assets decreased \$6.8 million or 3.2% due to \$8.6 million in capital assets depreciation expense exceeding \$1.8 million in additions of capital assets.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Current assets increased in governmental activities primarily due to increases in due from Federal Government, caused by timing differences. Cash decreased \$12.0 million, as cash was invested in the SC Local Government Pool. Cash for the school building fund and all special revenue funds except the special revenue – food service fund (petty cash) are accounted for in the General fund under the district's consolidated cash account through "Due To" and "Due From" on the financial statements. Taxes receivable decreased from \$11.1 million in fiscal year 2020 to \$8.2 million in fiscal year 2021, a decrease of \$2.9 million. Accounts receivables decreased \$101,004 primary due to a decline in student food service balances. Fiscal year end billings to other school districts decreased the Due from other school districts by \$236,168. Inventories increased \$144,403 as inventory increased due to the supply chain challenges.

Deferred outflows of resources accounted for \$57,849,427. For the year ended 2021, SD6 recognized deferred outflows of resources in the South Carolina Police Officers Retirement System and the South Carolina Police Officers Retirement System of \$1.8 million accounting for pension actual differences between expected and actual experiences, \$.2 million in changes in assumptions, \$11.8 million in the net difference between projected and actual earnings on pension plan investments, \$1.7 million in changes in proportion and differences between District contributions and proportionate share of contributions, and \$10.4 million in district contributions subsequent to the measurement date. In addition, SD6 recognized net difference between projected and actual earnings on OPEB plan investments of \$4.1 million, \$21.5 million in OPEB changes in assumptions, \$.2 million in the net difference between projected and actual earning on OPEB plan investments, \$1.6 million in changes in proportion and differences between District contributions and proportionate share of contributions, and \$4.7 million in district contributions subsequent to the measurement date.

Current liabilities increased \$117,709. Accounts payables decreased \$303,767 as food service payables decreased at the end of the fiscal year. Accrued salaries and withholdings increased \$1.2 million. Unearned revenues decreased \$988,467. Several state funds by state law have funding flexibility which allows SD6 to carry forward those unspent resources as unearned revenues for one year and expend those resources in the subsequent fiscal year.

Long-term liabilities are comprised by five components: net pension and OPEB liability, general obligation bonds, capitalized leases, and unamortized premiums. Net pension liabilities increased \$17.3 million and \$160,114,499 was recorded as a long term liability. \$144,370,595 in net OPEB liabilities were recorded as a long term liability. Noncurrent liabilities due within one year decreased \$5.5 million. Total long-term liabilities increased by \$38.2 million primarily due to increase in net pension and OPEB liability but was offset by the retirement of long term debt. \$33.5 million in general obligations debt was issued during the 2021 fiscal year and \$38.6 million in general obligation debt was retired.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Deferred inflows of resources accounted for \$10.2 million. For the year ended 2021, SD6 recognized \$.6 million for the difference between expected and actual experience, \$3,759 in the changes in proportion and differences between District contributions and proportionate share of contributions. In addition for OPEB plans, SD6 recognized deferred inflows of resources of \$3.3 million for differences between expected and actual experience, \$5.7 million in changes in assumptions, \$530,752 in changes in proportion and differences between District contributions and proportionate share of contributions, and \$789 in changes in proportion and differences between District contributions and proportionate share of contributions.

Net Position decreased \$5.2 million or 13.5% above June 30, 2020 primarily as a result of the increase in deferred outflows of resources. Net position comprises of investments in capital assets less any related debt, debt services, and unrestricted net position. Investments in capital assets less any related debt used to acquire those assets that is still outstanding is \$191.0 million. Capital assets, net of depreciation decreased \$6.8 million or 3.2% below June 30, 2020. This net decrease represents \$1.8 million of additions, \$199,593 in deductions, and \$8.5 million in additions and deductions of accumulated depreciation. SD6 uses these capital assets to provide services to students; therefore these assets are not available for future spending. An additional fraction of net position, \$5.8 million is restricted for debt services.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Operating Results

The following table provides a summary of the changes in net position for SD6 for the years ended June 30, 2021 and 2020:

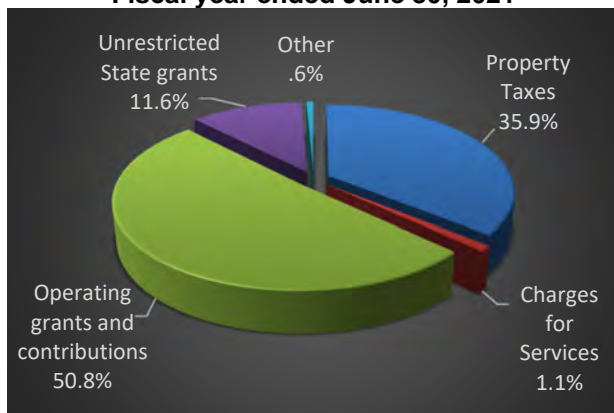
SUMMARY OF CHANGES IN NET POSITION				
For the Year Ended June 30				
Governmental Activities				
	2021	2020*	Difference	%Change
Revenues:				
Program Revenues:				
Charges for services	\$ 1,689,361	\$ 2,067,732	\$ (378,371)	-18.3%
Operating grants and contributions	81,047,908	73,565,873	7,482,035	10.2%
Total Program Revenues	82,737,269	75,633,605	7,103,664	9.4%
General Revenues				
Property Taxes (general fund)	40,142,447	37,930,262	2,212,185	5.8%
Property taxes (debt services)	17,107,348	16,264,079	843,269	5.2%
Unrestricted state grants	18,452,168	17,559,118	893,050	5.1%
Sale of Capital assets	-	11,725	(11,725)	NA
Miscellaneous	1,101,821	1,156,087	(54,266)	-4.7%
Unrestricted investment earnings	90,488	363,192	(272,704)	-75.1%
Total General Revenues	76,894,272	73,284,463	3,609,809	4.9%
Total Revenues	159,631,541	148,918,068	10,713,473	7.2%
Expenses:				
Instruction	97,457,066	88,613,519	8,843,547	10.0%
Support Services	66,869,686	60,722,602	6,147,084	10.1%
Community services	4,606	792	3,814	481.6%
Interest and other charges	534,906	861,558	(326,652)	-37.9%
Total Expenses	164,866,264	150,198,471	14,667,793	9.8%
Change in Net Position	(5,234,723)	(1,280,403)	(3,954,320)	308.8%
Beginning Net Position	(37,755,717)	(36,475,314)	(1,280,403)	3.5%
GASB No. 84 Note 13	(982,499)			
Ending Net Position	\$ (43,972,939)	\$ (37,755,717)	\$ (6,217,222)	16.5%

*Not restated for MD&A purposes

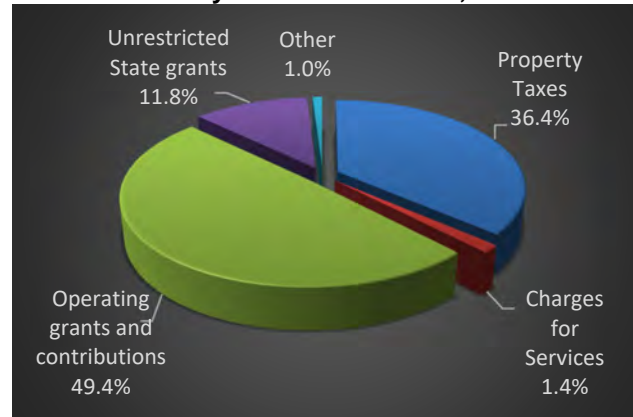
SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

**Revenues by Source – Governmental Activities
Fiscal year ended June 30, 2021**



**Revenues by Source – Governmental Activities
Fiscal year ended June 30, 2020**



Changes in Net Position. SD6's total revenues were \$159.6 million. Operating grants and unrestricted state grants primarily from state sources represent 62.4% of the districts revenues. Property taxes represented 35.9% and charges for services represented 1.1% of total revenues. The total cost of all programs and services was \$164.9 million. The net position of the SD6s governmental activities decreased by \$5.2 million due to increases in instruction and support service expenses exceeding revenues. The following is a summary of the governmental activities:

- Some of the governmental activities cost was funded by program revenues directly attributable to specific activities. These program revenues amounted to \$82.7 million.
- The remaining cost of governmental activities not directly funded by program revenues was \$82.1 million of which \$57.2 million was funded by property taxes and \$18.5 million was funded by unrestricted state grants.

Total revenues increased \$10.7 million or 7.2% primarily due to increases in operating grants and general revenues. Operating grants and contributions increased \$7.5 million or 10.2% due to increased contributions from federal programs and from the South Carolina Department of Education. Property taxes (general fund) revenue increased \$2.2 million or 5.8% due to growth in real property, retail, manufacturing, vehicles, and fee in lieu. Total revenues in general fund and debt service reflected growth in 4% residential property that is exempt from property taxes in the general fund but assessable in the Debt Service Fund. Property taxes (debt service) revenue increased \$.8 million. Unrestricted state revenue increased due to Tier III reimbursements for 4% residential property increased based on the student growth of the district and the Consumer Price Index.

Total expenses increased \$14.7 million or 9.8% primarily due to increases in instructional and support services. Instruction increased 10.0% primarily due experience increases in salaries, benefit increases, and expenses included from Coronavirus Aid, and the inclusion of fiduciary activities in the special revenue fund as noted in GASB 84 that were previously recorded in a fiduciary fund. Support services expenses increased 10.1% from cost of living and experience increases, purchases of COVID personal protective equipment, and increases in school food service expenditures.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Interest and other charges decreased \$326,652 as general obligation additions decreased in 2021.

Capital Assets

At June 30, 2021 SD6 had \$204,000,734 invested in a broad range of capital assets, including land, buildings, building improvements, and equipment. The amount represents a net decrease (including additions, deductions and depreciation) of \$6.8 million or 3.2% from fiscal year 2020.

CAPITAL ASSETS							
For the Year Ended June 30							
Governmental Activities							
	2020	Additions	Deductions	Transfers	2021	Difference	%Change
Land	\$ 6,314,126	\$ -	\$ -	-	\$ 6,314,126	\$ -	0.0%
Buildings	295,894,660	319,446	-	180,269	296,394,375	499,715	0.2%
Improvements other than buildings	14,564,396	198,269	-	-	14,762,665	198,269	1.4%
Equipment	16,310,949	1,270,457	(199,593)	-	17,381,813	1,070,864	6.6%
Construction in progress	228,697	35,946	-	(180,269)	84,374	(144,323)	-63.1%
Total Capital							
Assets	<u>333,312,828</u>	<u>1,824,118</u>	<u>(199,593)</u>	<u>-</u>	<u>334,937,353</u>	<u>1,624,525</u>	0.5%
Less							
Accumulated depreciation	<u>(122,473,756)</u>	<u>(8,662,456)</u>	<u>199,593</u>	<u>-</u>	<u>(130,936,619)</u>	<u>(8,462,863)</u>	6.9%
Total Capital							
Assets, net.	<u>210,839,072</u>	<u>(6,838,338)</u>	<u>-</u>	<u>-</u>	<u>204,000,734</u>	<u>(6,838,338)</u>	-3.2%

Capital assets increased due to primarily building improvements and equipment purchases. Capital assets from various district projects were added including roof improvements, renovations to the Master Skills Center, food service equipment, HVAC, farm equipment, maintenance and custodial equipment and vehicles. Total capital increases were offset by \$8.7 million in depreciation expenses. Additional information on SD6's capital assets can be found in Note 3 of the Financial Statements.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Long term Debt and Capitalized Lease Obligations

As of June 30, 2021, SD6 had \$32,418,895 in total debt versus \$46,597,476 from the last fiscal year. A summary of the long term debt and capitalized lease obligations are listed in the following table:

LONG TERM DEBT AND CAPITAL LEASE OBLIGATIONS				
For the Year Ending June 30				
	Governmental Activities			
	2020	Additions	Deductions	2021
General Obligation Bonds				
2018 GO Bond Series	3,260,000	-	3,260,000	-
2019 GO Bond Series	7,000,000	-	4,000,000	3,000,000
2020 GO Bond Series	-	15,500,000	7,365,000	8,135,000
2019 GO Bond Anticipation Notes	24,000,000	-	24,000,000	-
2020 GO Bond Anticipation Notes	-	18,000,000	-	18,000,000
SubTotal	34,260,000	33,500,000	38,625,000	29,135,000
Capital Leases	-	3,000,000	602,000	2,398,000
Unamortized Premiums	689,802	1,556,890	1,360,797	885,895
Total Debt	34,949,802	\$ 38,056,890	\$ 40,587,797	\$ 32,418,895

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

State statutes limit the amount of general obligation debt a governmental entity may issue up to 8% of its total assessed valuation. The district may choose to exceed its 8% limit on bonded indebtedness by a majority vote of the qualified electors of the school district voting in a referendum. The district has no debt issued by referendum currently. The legal debt margin for the fiscal year ending 2021 for SD6 is \$22,488,222. The district has \$18.0 million in General obligation bond anticipation notes that were classified as short-term obligations expected to be refinance in accordance to GASB 62. Additional information on SD6's long term debt and capital lease obligations can be found in Note 4 of the Financial Statements.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Governmental Funds - Revenues and Other Financing Sources

REVENUES AND OTHER FINANCING SOURCES					
For the Year End June 30					
Governmental Funds					
	2021	2020	2021 Percent of Total	Increase (Decrease) from 2020	Percent Increase (Decrease) from 2020
Local property taxes	\$ 57,602,928	\$ 53,950,672	25.1%	\$ 3,652,256	6.8%
Other local	2,849,245	3,587,011	1.2%	(737,766)	-20.6%
Intergovernmental	1,016,190	1,009,134	0.4%	7,056	0.7%
State	80,487,720	77,313,269	35.0%	3,174,451	4.1%
Federal	16,948,579	13,043,847	7.5%	3,904,732	29.9%
Subtotal	158,904,662	148,903,933	69.1%	10,000,729	6.7%
Other financing sources	70,915,846	83,306,859	30.9%	(12,391,013)	-14.9%
Total	\$ 229,820,508	\$ 232,210,792	100.0%	\$ (2,390,284)	-1.0%

- **Property taxes** increased by 6.8% above fiscal year 2020 as real property, retail, manufacturing, vehicles and fee in lieu increased by \$6.0 million in assessment. Collections for property taxes increased \$1.3 million above fiscal year 2020. Vehicle collections increased \$465,297 and delinquent taxes increased \$613,701 from the previous fiscal year. Fee in Lieu of Taxes increased \$528,757 above the previous fiscal year.
- **Other local** decreased \$.7 million primarily from decreases in interest revenues of \$269,221, local food service revenues or paid meals decreased \$857,526 as all meals to students were designated as free by the USDA, and in efforts to social distance some Medicaid services were unbillable decreasing Medicaid revenue \$246,840. The decrease was offset by the addition of pupil activity revenues as required by implementing GASB 84.
- **Intergovernmental** increased .7% from an increase in billable satellite program expenditures to McCarthy/Teszler school.
- **State revenue** increased \$3.1 million. The state did not increase it's the Education Finance Act (EFA) base student cost funding from \$2,489 but the changes to district's average daily membership and weighted pupil resulted into a net increase of \$339,434. Coronavirus Relief Funds totaled \$1.9 million and were not in the previous fiscal year. State aid to classroom for partial funding of the cost of living increase was \$505,073. Employer fringe benefits were increased \$311,906. Education Improvement Act Funds were decreased primarily from (CERDEP) Funding and decreased expenditures in Aid to District, Career and Technology Education, and Summer Reading.
- **Federal revenue** increased \$3.9 million primarily from the increases in federal revenue for COVID related funding including Coronavirus Aid, Relief, & Economic Security Act and ESSER II.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

- **Other financing sources** decreased \$12.4 million primarily from the issuance of general obligation bond anticipation notes of \$18.0 million in 2021 in comparison to the \$24.0 million issued in 2020. Transfers in decreased from \$43.8 million in 2020 to \$32.8 million in 2021.

Governmental Funds - Expenditures

EXPENDITURES					
For the Year Ended June 30					
Governmental Funds					
	2021	2020	2021 Percent of Total	Increase (Decrease) from 2020	Percent Increase (Decrease) from 2020
Current:					
Instruction	\$ 78,525,997	\$ 73,919,906	36.3%	\$ 4,606,091	6.2%
Supporting Services	61,434,877	56,039,674	28.4%	5,395,203	9.6%
Community Services	4,606	792	0.0%	3,814	481.6%
Intergovernmental	1,190,258	2,517,850	0.6%	(1,327,592)	-52.7%
Debt Service					
Principal	39,227,000	50,088,000	18.1%	(10,861,000)	-21.7%
Interest	1,489,469	2,324,718	0.7%	(835,249)	-35.9%
Other Objects	190,007	160,806	0.1%	29,201	18.2%
Capital Outlay	1,468,303	8,566,090	0.7%	(7,097,787)	-82.9%
Subtotal	183,530,517	193,617,836	84.8%	(10,087,319)	-5.2%
Other financing uses	32,826,530	43,833,466	15.2%	(11,006,936)	-25.1%
Total	<u>\$ 216,357,047</u>	<u>\$ 237,451,302</u>	<u>100.0%</u>	<u>\$ (21,094,255)</u>	<u>-8.9%</u>

Instruction increased primarily due to:

- Classroom teaching and assistant positions primarily were added in fiscal year 2020-2021 to maintain class size ratios and support instruction in the school district as students returned to face to face teaching combined with virtual learning options in the school district. The maintaining of virtual staffing with face to face staffing increased staffing levels in the district. All governmental funds with the exception of Debt Service account for salaries and benefits. All employees received an experience increase during the 2020-2021 school year. Salaries increased \$2.3 million above 2020. Employee benefits increased \$825,486 above fiscal year 2019-2020 primarily from increases in retirement and health insurance. In addition, salaries for previously recorded in fiduciary funds were recorded in special revenue funds. Expenditures for PPE and interventions related to COVID 19 were recorded in 2020-2021.

Supporting Services increased primarily due to:

- All employees received an experience increase during the 2020-2021 school year. In addition salaries increased \$626,499 for maintenance, custodians, bus drivers. In addition, salaries for previously recorded in fiduciary funds were recorded in special revenue funds. Total salaries increased \$441,720 above the 2020 school year. Expenditures for PPE related to COVID 19 were recorded in 2020-2021.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Intergovernmental decreased 52.7% primarily due to nonemployer contributions for retirement and OPEB.

Debt service decreased \$11.7 million due to decreases in principal and interest expenditures related to Bond anticipation notes.

Capital Outlay decreased \$7.1 million as there was no major building construction during 2020-2021.

General Fund

The general fund is the chief operating fund of SD6. At the end of the fiscal year 2021 and 2020, the unassigned fund balance of the general fund was \$15.2 million and \$13.4 respectively. The total fund balance of the general fund increased by \$2.1 million in fiscal year 2021.

GENERAL FUND REVENUES

For the Year End June 30

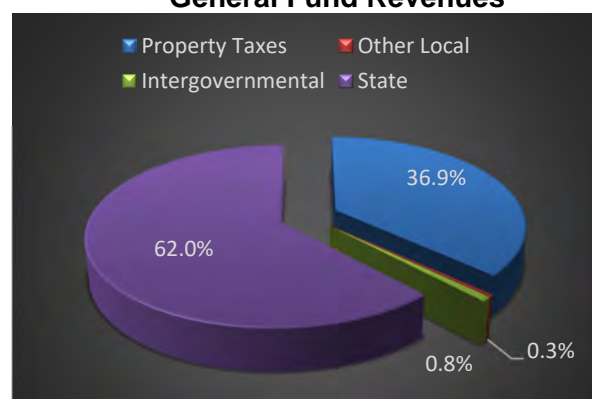
	2021	2020	2021 Percent of Total	Increase (Decrease) from 2020	Percent Increase (Decrease) from 2020
Local property taxes	\$ 40,495,580	\$ 37,686,593	36.9%	\$ 2,808,987	7.5%
Other local	282,293	455,320	0.3%	(173,027)	-38.0%
Intergovernmental	837,466	835,743	0.8%	1,723	0.2%
State	67,999,802	65,934,540	62.0%	2,065,262	3.1%
Total	<u>\$ 109,615,141</u>	<u>\$ 104,912,196</u>	<u>100.0%</u>	<u>\$ 4,702,945</u>	<u>4.5%</u>

General Fund Revenues.

Revenues for the General Fund totaled \$109,615,141, an increase of \$4.7 million above fiscal year 2020. Local property taxes increased from assessment growth within the school district. The largest change in assessment was in real property, a \$7.0 million increase, and retail, a \$1.3 million increase in tax assessment. Fee in Lieu of property taxes increased \$1.2 million and manufacturing increased \$809,860 in assessed value. Personal property decreased by \$896,245, and vehicles increased by \$177,999.

The District's local property taxes account for 36.9% of the District's General Fund revenues while state revenues account for 62.0%. Other local decreased \$173,027 as earning on investments decreased below 2020 and the discontinuation of a local grant.

General Fund Revenues



SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Intergovernmental revenues increased \$1,723 primarily from an increase in McCarthy/Teszler satellite class billing. State funding increased \$2.1 million as the step increase funding increased \$505,073, property tax relief increased by \$347,067, and fringe benefits increased by \$311,906.

GENERAL FUND EXPENDITURES

For the Year Ending June 30

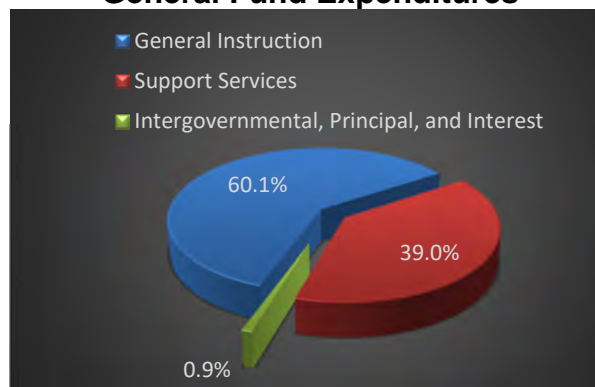
	2021	2020	2021 Percent of Total	Increase (Decrease) from 2020	Percent Increase (Decrease) from 2020
Current:					
Instruction	\$ 64,371,330	\$ 62,775,454	60.1%	\$ 1,595,876	2.5%
Supporting Services	41,783,718	41,065,054	39.0%	718,664	1.8%
Intergovernmental	981,576	1,233,891	0.9%	(252,315)	-20.4%
Total	<u>\$ 107,136,624</u>	<u>\$ 105,074,399</u>	<u>100.0%</u>	<u>\$ 2,062,225</u>	<u>2.0%</u>

General Fund Expenditures.

Expenditures for the general fund totaled \$107,136,624 an increase of 2.0% above fiscal year 2020. Instructional expenditures increased 2.5% and support services increased 1.8%. Instructional expenditures increased \$1.6 million primarily in salaries due to experience increase and additional positions to maintain face to face and virtual staffing. Health insurance and employer retirement contribution increased instructional and support service expenditures. Class size

reduction was a priority for the school district during the COVID pandemic. Salary and benefit line items were increased as a result of maintaining low class sizes for face to face teaching resulting into greater social distancing. In addition, the school district granted an appreciation bonus to all employees for their dedication and service during the pandemic. Instructional software as result of remote learning increased \$53,999. General Liability insurance increased \$200,004. Maintenance and Operations cost increased \$1.1 million above 2020 with the largest increases in staffing needing during the pandemic. Other maintenance and operations increases were in HVAC supplies, grounds keeping supplies, and grounds equipment. General instruction accounts for 60.1% of general fund expenditures while support cost is 39.0% which includes district support, school administrators, nursing, guidance, school media, school psychologist, school operations and maintenance, pupil transportation, and professional development.

General Fund Expenditures



Special Revenue Funds. Special revenue fund revenues have increased \$3.0 million or 11.5% above fiscal 2020. Special revenue-Special Projects revenues increased \$5.8 million primarily from increased revenues in Coronavirus Aid, Relief, & Economic Security Act (Cares Act) and ESSER II. In addition, pupil activity funds in previous year held in a fiduciary fund were added to Special Projects as required by GASB 84. Special revenue-EIA decreased \$1.1 million from decreases CERDEP, Aid to District and At Risk funding.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Special revenue-Food Service decreased \$1.4 million from decreased allocations for delivered home meals that students received while on virtual learning during COVID. Funding for special revenue is dependent upon state revenue sources such as sales tax, state lottery, federal appropriations, or state general fund revenues.

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

SPECIAL REVENUE EXPENDITURES

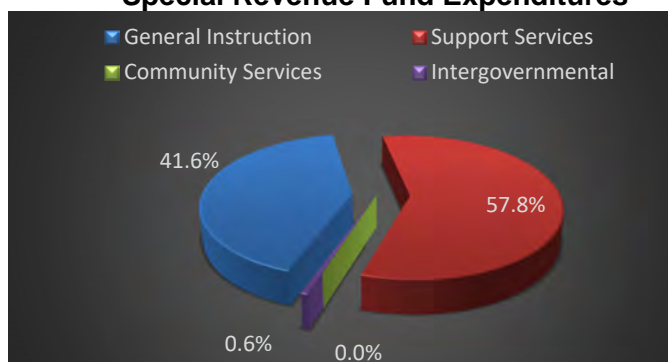
For the year ended June 30

	2021	2020	2021 Percent of Total	Increase (Decrease) from 2020	Percent Increase (Decrease) from 2020
Current:					
Instruction	\$ 14,154,667	\$ 11,144,452	46.8%	\$ 3,010,215	27.0%
Supporting Services	15,889,562	14,974,620	52.5%	914,942	6.1%
Community Services	4,606	792	0.0%	3,814	481.6%
Intergovernmental	208,682	1,283,959	0.7%	(1,075,277)	-83.7%
Total	<u>\$ 30,257,517</u>	<u>\$ 27,403,823</u>	<u>100.0%</u>	<u>\$ 2,853,694</u>	<u>10.4%</u>

Special Revenue Fund Expenditures

Special Revenue Fund Expenditures

Expenditures for the special revenue fund were \$30.3 million, an increase of \$2.9 million or 10.4%. Special revenue-special projects expenditures increased \$3.0 million from additional positions funded with CARES Act and ESSER II funding. The federal funds included additional teachers to lower class size and for virtual learning, interventionist for learning loss experienced during virtual



learning during the 2019-20 school year, PPE, and counselors for social emotional learning. Special Revenue-Food Service decreased 19.3% as compensation of COVID hazardous pay during 2019-20 for meals delivered to the students home was discontinued in 2020-21 and labor hours were returned to face to face teaching levels.

DEBT SERVICE EXPENDITURES

For the year ended June 30

	2021	2020	2021 Percent of Total	Increase (Decrease) from 2020	Percent Increase (Decrease) from 2020
Debt Service Fund					
Principal	\$ 39,227,000	\$ 50,888,000	95.9%	\$ (11,661,000)	-22.9%
Interest	1,489,469	2,324,718	3.6%	(835,249)	-35.9%
Other Objects	190,007	160,806	0.5%	29,201	18.2%
Total	<u>\$ 40,906,476</u>	<u>\$ 53,373,524</u>	<u>100.0%</u>	<u>\$ (12,467,048)</u>	<u>-23.4%</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Debt Service Fund.

Debt service expenditures decreased \$12.5 million from the defeasance of a bond anticipation notes of \$24.0 million. Fund balance for the debt service fund increased \$1.2 million or 24.3% as collection rates and assessment values particularly in real property increased resulting in an increase to fund balance.

CAPITAL PROJECT EXPENDITURES					
For the year ended June 30					
	2021	2020	2021 Percent of Total	Increase (Decrease) from 2020	Percent Increase (Decrease) from 2020
Capital Project Fund					
Support	3,761,597	-	71.9%	3,761,597	
Capital Outlay	1,468,303	8,566,090	28.1%	(7,097,787)	-82.9%
Total	<u>\$ 5,229,900</u>	<u>\$ 8,566,090</u>	<u>100.0%</u>	<u>\$ (3,336,190)</u>	<u>-38.9%</u>

Capital Project Fund.

Capital project fund revenues and other financing sources decreased as the district decreased the outstanding Bond Anticipation Note proceeds in 2020-21 that are accounted in the Capital Projects Fund. Capital fund expenditures decreased \$7.1 million as the district had no major building addition as in the previous fiscal year. Support services increased by \$3.8 million due to Cares Act funds been provided for building improvements during the pandemic to improve indoor air quality and provide individual student barriers. Fund balance for capital projects increased \$9.7 million as the district plans to build fund balance for future new school construction and renovations projects.

Economic Factors and Next Year's Budget

We are pleased that the school district continues to operate on the foundation of a strong financial position. COVID 19 has increased fiscal uncertainties for school districts but the adoption of Coronavirus Aid, Relief, and Economic Security (CARES) Act funding designated for public schools has minimized potential budget shortfalls created from instructional demands for student regression during virtual learning. The decisions of the board of trustees have guided the school district through the challenges of fiscal uncertainties triggered during the pandemic paralleled with state funding uncertainties. Programmatic funding challenges continue such as unfunded educational mandates from the state, teacher shortages and teacher salary concerns, the escalation of special needs services, and the further need for resources for academic initiatives ensuring all students are college and career ready even more critical due to changes in instructional delivery methods.

The budget plan allows the district to continue funding for the District Six experience for the children in the SD6 community. We are fortunate that our local economy revenue sources have remained relatively stable even through the pandemic although state economic forecasters continue to emphasize economic reservations. The district's \$6.1 billion tax base will experience continued growth given the ongoing expansion of the county's manufacturing sector. The financial impact of new manufacturers is dependent upon the fee in lieu agreements negotiated between Spartanburg County and the manufacturer. Although beneficial to the economic development of Spartanburg County, the fee in lieu agreement erode the tax base of the school district if the impact on school funding is not reflected in the fee in lieu agreements.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

2020 commitments to Spartanburg County in investments exceeded \$433 million in 2020 compared to the \$340 million in 2019. The 2020 capital investments were for 25 projects and 446 new jobs. The regional economy is driven by a strong manufacturing sector, with Spartanburg County alone containing over 500 manufacturers, 80 of which are international firms from over 20 countries. Major employers in the area include BMW, Michelin, and Milliken & Company. While the coronavirus outbreak caused the county's unemployment rate to spike in the spring of 2020 it has since steadily recovered and was 4.5% as of June 2021. The strong economy is driving steady population growth and, by extension, enrollment. Between 2010-2019, the district's population grew by approximately 13%. Enrollment grew by around 4% over the same period. The pandemic caused the district's enrollment to temporarily drop in the fall of 2020; however, the student loss was fully recovered by the 135-day measurement date.

We expect our student enrollment to continue to increase slightly particularly at the high school level and the middle school level. The school district has managed growth by continuously revising facilities plans and making operational decisions of staffing allocations based on actual data. The 2021-22 budget as with prior fiscal year budgets was created based on conservative revenue estimates and the prioritization of expenditures in the district. The conservative budget approach creates a budget plan that focuses on learning loss, class size, special needs, and social emotional learning. The budget sustains programs with supplement of federal funds. The adopted budget uses a percentage of the full allocation of CARES Act and ESSER funds of \$5.0 million to address increased expenditures such as PPE, intervention, student counseling, software, and increased personnel. The budget includes a 2.0% increase for teacher salaries and a 5% increase for bus driver salaries. The budget also includes a 6.73% increase in health insurance benefits including a 1% increase in employer retirement contributions although state budget debate freezes any increase in employer retirement contributions. The district also continued to absorb the increasing cost of other services including special education services to serve the needs of the special education population and English speaking other languages. SD6 increased resources for fine school safety and security due to lapse of federal funding for school resource. SD6 is continuing monitor capital needs including building, infrastructure, equipment, and technology.

Budgetary Highlights

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

General Fund Budget to Actual For the Year Ending June 30

	Original Budget	Actual	Variance	Percent Above (below)
Revenues				
Local	\$ 37,303,132	\$ 40,777,873	\$ (3,474,741)	-8.5%
State	66,250,133	67,999,802	(1,749,669)	-2.6%
Intergovernmental	801,751	837,466	(35,715)	-4.3%
Total	<u>\$ 104,355,016</u>	<u>\$ 109,615,141</u>	<u>\$ (5,260,125)</u>	-4.8%
Expenditures				
Instruction	\$ 63,677,862	\$ 64,371,330	\$ (693,468)	-1.1%
Support Services	42,207,129	41,783,718	\$ 423,411	1.0%
Intergovernmental	1,090,701	981,576	\$ 109,125	11.1%
Total	<u>\$ 106,975,692</u>	<u>\$ 107,136,624</u>	<u>\$ (160,932)</u>	-0.2%
Other Financial Sources (Uses)	2,620,676	(329,998)	2,950,674	-894.1%

In June 2020, the Board adopted a balanced general fund budget for fiscal year 2021 that reflected total resources and annual appropriations of \$104,355,016. Actual general operating fund revenues for fiscal year 2021 were \$109,615,141 and actual general operating fund expenditures were \$107,136,624. There were no changes from the original and final budget for 2021.

Revenues

Local Revenues-The growth in assessment and stability of fee in lieu revenues was not budgeted and materialized in actual revenues during 2021.

State Revenues-The district conservatively budgets state revenues due to state funding uncertainties. State revenues such as fringe benefits and manufacturing reimbursement were unknown at the time of budget adoption. State revenues exceeded budget by \$1.7 million.

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

Expenditures

Instruction - The school district added classroom teachers and assistants to manage class size ratios within the district and support intervention. The appreciation bonus was not a budgeted expense in 2020-21 and increased actual expenditures. In addition, health insurance benefits exceeded budget due to changes in benefit plans during 2020.

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Management's Discussion and Analysis (MD & A) For the Fiscal Year Ended June 30, 2021

Other Financial Sources (Uses)

The Transfer to EIA funds exceeded budget by \$391,602 as additional general fund support was needed for expenses related to the pandemic. The transfer to Food Service account exceeded budget by \$1.1 million as the actual fringe benefit allocation to food service increased and support of other food service programs.

Contacting the District's Financial Management

The financial report is designed to provide a general overview of Spartanburg County School District Six finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Assistant Superintendent for Finance, Spartanburg County School District Six, 1390 Cavalier Way, Roebuck, SC 29376.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash	\$ 16,889,235
Cash with County Government	76,810
Investments	24,542,892
Taxes receivable	8,243,291
Less allowance for uncollectibles	(2,954,246)
Accounts receivable	1,170,468
Prepays	272,422
Due from State Department of Education	131,435
Due from Federal Government	5,988,816
Due from other school districts	566,530
Due from other state agencies	80
Commodities	129,195
Inventories	210,775
	<u>55,267,703</u>
Capital Assets:	
Land	6,314,126
Buildings	296,394,375
Improvements other than buildings	14,762,665
Equipment, furniture and vehicles	17,381,813
Construction in progress	84,374
Less: Accumulated depreciation	<u>(130,936,619)</u>
Total capital assets, net of depreciation	<u>204,000,734</u>
Total Assets	<u>259,268,437</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	25,869,573
Deferred amounts related to OPEB	<u>31,979,854</u>
Total Deferred Outflows of Resources	<u>57,849,427</u>
LIABILITIES	
Accounts payable	2,791,455
Due to State Department of Education	15,114
Accrued salaries and withholdings	8,519,345
Unearned revenue	1,887,428
Accrued interest payable	795,358
Noncurrent liabilities:	
Due within one year	25,807,000
Due in more than one year	6,611,895
Net pension liability	160,114,499
Net OPEB liability	<u>144,370,595</u>
Total Liabilities	<u>350,912,689</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	609,162
Deferred amounts related to OPEB	<u>9,568,952</u>
Total Deferred Inflows of Resources	<u>10,178,114</u>
NET POSITION	
Net investment in capital assets	190,959,125
Restricted for:	
Debt service	5,779,010
Unrestricted	<u>(240,711,074)</u>
Total Net Position	<u>\$ (43,972,939)</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government Governmental Activities
PRIMARY GOVERNMENT:				
Governmental activities:				
Instruction	\$ 97,457,066	\$ 790,423	\$ 66,071,076	\$ (30,595,567)
Support services	66,869,686	898,938	14,972,991	(50,997,757)
Community services	4,606	-	3,841	(765)
Interest and other charges	534,906	-	-	(534,906)
TOTAL PRIMARY GOVERNMENT	\$ 164,866,264	\$ 1,689,361	\$ 81,047,908	(82,128,995)
GENERAL REVENUES:				
Property taxes levied for general purposes				40,142,447
Property taxes levied for debt service				17,107,348
Unrestricted state grants				18,452,168
Miscellaneous				1,101,821
Unrestricted investment earnings				90,488
Total general revenues				76,894,272
CHANGE IN NET POSITION				(5,234,723)
NET POSITION, AS ADJUSTED - JULY 1, 2020				(38,738,216)
NET POSITION - JUNE 30, 2021				\$ (43,972,939)

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

ASSETS

	General Fund	Special Projects	Special Revenue Funds -			Debt Service Fund	Capital Projects Fund	Total Governmental Funds
			EIA	Food Service	Alternative Program			
Cash	\$ 16,889,139	\$ -	\$ -	\$ 96	\$ -	\$ -	\$ -	\$ 16,889,235
Cash with County Government	38,277	-	-	-	-	38,533	-	76,810
Investments	24,542,892	-	-	-	-	-	-	24,542,892
Taxes receivable	6,828,511	-	-	-	-	1,414,780	-	8,243,291
Less allowance for uncollectibles	(2,244,890)	-	-	-	-	(709,356)	-	(2,954,246)
Accounts receivable	5,734	109,615	-	1,030,119	-	-	25,000	1,170,468
Prepays	240,822	-	-	-	-	-	31,600	272,422
Due from other funds	-	78,306	1,204,372	-	-	5,830,411	19,741,411	26,854,500
Due from State Department of Education	100,065	-	31,370	-	-	-	-	131,435
Due from Federal Government	-	5,122,129	-	866,687	-	-	-	5,988,816
Due from other school districts	286,655	-	-	-	279,875	-	-	566,530
Due from other state agencies	80	-	-	-	-	-	-	80
Commodities	-	-	-	129,195	-	-	-	129,195
Inventories	210,775	-	-	-	-	-	-	210,775
Total Assets	\$ 46,898,060	\$ 5,310,050	\$ 1,235,742	\$ 2,026,097	\$ 279,875	\$ 6,574,368	\$ 19,798,011	\$ 82,122,203

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 1,925,530	\$ 151,978	\$ 228,477	\$ 90,871	\$ 5,474	\$ -	\$ 389,125	\$ 2,791,455
Due to other funds	19,830,910	5,127,266	-	1,621,923	274,401	-	-	26,854,500
Due to State Department of Education	-	15,114	-	-	-	-	-	15,114
Accrued salaries and withholdings	8,519,345	-	-	-	-	-	-	8,519,345
Unearned revenue	2,995	747,973	1,007,265	129,195	-	-	-	1,887,428
Total Liabilities	30,278,780	6,042,331	1,235,742	1,841,989	279,875	-	389,125	40,067,842

Deferred Inflows of Resources:

Unavailable revenue - property taxes	962,096	-	-	-	-	304,010	-	1,266,106
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Fund Balances:

Nonspendable								
Prepays	240,822	-	-	-	-	-	31,600	272,422
Inventories	210,775	-	-	-	-	-	-	210,775
Restricted								
Debt service fund	-	-	-	-	-	6,270,358	-	6,270,358
Capital projects fund	-	-	-	-	-	-	19,377,286	19,377,286
Assigned								
Special revenue fund - food service	-	-	-	184,108	-	-	-	184,108
Unassigned	15,205,587	(732,281)	-	-	-	-	-	14,473,306
Total Fund Balances	15,657,184	(732,281)	-	184,108	-	6,270,358	19,408,886	40,788,255

Total Liabilities, Deferred Inflows of Resources and Fund Balances

	\$ 46,898,060	\$ 5,310,050	\$ 1,235,742	\$ 2,026,097	\$ 279,875	\$ 6,574,368	\$ 19,798,011	\$ 82,122,203
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The accompanying notes are an integral part of these financial statements.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2021

TOTAL GOVERNMENTAL FUND BALANCES **\$ 40,788,255**

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

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds. 204,000,734

Taxes receivable are not available to pay for current
period expenditures and, therefore, are deferred in the funds. 1,266,106

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

Accrued interest payable	\$ (795,358)	
Bond premium, net of amortization	(885,895)	
Lease payable	(2,398,000)	
Bonds payable	(29,135,000)	
Net pension liability	(160,114,499)	
Net OPEB liability	<u>(144,370,595)</u>	(337,699,347)

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

Pension related deferred outflows	25,869,573	
OPEB related deferred outflows	31,979,854	
Pension related deferred inflows	(609,162)	
OPEB related deferred inflows	<u>(9,568,952)</u>	<u>47,671,313</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (43,972,939)**

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	General Fund	Special Projects	EIA	Special Revenue Funds -		Food Service	Alternative Program	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
Revenues										
Local property taxes	\$ 40,495,580	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,107,348	\$ -	\$ 57,602,928
Other local	282,293	1,914,631	-	-	381,506	181,244	-	21,555	68,016	2,849,245
Total local	40,777,873	1,914,631	-	-	381,506	181,244	-	17,128,903	68,016	60,452,173
Intergovernmental	837,466	-	-	-	-	178,724	-	-	-	1,016,190
State	67,999,802	3,222,840	6,811,670	-	-	-	-	1,143,006	1,310,402	80,487,720
Federal	-	10,590,306	-	-	6,358,273	-	-	-	-	16,948,579
Total Revenues	109,615,141	15,727,777	6,811,670	6,739,779	359,968	18,271,909	1,378,418	158,904,662		
Expenditures										
Current:										
Instruction	64,371,330	9,603,199	4,440,188	-	111,280	-	-	-	-	78,525,997
Support services	41,783,718	6,748,219	270,302	8,515,327	355,714	-	-	-	3,761,597	61,434,877
Community services	-	4,606	-	-	-	-	-	-	-	4,606
Intergovernmental	981,576	208,682	-	-	-	-	-	-	-	1,190,258
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	39,227,000	-	39,227,000
Interest	-	-	-	-	-	-	-	1,489,469	-	1,489,469
Other objects	-	-	-	-	-	-	-	190,007	-	190,007
Capital Outlay	-	-	-	-	-	-	-	-	1,468,303	1,468,303
Total Expenditures	107,136,624	16,564,706	4,710,490	8,515,327	466,994	40,906,476	5,229,900	183,530,517		
Excess (Deficiency) of Revenues over Expenditures	2,478,517	(836,929)	2,101,180	(1,775,548)	(107,026)	(22,634,567)	(3,851,482)	(24,625,855)		
Other Financing Sources (Uses)										
Premium on bonds sold	-	-	-	-	-	-	-	-	1,556,890	1,556,890
Issuance of general obligation bonds	-	-	-	-	-	-	-	-	33,500,000	33,500,000
Lease purchases	-	-	-	-	-	-	-	-	3,000,000	3,000,000
Sale of capital assets	-	-	-	-	-	-	-	-	32,426	32,426
Transfers in	3,925,495	1,164,419	1,051,320	1,932,728	107,026	24,600,000	45,542	32,826,530		
Transfers out	(4,255,493)	(77,272)	(3,152,500)	-	-	(741,265)	(24,600,000)	(32,826,530)		
Total Other Financing Sources (Uses)	(329,998)	1,087,147	(2,101,180)	1,932,728	107,026	23,858,735	13,534,858	38,089,316		
Total Net Change in Fund Balances	2,148,519	250,218	-	157,180	-	1,224,168	9,683,376	13,463,461		
Fund Balances, As Adjusted - July 1, 2020	13,508,665	(982,499)	-	26,928	-	5,046,190	9,725,510	27,324,794		
Fund Balances - June 30, 2021	\$ 15,657,184	\$ (732,281)	\$ -	\$ 184,108	\$ -	\$ 6,270,358	\$ 19,408,886	\$ 40,788,255		

The accompanying notes are an integral part of these financial statements

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TOTAL NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS **\$ 13,463,461**

Amounts reported for governmental activities in the statements of activities are different because of the following:

Interest is reported as an expenditure when due in the governmental funds,
but is accrued on outstanding debt in the statement of activities. (216,228)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The issuance of long-term debt increases long-term liabilities on the statement of net position and the repayment of principal on long-term debt reduces long-term debt on the statement of net position. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized over the term of the long-term debt in the statement of activities.

Principal payments on long-term debt	39,227,000
Bond premium	(1,556,890)
Amortization of bond premium	1,360,797

The cost of pension benefits earned net of employee contributions is reported in the statement of activities as an element of pension expense. The governmental funds report pension contributions as expenditures. (9,066,958)

The cost of OPEB benefits earned net of employee contributions is reported in the statement of activities as an element of OPEB expense. The governmental funds report OPEB contributions as expenditures. (6,458,116)

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. (36,500,000)

Revenues reported on the statement of activities that do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.

Taxes receivable	(353,133)
Nonemployer contributions related to pension	637,099
Nonemployer contributions related to OPEB	1,066,583

Governmental funds report capital outlay of \$1,824,118 as expenditures while governmental activities report depreciation expense of \$8,662,456 to allocate those expenditures over the life of the assets. (6,838,338)

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (5,234,723)**

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Spartanburg County School District Six ("District") is one of seven school districts in Spartanburg County, South Carolina and is located in the western area of Spartanburg County. The District is governed by a nine-member Board of Trustees and has oversight responsibility and control over all activities related to public education within the District's boundaries.

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

B. Basic Financial Statements – Government-wide Financial Statements

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

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

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

C. Basic Financial Statements – Fund Financial Statements

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Basic Financial Statements – Fund Financial Statements – Continued

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

The District reports the following major governmental funds:

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

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

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

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

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

D. Measurement Focus and Basis of Accounting

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

D. Measurement Focus and Basis of Accounting – Continued

Revenues – Exchange and Nonexchange Transactions

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

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

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

Unearned Revenue

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

Expenditures/Expenses

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

E. Budget

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

F. Deposits and Investments

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

G. Cash with County Government

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

H. Taxes Receivable

Taxes receivable represents current and delinquent taxes being processed for collection by the Spartanburg County Delinquent Tax Office, originally assessed for District Six. Thirty percent of the delinquent taxes delivered each year to the Delinquent Tax Office are estimated to be collectible; the remainder is considered to be uncollectible and, accordingly, an allowance for the uncollectible amounts has been recorded. Below is a breakdown of current and delinquent taxes receivable as of June 30, 2021:

	<u>General Fund</u>	<u>Debt Service Fund</u>
Current	\$ 3,536,525	\$ 354,850
Delinquent	<u>3,291,986</u>	<u>1,059,930</u>
	<u>\$ 6,828,511</u>	<u>\$ 1,414,780</u>

I. Ad Valorem Taxes

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

Assessed values for real estate are established annually by the County Tax Assessor based on the assessment ratio applied to the appropriate class of property. Real and personal property, excluding merchant's inventory, in the District for the 2020 tax levy was assessed at \$341,910,797. In addition, the District's 2020 tax levy included property with an assessed value totaling \$32,133,800 that was billed under fee-in-lieu agreements. The District's operating tax rate is currently 165 mills, with an additional 52.6 mills for debt retirement.

J. Inventory and Prepaids

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

K. Capital Assets and Depreciation

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value as of the date received. The District follows the policy of not capitalizing assets with a cost of less than \$5,000. The District does not possess any infrastructure.

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

Description	Useful Life
Buildings	10-40 years
Improvements other than buildings	5-25 years
Equipment and furniture	5-15 years
Vehicles	7-10 years

L. Interfund Transactions

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

M. Vacation and Sick Pay

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

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

N. Accrued Liabilities and Long-Term Debt

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

N. Accrued Liabilities and Long-Term Debt – Continued

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

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

O. Deferred Outflows and Inflows of Resources

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

P. Retirement Plans

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

Q. Other Post-Employment Benefit (OPEB) Plan

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

R. Governmental Fund Balance Classifications

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

R. Governmental Fund Balance Classifications – Continued

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

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

Assigned – This classification includes amounts that are constrained by the District's intent to be used for a specific purpose, but are neither restricted nor committed. This intent can be expressed by the Board of Trustees or an official to which the Board delegates authority. The Board of Trustees has, by resolution, authorized the Superintendent and Assistant Superintendent of Finance to assign fund balance. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. This classification also includes the remaining positive fund balance for all governmental funds, except for the General Fund, as governed by the State Department of Education.

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

Spending Policy

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

Fiscal Stabilization Reserve

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

Minimum Unassigned Fund Balance

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

S. Net Position

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

T. Restricted Sources

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

U. Estimates

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

V. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases its general liability, property, employee health and accident, and worker's compensation insurance from various commercial insurance carriers.

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

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

W. Excess of Expenditures over Appropriations

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

Instruction	\$ 693,468
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NOTE 2 – CASH AND INVESTMENTS

Cash

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 2 – CASH AND INVESTMENTS – CONTINUED

As of June 30, 2021, the District's cash deposits were as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	<u>\$ 16,889,235</u>	<u>\$ 19,831,339</u>

Of the District's bank balance, \$250,000 was covered by FDIC insurance and \$19,581,339 was collateralized by securities held by the pledging bank's trust department or agent in the District's name.

Investments

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

As of June 30, 2021, the District had the following types of investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity</u>	<u>Credit Rating</u>
State Treasurer's Investment Pool	\$ 24,542,892	<60 days	Not Rated

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

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2021, is as follows:

	Balance 6/30/2020	Additions	Deductions	Transfers	Balance 6/30/2021
Governmental Activities					
Capital Asset - Not Being Depreciated					
Land	\$ 6,314,126	\$ -	\$ -	\$ -	\$ 6,314,126
Construction in progress	228,697	35,946	-	(180,269)	84,374
Total Capital Assets - Not Being Depreciated	6,542,823	35,946	-	(180,269)	6,398,500
Capital Assets - Being Depreciated					
Buildings	295,894,660	319,446	-	180,269	296,394,375
Improvements other than building	14,564,396	198,269	-	-	14,762,665
Equipment, furniture and vehicles	16,310,949	1,270,457	(199,593)	-	17,381,813
Total Capital Assets - Being Depreciated	326,770,005	1,788,172	(199,593)	180,269	328,538,853
Less Accumulated Depreciation					
Buildings	(105,374,486)	(6,918,482)	-	-	(112,292,968)
Improvements other than building	(6,469,183)	(575,533)	-	-	(7,044,716)
Equipment, furniture and vehicles	(10,630,087)	(1,168,441)	199,593	-	(11,598,935)
Total Accumulated Depreciation	(122,473,756)	(8,662,456)	199,593	-	(130,936,619)
Capital Assets - Being Depreciated, Net	204,296,249	(6,874,284)	-	180,269	197,602,234
Governmental Activities Capital Assets, Net	\$ 210,839,072	\$ (6,838,338)	\$ -	\$ -	\$ 204,000,734

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

Instruction	\$8,082,619
Support services	579,837
Total Depreciation Expense	<u>\$8,662,456</u>

NOTE 4 – LONG-TERM DEBT

The following is a summary of the District's long-term debt for the year ended June 30, 2021:

	Balance at June 30, 2020	Additions	Deductions	Balance at June 30, 2021	Amounts Due Within One Year
General Obligation Bonds	\$ 34,260,000	\$ 33,500,000	\$ 38,625,000	\$ 29,135,000	\$ 25,215,000
Capitalized Leases	-	3,000,000	602,000	2,398,000	592,000
	34,260,000	36,500,000	39,227,000	31,533,000	25,807,000
Deferred Amounts:					
Bond Premiums	689,802	1,556,890	1,360,797	885,895	-
	<u>\$ 34,949,802</u>	<u>\$ 38,056,890</u>	<u>\$ 40,587,797</u>	<u>\$ 32,418,895</u>	<u>\$ 25,807,000</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 4 – LONG-TERM DEBT – CONTINUED

Long-term debt at June 30, 2021, was comprised of the following individual issuances:

	General Obligation Bonds	Capitalized Leases	Total
\$14,500,000 2019 general obligation bond due in annual installments of \$3,000,000 to \$7,500,000 at a rate of 5.00% through April 2022.	\$ 3,000,000	\$ -	\$ 3,000,000
\$15,500,000 2020 general obligation bond due in annual installments of \$3,920,000 to \$7,365,000 at a rate of 2.00-5.00% through April 2023.	8,135,000	-	8,135,000
\$18,000,000 2020 general obligation bond anticipation note due in full on September 23, 2021 at an interest rate of 5.00%**	18,000,000	-	18,000,000
\$3,000,000 lease purchase agreement due in annual installments of \$592,000 to \$607,000 at a rate of 0.85% through April 2025.	-	2,398,000	2,398,000
	<u>\$ 29,135,000</u>	<u>\$ 2,398,000</u>	<u>\$ 31,533,000</u>

**In accordance with GASB 62, *Classification of Short-Term Obligations Expected to be Refinanced*, a reputable bond underwriter has expressed written intent to provide a competitive bid on all General Obligation Bond Anticipation Notes and General Obligation Bonds to be offered by the District in relation to the construction of a new Fairforest Middle School. The terms of this intent are: The District is to issue a compliant preliminary official statement prepared by a nationally recognized Bond Counsel firm; the District does not have a material adverse change in their current Aa2 bond credit ratings; and the notes or bonds are additionally secured by the South Carolina School District Credit Enhancement Program. Since the District is currently compliant with all three of these terms, the 2020 General Obligation Bond Anticipation Note is classified as a long-term obligation.

The Debt Service Fund makes the payments on the general obligation bonds, capitalized leases and loan payable.

The annual requirements to amortize all long-term debt outstanding as of June 30, 2021, including interest payments are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 25,807,000	\$ 1,359,533	\$ 27,166,533
2023	4,517,000	93,751	4,610,751
2024	602,000	10,277	612,277
2025	607,000	5,160	612,160
	<u>\$ 31,533,000</u>	<u>\$ 1,468,721</u>	<u>\$ 33,001,721</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 4 – LONG-TERM DEBT – CONTINUED

The District is required to have an arbitrage rebate calculation performed every five years and to rebate any arbitrage earnings in excess of the bond yield to the federal government. As of June 30, 2021, the District had no arbitrage rebate liability.

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

Capitalized Leases

In November 2020, the District entered into a capital lease for the acquisition of equipment, school facilities and improvements. Equipment totaling \$3,000,000 have been purchased with the proceeds from the capital lease and are being depreciated over their estimated useful lives in the government-wide financial statements. As of June 30, 2021, these assets recognized depreciation expense of \$375,000 for the year, with total accumulated depreciation of \$375,000. Capital lease payments have been reclassified and are reflected as debt service expenditures in the basic financial statements for the governmental funds. As of June 30, 2021, the capital lease had an outstanding balance of \$2,398,000.

NOTE 5 – RETIREMENT PLANS

A. South Carolina Retirement System

Plan Description

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

Benefits Provided/Membership

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

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

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System – Continued

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

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established, a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rate that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

Additionally, the PEBA board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the system for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the board, effective the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the PEBA board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2021 was 9.00%. Required employer contribution rates for the year ended June 30, 2021 was 15.41%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.15% of earnable compensation, if participating in the death benefit program.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System – Continued

Contributions to the Plan from the District were \$10,993,722, for the year ended June 30, 2021. For the State's year end June 30, 2020, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2021, \$636,438 of contributions paid on behalf of the District by the General Assembly for SCRS was recognized as other operating revenues.

Employee and employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.0%) and a portion of the employer contribution (5%). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (10.41%) and an incidental death benefit contribution (0.15%), if applicable, which is retained by SCRS.

Pension Liabilities, Pension Expense, & Deferred Outflows (Inflows) of Resources Related to Pensions

At June 30, 2021, the District reported a net pension liability of \$159,918,245 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2020, using generally accepted actuarial principles. The allocation of the District's proportionate share of the collective net pension liability and pension expense were calculated on the basis of the District's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2020. Based upon this information, the District's proportion of the collective net pension liability is 0.625860%, an increase of 0.001292% since June 30, 2019, the prior measurement date.

For the year ended June 30, 2021, the District recognized pension expense of \$19,402,362. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,845,245	\$ 604,719
Changes in assumptions	195,926	-
Net difference between projected and actual earnings on pension plan investments	11,763,328	-
Changes in proportion and differences between District contributions and proportionate share of contributions	1,661,896	-
District contributions subsequent to the measurement date	10,357,284	-
Total	<u>\$ 25,823,679</u>	<u>\$ 604,719</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System – Continued

Deferred outflows of resources of \$10,357,284 related to pensions in 2021 resulted from District contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (3,352,835)
2023	(4,329,568)
2024	(4,177,526)
2025	(3,001,747)
	<u>\$ (14,861,676)</u>

Actuarial Assumptions

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2019, for the first use in the July 1, 2021 actuarial valuation.

The June 30, 2020 total pension liability, net pension liability, and sensitivity information determined by the July 1, 2019 valuation, which used the following actuarial assumptions and methods:

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.0% to 12.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 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 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

A. South Carolina Retirement System – Continued

Asset Class	Target Allocation	Long-term Expected Portfolio Real Rate of Return
Global Equity	51%	3.89%
Real Assets	12%	0.69%
Opportunistic	8%	0.29%
Credit	15%	0.71%
Rate Sensitive	14%	0.22%
Total Expected Real Return	100%	5.80%
Inflation for Actuarial Purposes		2.25%
Total Expected Nominal Return		8.05%

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 198,199,055	\$ 159,918,245	\$ 127,953,307

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2020 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2020. The additional information is publicly available on PEBA's website at www.peba.sc.gov.

B. South Carolina Police Officers Retirement System

Plan Description

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

Benefits Provided/Membership

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

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

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

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

Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established, a ceiling for PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.75% for PORS. The legislation also increased employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the PORS employer contribution rate that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018, to 20 years by fiscal year 2028.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

Additionally, the PEBA board is prohibited from decreasing the PORS contribution rates until the funded ratio is at least 85%. If the most recent actuarial valuation of the system for funding purposes shows a ratio of the actuarial value of the system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85%, then the PEBA board, effective the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If the contribution rates decreased pursuant to this provision and the most recent annual actuarial valuation of the system shows a funded ratio of less than 85%, then effective the following July 1st, and annually thereafter as necessary, the PEBA board shall increase the then current contribution rates until the subsequent annual actuarial valuation of the system shows a funded ratio that is equal to or greater than 85%.

Required employee (both Class II and III) contribution rates for the year ended June 30, 2021 was 9.75%. Required employer contribution rates for the year ended June 30, 2021 was 17.84%. Both required employee and employer contribution rates are calculated on earnable compensation, as defined in Title 9 of the South Carolina Code of Laws. Employers also contribute an additional 0.20% of earnable compensation, if participating in the incidental and/or accidental death benefit program, respectively.

Contributions to the Plan from the District were \$14,032, for the year ended June 30, 2021. For the State's year end June 30, 2020, the State General Assembly appropriated funds to cover 1% of the 2% contribution rate increase for all employers participating in the State retirement plans. For the year ended June 30, 2021, \$661 of contributions paid on behalf of the District by the General Assembly for PORS was recognized as other operating revenues.

Pension Liabilities, Pension Expense, & Deferred Outflows (Inflows) of Resources Related to Pensions

At June 30, 2021, the District reported a net pension liability of \$196,254 for its proportionate share of the collective net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability, net pension liability and sensitivity information are based on an actuarial valuation performed as of July 1, 2019. The total pension liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2020, using generally accepted actuarial principles. The allocation of the District's proportional share of the collective net pension liability and pension expense were calculated on the basis of the District's contributions actually remitted to the plan relative to the total contributions remitted to the plan for all participating employers, less employer contributions that are not representative of future contribution efforts, as of June 30, 2020. Based upon this information, the District's proportion of the collective net pension liability is 0.005918%, a decrease of 0.000065% since June 30, 2019, the prior measurement date.

For the year ended June 30, 2021, the District recognized pension expense of \$35,279. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,171	\$ 864
Changes in assumptions	2,395	-
Net difference between projected and actual earnings on pension plan investments	20,096	-
Changes in proportion and differences between District contributions and proportionate share of contributions	5,861	3,579
District contributions subsequent to the measurement date	13,371	-
Total	<u>\$ 45,894</u>	<u>\$ 4,443</u>

Deferred outflows of resources of \$13,371 related to pensions in 2021 resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	
2022	\$ (11,000)
2023	(6,128)
2024	(5,835)
2025	(5,117)
	<u>\$ (28,080)</u>

Actuarial Assumptions

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2019, for first use in the July 1, 2021 actuarial valuation.

The June 30, 2020 total pension liability, net pension liability, and sensitivity information is determined by the July 1, 2019 valuation, which used the following actuarial assumptions and methods:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

Actuarial cost method	Entry age normal
Inflation	2.25%
Salary increases	3.5% to 9.5% (varies by service and includes 2.25% inflation)
Benefit adjustments	lesser of 1% or \$500 annually
Investment rate of return	7.25% (includes 2.25% inflation)

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), was developed using the Systems' mortality experience. The base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

The long-term expected rate of return on pension plan investments is based upon the 20 year capital market assumptions. The long-term expected rates of return represent assumptions developed using an arithmetic building block approach primarily based on consensus expectation and market based inputs. Expected returns are net of investment fees. Expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 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 7.25% assumed annual investment rate of return used in the calculation of the total pension liability includes 5.00% real rate of return and a 2.25% inflation component.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Portfolio Real Rate of Return</u>
Global Equity	51%	3.89%
Real Assets	12%	0.69%
Opportunistic	8%	0.29%
Credit	15%	0.71%
Rate Sensitive	14%	0.22%
Total Expected Real Return	<u>100%</u>	<u>5.80%</u>
Inflation for Actuarial Purposes		<u>2.25%</u>
Total Expected Nominal Return		<u>8.05%</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in PORS will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following table presents the District's proportionate share of the collective net pension liability calculated using the discount rate of 7.25%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1% lower (6.25%) or 1% higher (8.25%) than the current rate:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 5 – RETIREMENT PLANS – CONTINUED

B. South Carolina Police Officers Retirement System – Continued

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 259,807	\$ 196,254	\$ 145,225

Pension Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the Systems' audited financial statements for the fiscal year ended June 30, 2020 (including the unmodified opinion on the financial statements). Information about the fiduciary net position of the System and additions to/deductions from the System's fiduciary net position have been determined on the accrual basis of accounting. Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of July 1, 2019. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

C. Reconciliation to Government-Wide Financial Statements

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

	Net Pension Liability	Deferred Outflows of Resources	Deferred Outflows of Resources	Pension Expense
South Carolina Retirement System	\$ 159,918,245	\$ 25,823,679	\$ 604,719	\$ 19,402,362
Police Officers' Retirement System	196,254	45,894	4,443	35,279
	<u>\$ 160,114,499</u>	<u>\$ 25,869,573</u>	<u>\$ 609,162</u>	<u>\$ 19,437,641</u>

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

OPEB Plan Description

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

Benefits Provided

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

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

Contributions

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the post-employment benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA-Insurance Benefits. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA-Insurance Benefits reserves.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2020 was 6.25 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees.

For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions include the mandatory transfer of accumulated PEBA – Insurance Benefits' reserves and the annual appropriation budgeted by the General Assembly. It is also funded through investment income.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers must recognize revenue in an amount equal to the District's proportionate share of the change in the collective net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. The amount of revenue recognized in the current fiscal year was \$1,066,583.

Contributions to the OPEB plan from the District during the current fiscal year were \$4,584,167, which includes an implicit subsidy of \$80,395.

OPEB Liabilities, OPEB Expense, & Deferred Outflows (Inflows) of Resources Related to OPEB

At June 30, 2021, the District reported a net OPEB liability of \$144,370,595 for its proportionate share of the collective net OPEB liability. The net OPEB liability was measured as of June 30, 2020. The total OPEB liability, net OPEB liability and sensitivity information are based on an actuarial valuation performed as of June 30, 2019. The total OPEB liability was rolled-forward from the valuation date to the plan's fiscal year end June 30, 2020, using generally accepted actuarial principles. The allocation of the District's proportionate share of the collective net OPEB liability and collective OPEB expense were determined using the employer's payroll-related contributions over the measurement period, which is expected to be reflective of the employer's long-term contribution effort. Based upon this information, the District's proportion of the collective net OPEB liability is 0.799773%, an increase of 0.00043% since June 30, 2019, the prior measurement date.

For the year ended June 30, 2021, the District recognized OPEB expense of \$11,304,594. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,129,131	\$ 3,287,836
Changes in assumptions	21,484,146	5,749,575
Net difference between projected and actual earnings on OPEB plan investments	194,013	530,752
Changes in proportion and differences between District contributions and proportionate share of contributions	1,588,397	789
District contributions subsequent to the measurement date	4,584,167	-
Total	<u>\$ 31,979,854</u>	<u>\$ 9,568,952</u>

Deferred outflows of resources of \$4,584,167 related to OPEB resulted from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022. Any other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2022	\$ (2,386,273)
2023	(2,339,739)
2024	(2,265,999)
2025	(3,545,556)
2026	(3,864,104)
Thereafter	(3,425,064)
	<u>\$ (17,826,735)</u>

Actuarial Assumptions

Actuarial valuations of the plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trend. Amounts determined regarding the net OPEB liability are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the System was most recently issued for the period ending July 1, 2019, for first use in the July 1, 2021 actuarial valuation.

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

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

Actuarial Cost Method:	Individual Entry Age Normal
Inflation:	2.25%
Retiree Participation:	79% for retirees eligible for funded premiums; 59% for partial-funded premiums; 20% for non-funded premiums
Investment rate of return:	2.75%, net of OPEB Plan investment expense; includes inflation
Healthcare cost trend rates:	Initial trend starting at 6.40% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 years

For healthy retirees, mortality rates were based on the 2016 Public Retirees of South Carolina Mortality Table for Males and Females, using fully generational mortality projections based on the Scale AA from the year 2016. Multipliers are applied to the base tables based on gender and employment type.

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

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Allocation-Weighted Long-Term Expected Real Rate of Return
U.S. Domestic Fixed Income	80%	0.60%	0.48%
Cash Equivalents	20%	0.35%	0.07%
Total			0.55%
Expected Inflation			2.25%
Total Return			2.80%
Investment Return Assumption			2.75%

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.45%, which is a decrease from the previous year by 0.68%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on actuarially determined rates based on the provisions of the South Carolina State Code of Laws. Based on those assumptions, the 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 total OPEB liability.

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

The following table presents the District's proportionate share of the collective net OPEB liability calculated using the discount rate of 2.45%, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (1.45%) or 1% higher (3.45%) than the current rate:

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

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

	1% Decrease 1.45%	Current Discount Rate 2.45%	1% Increase 3.45%
District's proportionate share of the collective net OPEB liability	\$ 172,263,099	\$ 144,370,595	\$ 122,082,398

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

The following table presents the District's proportionate share of the collective net OPEB liability calculated using the healthcare cost trend rate of 6.40%, gradually decreasing to 4.00% over a 15-year period, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1% lower (5.40% decreasing to 3.00%) or 1% higher (7.40% decreasing to 5.00%) than the current rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the collective net OPEB liability	\$ 116,854,139	\$ 144,370,595	\$ 180,507,621

OPEB Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the plan, administered by PEBA, is available in the OPEB Trusts Fund audited financial statements for the fiscal year ended June 30, 2020 (including the unmodified opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2019. The additional information is publicly available through PEBA's website at www.peba.sc.gov.

NOTE 7 – DEFERRED COMPENSATION PLANS

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 8 – INTERFUND TRANSACTIONS

Interfund Receivables and Payables

	Interfund Receivables	Interfund Payables
General Fund	\$ -	\$ 19,830,910
Special Revenue Fund - Special Projects	78,306	5,127,266
Special Revenue Fund - EIA	1,204,372	-
Special Revenue Fund - Food Service	-	1,621,923
Special Revenue Fund - Alternative Program	-	274,401
Debt Service Fund	5,830,411	-
Capital Projects Fund	19,741,411	-
	<u>\$ 26,854,500</u>	<u>\$ 26,854,500</u>

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

Interfund Transfers

Transfer from	Transfer to	Amount
General Fund	Special Revenue Fund - Special Projects	\$ 1,164,419
General Fund	Special Revenue Fund - Alternative Program	107,026
General Fund	Special Revenue Fund - EIA	1,051,320
General Fund	Special Revenue Fund - Food Service	1,932,728
Special Revenue Fund - Special Projects	General Fund	17,893
Special Revenue Fund - Special Projects	General Fund	13,837
Special Revenue Fund - Special Projects	Capital Projects Fund	45,542
Special Revenue Fund - EIA	General Fund	3,152,500
Debt Service Fund	General Fund	741,265
Capital Projects Fund	Debt Service Fund	24,600,000
		<u>\$ 32,826,530</u>

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

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 9 – OPERATING LEASE

In September 2019, the District entered into an operating lease for twelve metal detectors at the middle and high schools, with terms in excess of one year. The agreement contains a purchase option at the end of the four-year lease term, for \$10,000 per unit. The purchase option will also renew another four-year subscription fee in the amount of \$10,000 per unit per year. The remaining future minimum lease payments for this operating lease are as follows:

Fiscal Year Ended June 30,	Total
2022	\$ 189,600
2023	189,600
	<u>\$ 379,200</u>

NOTE 10 – TAX ABATEMENTS

Spartanburg County

Beginning July 1, 2016, Spartanburg County changed the allocation of FILOT revenues amongst the seven school districts. Under these agreements, there is a countywide calculation of all Fee in Lieu of Ad Valorem Tax (FILOT) payments allocating revenue to all seven school districts based on a formula. Under these agreements, the District received \$661,747 of FILOT revenue. Because these agreements are written across the seven taxing school districts, the District is unable to determine the amount that the general fund property tax revenues were reduced as a result of these agreements, or the benefit recognized by taxpayers under either Special Source Revenue Credits (SSRC) or FILOT agreements.

Under agreements written prior to June 30, 2016, the District's general fund property tax revenues were reduced by \$4,371,615 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$4,455,378 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$2,277,034. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$2,094,581.

Under agreements written prior to June 30, 2016, the District's debt service fund property tax revenues were reduced by \$1,033,043 under Fee in Lieu of Ad Valorem Tax (FILOT) agreements and Special Source Revenue Credits (SSRC) entered into by the County. The District received a total of \$1,639,824 under both FILOT and SSRC tax agreements for the fiscal year. Under the FILOT agreements, taxpayers receive a reduction in ad valorem property taxes through reduced assessed values and locked millage rates. Due to these agreements, the taxpayers realized a benefit of \$354,391. Under the SSRC program, taxpayers receive a percentage reduction off their total property tax bill if their property qualified for the program. Due to this program, the taxpayers realized a benefit of \$678,652.

Cherokee County

Cherokee County collects and remits FILOT revenue due to Spartanburg County related to a Multi-County Industrial Park located within Cherokee County. Due to this agreement and the agreement to allocate all FILOT related to school districts under these agreements equitably across all seven school districts, the District received \$34,622 in FILOT revenue from Cherokee County.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 11 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

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

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

NOTE 12 – RELATED ORGANIZATION

These financial statements exclude R.D. Anderson Applied Technology Center. The Center operates a technology school, which serves the high schools and is jointly governed by Spartanburg County School Districts Four, Five, and Six. Two members of District Six's Board of Trustees serve as board members of the Center. Also, the superintendent of District Six is an ex-officer non-voting member of the Board of R.D. Anderson Applied Technology Center. District Six remits a portion of their Education Finance Act monies to the Center to cover the educational costs of the District's students attending the Center. For the year ended June 30, 2021, \$1,436,504 was recorded as General Fund expenditures.

NOTE 13 – CUMULATIVE CHANGE IN ACCOUNTING PRINCIPLE

For the year ended June 30, 2021, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying activities of all state and local governments. The focus of the criteria generally is on 1) whether a government is controlling the assets of the fiduciary activity and 2) the beneficiaries with whom a fiduciary relationship exists. Governments with activities meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position.

Based on the established criteria in this statement, the District's pupil activity funds, as previously reported as agency funds, will now be reported as special revenue funds in the Special Revenue Fund – Special Projects major fund. There will no longer be any fiduciary activities of the District.

NOTE 14 – RESTATEMENT OF BEGINNING NET POSITION / FUND BALANCE

The District implemented GASB Statement No. 84 during the fiscal year ending June 30, 2021. Beginning net position and beginning fund balance was restated as follows:

		Governmental Funds	Fiduciary Funds
	Governmental Activities	Special Revenue Fund-Special Projects	Pupil Activity Funds
Net Position / Fund Balance			
at Beginning of Year, as Previously Reported	\$ (37,755,717)	\$ -	\$ (982,499)
Implementation of GASB Statement 84 - Fiduciary Activities	(982,499)	(982,499)	982,499
Net Position / Fund Balance at Beginning of Year, As Adjusted	<u>\$ (38,738,216)</u>	<u>\$ (982,499)</u>	<u>\$ -</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO BASIC FINANCIAL STATEMENTS – CONTINUED
JUNE 30, 2021

NOTE 15 – SUBSEQUENT EVENTS

In August 2021, the District passed a resolution authorizing the sale of General Obligation Bonds and BANs for capital equipment and capital improvements, not to exceed \$26,000,000.

Management has evaluated subsequent events through November 23, 2021, the date on which the financial statements were available to be issued.

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

	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.625860%	0.624568%	0.614801%	0.608119%	0.594549%	0.604468%	0.597753%
District's Proportionate Share of the Collective Net Pension Liability	\$ 159,918,245	\$ 142,614,778	\$ 137,757,313	\$ 136,897,367	\$ 126,994,789	\$ 114,640,271	\$ 102,913,250
District's Covered Payroll	\$ 73,633,110	\$ 69,822,455	\$ 67,834,794	\$ 66,066,643	\$ 62,393,318	\$ 61,373,615	\$ 58,565,468
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	217.18%	204.25%	203.08%	207.21%	203.54%	186.79%	175.72%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

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

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

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

	2021	2020	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 10,357,284	\$ 10,228,210	\$ 8,963,412	\$ 8,005,716	\$ 7,091,637	\$ 6,367,696	\$ 6,180,556
Contributions in Relation to the Statutorially Required Contributions	10,357,284	10,228,210	8,963,412	8,005,716	7,091,637	6,367,696	6,180,556
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 74,556,038	\$ 73,633,110	\$ 69,822,455	\$ 67,834,794	\$ 66,066,643	\$ 62,393,318	\$ 61,373,615
Contributions as a Percentage of Covered Payroll	13.89%	13.89%	12.84%	11.80%	10.73%	10.21%	10.07%

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

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

	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Collective Net Pension Liability	0.005918%	0.005983%	0.006154%	0.005530%	0.005040%	0.004150%	0.006650%
District's Proportionate Share of the Collective Net Pension Liability	\$ 196,254	\$ 171,473	\$ 174,363	\$ 151,498	\$ 127,914	\$ 90,362	\$ 127,329
District's Covered Payroll	\$ 88,340	\$ 86,782	\$ 85,174	\$ 74,906	\$ 64,287	\$ 51,359	\$ 79,328
District's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	222.16%	197.59%	204.71%	202.25%	198.97%	175.94%	160.51%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.80%	62.70%	61.70%	60.90%	60.40%	64.60%	67.50%

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

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

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

	2021	2020	2019	2018	2017	2016	2015
Statutorially Required Contributions	\$ 13,371	\$ 15,452	\$ 14,300	\$ 13,171	\$ 10,667	\$ 8,833	\$ 6,908
Contributions in Relation to the Statutorially Required Contributions	13,371	15,452	14,300	13,171	10,667	8,833	6,908
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 76,931	\$ 88,340	\$ 86,782	\$ 85,174	\$ 74,906	\$ 64,287	\$ 51,359
Contributions as a Percentage of Covered Payroll	17.38%	17.49%	16.48%	15.46%	14.24%	13.74%	13.45%

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

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

	2021	2020	2019	2018
District's Proportion of the Collective Net OPEB Liability	0.799773%	0.799343%	0.787595%	0.784403%
District's Proportionate Share of the Collective Net OPEB Liability	\$ 144,370,595	\$ 120,872,848	\$ 111,606,819	\$ 106,246,102
District's Covered Payroll	\$ 73,721,450	\$ 69,909,237	\$ 67,919,970	\$ 66,147,433
District's Proportionate Share of the Collective Net OPEB Liability as a Percentage of its Covered Payroll	195.83%	172.90%	164.32%	160.62%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.39%	8.44%	7.91%	7.60%

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

Notes to Schedule:

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

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

	2021	2020	2019	2018
Statutorially Required Contributions	\$ 4,584,167	\$ 4,292,505	\$ 4,217,149	\$ 3,651,140
Contributions in Relation to the Statutorially Required Contributions	4,584,167	4,292,505	4,217,149	3,651,140
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 74,632,969	\$ 73,721,450	\$ 69,909,237	\$ 67,919,970
Contributions as a Percentage of Covered Payroll	6.14%	5.82%	6.03%	5.38%

Note to Schedule:

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

REQUIRED SUPPLEMENTARY INFORMATION
SPARTANBURG COUNTY SCHOOL DISTRICT SIX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE				
Local	\$ 37,303,132	\$ 37,303,132	\$ 40,777,873	\$ 3,474,741
State	66,250,133	66,250,133	67,999,802	1,749,669
Intergovernmental	801,751	801,751	837,466	35,715
Total Revenue	104,355,016	104,355,016	109,615,141	5,260,125
EXPENDITURES				
Current:				
Instruction	63,677,862	63,677,862	64,371,330	(693,468)
Support services	42,207,129	42,207,129	41,783,718	423,411
Intergovernmental	1,090,701	1,090,701	981,576	109,125
Total Expenditures	106,975,692	106,975,692	107,136,624	(160,932)
Excess (deficiency) of revenues over expenditures	(2,620,676)	(2,620,676)	2,478,517	5,099,193
OTHER FINANCING SOURCES (USES)				
Transfers in	4,489,226	4,489,226	3,925,495	(563,731)
Transfers out	(1,868,550)	(1,868,550)	(4,255,493)	(2,386,943)
Net change in fund balances	\$ -	\$ -	2,148,519	\$ 2,148,519
Fund Balances - July 1, 2020			13,508,665	
Fund Balances - June 30, 2021			\$ 15,657,184	

Note to Schedule:

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

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes Levied/Assessed by the LEA			
1110 Ad Valorem Taxes - Including Delinquent	\$ 33,026,093	\$ 35,343,833	\$ 2,317,740
1200 Revenue from Local Governmental Units Other than LEAs			
1280 Revenue in Lieu of Taxes	4,048,133	5,151,747	1,103,614
1300 Tuition			
1310 Tuition from Patrons for Regular Day School	29,538	13,476	(16,062)
1400 Transportation Fees			
1410 Transportation Fees From Patrons for Regular Day School	-	235	235
1500 Earnings on Investments			
1510 Interest on Investments	162,488	68,933	(93,555)
1900 Other Revenue from Local Sources			
1990 Miscellaneous Local Revenue			
1999 Revenue from Other Local Sources	36,880	199,649	162,769
Total Local Sources	37,303,132	40,777,873	3,474,741
2000 Intergovernmental Revenue			
2100 Payments from Other Governmental Units	801,751	837,466	35,715
Total Intergovernmental Revenue	801,751	837,466	35,715
3000 Revenue from State Sources			
3100 Restricted State Funding			
3130 Special Programs			
3131 Handicapped Transportation	-	5,464	5,464
3160 School Bus Driver Salary	529,753	614,964	85,211
3161 EAA Bus Driver Salary and Fringe	-	2,476	2,476
3162 Transportation Worker's Compensation	-	26,165	26,165
3180 Fringe Benefits Employer Contributions	14,285,735	13,962,603	(323,132)
3181 Retiree Insurance	2,956,178	2,984,264	28,086
3186 State Aid to Classrooms - Teacher Salary Increase	2,210,995	2,274,140	63,145
3189 Teacher Step	-	505,073	505,073
3300 State Aid to Classrooms - Education Finance Act			
3310 Full-Time Programs			
3311 Kindergarten	1,182,243	1,196,880	14,637
3312 Primary	3,467,383	3,281,442	(185,941)
3313 Elementary	6,974,986	6,847,252	(127,734)
3314 High School	3,129,353	3,150,074	20,721
3315 Trainable Mentally Handicapped	130,262	173,954	43,692
3316 Speech Handicapped (Part-Time Program)	2,102,433	2,028,072	(74,361)
3317 Homebound	-	592	592

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
3320 Part-Time Programs			
3321 Emotionally Handicapped	141,670	174,334	32,664
3322 Educable Mentally Handicapped	71,003	84,641	13,638
3323 Learning Disabilities	2,600,272	2,851,666	251,394
3324 Hearing Handicapped	87,927	129,354	41,427
3325 Visually Handicapped	58,262	73,757	15,495
3326 Orthopedically Handicapped	26,361	35,425	9,064
3327 Pre-Career and Career Technology	3,506,836	3,634,270	127,434
3330 Miscellaneous EFA Programs			
3331 Autism	710,991	863,464	152,473
3332 High Achieving Students	575,051	569,691	(5,360)
3334 Limited English Proficiency	604,939	494,396	(110,543)
3351 Academic Assistance	1,124,842	1,171,009	46,167
3352 Pupils in Poverty	2,759,497	2,779,562	20,065
3353 Dual Credit Enrollment	57,165	50,583	(6,582)
3392 NBC Excess EFA Formula	-	87,975	87,975
3800 State Revenue in Lieu of Taxes			
3810 Reimbursement for Local Residential Property Tax Relief	3,175,730	3,175,730	-
3820 Homestead Exemption	1,096,861	1,096,862	1
3825 Reimbursement for Property Tax Relief	11,491,322	11,338,792	(152,530)
3830 Merchant's Inventory Tax	503,271	629,088	125,817
3840 Manufacturers Depreciation Reimbursement	564,164	861,259	297,095
3890 Other State Property Tax Revenues	124,648	204,240	79,592
3900 Other State Revenue			
3993 PEBA on-Behalf	-	637,099	637,099
3999 Revenue from Other State Sources	-	3,190	3,190
Total State Sources	66,250,133	67,999,802	1,749,669
TOTAL REVENUE ALL SOURCES	104,355,016	109,615,141	5,260,125
EXPENDITURES			
100 INSTRUCTION			
110 General Instruction			
111 Kindergarten Programs			
100 Salaries	3,103,905	3,189,289	(85,384)
200 Employee Benefits	1,470,031	1,493,270	(23,239)
400 Supplies and Materials	65,224	49,421	15,803
	4,639,160	4,731,980	(92,820)
112 Primary Programs			
100 Salaries	7,757,792	7,578,304	179,488
200 Employee Benefits	3,244,656	3,191,793	52,863
300 Purchased Services	-	3,275	(3,275)
400 Supplies and Materials	332,552	448,267	(115,715)
	11,335,000	11,221,639	113,361

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
113 Elementary Programs			
100 Salaries	13,395,306	13,603,557	(208,251)
200 Employee Benefits	5,717,370	5,736,810	(19,440)
300 Purchased Services	40,900	43,439	(2,539)
400 Supplies and Materials	1,064,910	596,902	468,008
600 Other Objects	12,000	(1,200)	13,200
	<u>20,230,486</u>	<u>19,979,508</u>	<u>250,978</u>
114 High School Programs			
100 Salaries	8,254,504	8,804,940	(550,436)
200 Employee Benefits	3,721,838	4,001,779	(279,941)
300 Purchased Services	121,900	6,907	114,993
400 Supplies and Materials	554,280	297,294	256,986
600 Other Objects	3,400	1,451	1,949
	<u>12,655,922</u>	<u>13,112,371</u>	<u>(456,449)</u>
115 Career and Technology Education Programs			
100 Salaries	808,179	825,825	(17,646)
200 Employee Benefits	312,622	344,553	(31,931)
370 Purchased Services - Tuition	1,384,356	1,436,504	(52,148)
400 Supplies and Materials	10,000	4,644	5,356
	<u>2,515,157</u>	<u>2,611,526</u>	<u>(96,369)</u>
116 Career and Technology Education Programs - Middle School			
400 Supplies and Materials	-	20,639	(20,639)
	<u>-</u>	<u>20,639</u>	<u>(20,639)</u>
Total General Instruction	<u>51,375,725</u>	<u>51,677,663</u>	<u>(301,938)</u>
120 Exceptional Programs			
121 Educable Mentally Handicapped			
100 Salaries	997,388	1,057,440	(60,052)
200 Employee Benefits	465,434	506,194	(40,760)
300 Purchased Services	25,711	9,346	16,365
400 Supplies and Materials	32,300	541	31,759
	<u>1,520,833</u>	<u>1,573,521</u>	<u>(52,688)</u>
122 Trainable Mentally Handicapped			
100 Salaries	578,038	555,132	22,906
200 Employee Benefits	267,571	265,835	1,736
300 Purchased Services	147,281	236,912	(89,631)
400 Supplies and Materials	2,500	306	2,194
	<u>995,390</u>	<u>1,058,185</u>	<u>(62,795)</u>
123 Orthopedically Handicapped			
100 Salaries	19,863	21,178	(1,315)
200 Employee Benefits	5,948	10,462	(4,514)
	<u>25,811</u>	<u>31,640</u>	<u>(5,829)</u>
124 Visually Handicapped			
100 Salaries	17,070	19,330	(2,260)
200 Employee Benefits	10,208	10,461	(253)
300 Purchased Services	24,535	39,252	(14,717)
400 Supplies and Materials	-	1,156	(1,156)
	<u>51,813</u>	<u>70,199</u>	<u>(18,386)</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
125 Hearing Handicapped			
100 Salaries	-	14,962	(14,962)
200 Employee Benefits	-	2,036	(2,036)
300 Purchased Services	52,130	138,272	(86,142)
400 Supplies and Materials	-	2,458	(2,458)
	<u>52,130</u>	<u>157,728</u>	<u>(105,598)</u>
126 Speech Handicapped			
100 Salaries	407,344	425,775	(18,431)
200 Employee Benefits	183,337	175,778	7,559
300 Purchased Services	22,148	107,168	(85,020)
400 Supplies and Materials	-	1,295	(1,295)
	<u>612,829</u>	<u>710,016</u>	<u>(97,187)</u>
127 Learning Disabilities			
100 Salaries	2,344,942	2,507,543	(162,601)
200 Employee Benefits	1,009,654	1,064,442	(54,788)
300 Purchased Services	10,692	26,712	(16,020)
400 Supplies and Materials	-	8,969	(8,969)
	<u>3,365,288</u>	<u>3,607,666</u>	<u>(242,378)</u>
128 Emotionally Handicapped			
100 Salaries	376,245	341,498	34,747
200 Employee Benefits	190,528	164,113	26,415
300 Purchased Services	61,653	50,605	11,048
	<u>628,426</u>	<u>556,216</u>	<u>72,210</u>
129 Coordinated Early Intervening Services (CEIS)			
100 Salaries	147,642	51,473	96,169
200 Employee Benefits	82,087	26,586	55,501
	<u>229,729</u>	<u>78,059</u>	<u>151,670</u>
Total Exceptional Programs	<u>7,482,249</u>	<u>7,843,230</u>	<u>(360,981)</u>
130 Pre-School Programs			
137 Pre-School Handicapped-Self-Contained (3 & 4-year olds)			
100 Salaries	402,880	416,517	(13,637)
200 Employee Benefits	185,053	188,254	(3,201)
	<u>587,933</u>	<u>604,771</u>	<u>(16,838)</u>
139 Early Childhood Programs			
100 Salaries	47,359	-	47,359
200 Employee Benefits	19,087	-	19,087
400 Supplies and Materials	-	12,038	(12,038)
	<u>66,446</u>	<u>12,038</u>	<u>54,408</u>
Total Pre-School Programs	<u>654,379</u>	<u>616,809</u>	<u>37,570</u>
140 Special Programs			
141 Gifted and Talented - Academic			
100 Salaries	930,878	936,640	(5,762)
200 Employee Benefits	405,778	405,844	(66)
300 Purchased Services	24,250	6,384	17,866
400 Supplies and Materials	11,000	9,315	1,685
	<u>1,371,906</u>	<u>1,358,183</u>	<u>13,723</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
143 Advanced Placement			
100 Salaries	654,889	534,197	120,692
200 Employee Benefits	-	157,374	(157,374)
	<u>654,889</u>	<u>691,571</u>	<u>(36,682)</u>
145 Homebound			
100 Salaries	100,000	24,156	75,844
200 Employee Benefits	31,075	7,166	23,909
300 Purchased Services	1,000	1,725	(725)
	<u>132,075</u>	<u>33,047</u>	<u>99,028</u>
147 CERDEP			
400 Supplies and Materials	13,482	27,949	(14,467)
	<u>13,482</u>	<u>27,949</u>	<u>(14,467)</u>
148 Gifted and Talented - Artistic			
100 Salaries	28,116	41,513	(13,397)
200 Employee Benefits	11,200	14,945	(3,745)
300 Purchased Services	9,250	3,621	5,629
400 Supplies and Materials	7,000	6,356	644
	<u>55,566</u>	<u>66,435</u>	<u>(10,869)</u>
149 Other Special Programs			
100 Salaries	106,170	124,072	(17,902)
200 Employee Benefits	54,270	53,609	661
	<u>160,440</u>	<u>177,681</u>	<u>(17,241)</u>
Total Special Programs	<u>2,388,358</u>	<u>2,354,866</u>	<u>33,492</u>
160 Other Exceptional Programs			
161 Autism			
100 Salaries	301,127	289,190	11,937
200 Employee Benefits	160,726	139,233	21,493
300 Purchased Services	192,724	261,163	(68,439)
400 Supplies and Materials	-	339	(339)
	<u>654,577</u>	<u>689,925</u>	<u>(35,348)</u>
162 Limited English Proficiency			
100 Salaries	687,494	822,915	(135,421)
200 Employee Benefits	303,973	352,447	(48,474)
300 Purchased Services	65,625	4,970	60,655
400 Supplies and Materials	40,684	2,634	38,050
	<u>1,097,776</u>	<u>1,182,966</u>	<u>(85,190)</u>
Total Other Exceptional Programs	<u>1,752,353</u>	<u>1,872,891</u>	<u>(120,538)</u>
170 Summer School Programs			
172 Elementary Summer School			
100 Salaries	7,500	-	7,500
200 Employee Benefits	2,298	-	2,298
300 Purchased Services	8,000	3,500	4,500
400 Supplies and Materials	7,000	2,371	4,629
	<u>24,798</u>	<u>5,871</u>	<u>18,927</u>
Total Summer School Programs	<u>24,798</u>	<u>5,871</u>	<u>18,927</u>
TOTAL INSTRUCTION	<u>63,677,862</u>	<u>64,371,330</u>	<u>(693,468)</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
200 SUPPORT SERVICES			
210 Pupil Services			
211 Attendance and Social Work Services			
100 Salaries	136,497	4,616	131,881
200 Employee Benefits	60,720	153	60,567
300 Purchased Services	-	2,245	(2,245)
400 Supplies and Materials	-	428	(428)
	<u>197,217</u>	<u>7,442</u>	<u>189,775</u>
212 Guidance Services			
100 Salaries	1,956,531	1,883,545	72,986
200 Employee Benefits	853,128	808,135	44,993
300 Purchased Services	11,000	6,106	4,894
400 Supplies and Materials	10,000	4,608	5,392
	<u>2,830,659</u>	<u>2,702,394</u>	<u>128,265</u>
213 Health Services			
100 Salaries	709,399	754,894	(45,495)
200 Employee Benefits	274,877	320,007	(45,130)
300 Purchased Services	2,000	17,461	(15,461)
400 Supplies and Materials	75,800	44,698	31,102
	<u>1,062,076</u>	<u>1,137,060</u>	<u>(74,984)</u>
214 Psychological Services			
100 Salaries	584,496	555,097	29,399
200 Employee Benefits	266,042	236,645	29,397
300 Purchased Services	-	1,712	(1,712)
400 Supplies and Materials	-	13,965	(13,965)
	<u>850,538</u>	<u>807,419</u>	<u>43,119</u>
215 Exceptional Program Services			
100 Salaries	225,808	227,262	(1,454)
200 Employee Benefits	97,214	90,621	6,593
400 Supplies and Materials	3,500	-	3,500
	<u>326,522</u>	<u>317,883</u>	<u>8,639</u>
Total Pupil Services	<u>5,267,012</u>	<u>4,972,198</u>	<u>294,814</u>
220 Instructional Staff Services			
221 Improvement of Instruction - Curriculum Development			
100 Salaries	598,980	447,744	151,236
200 Employee Benefits	202,629	162,982	39,647
300 Purchased Services	10,000	5,729	4,271
400 Supplies and Materials	15,000	15,050	(50)
	<u>826,609</u>	<u>631,505</u>	<u>195,104</u>
222 Library and Media Services			
100 Salaries	1,200,557	1,207,815	(7,258)
200 Employee Benefits	542,272	543,739	(1,467)
400 Supplies and Materials	226,590	188,374	38,216
	<u>1,969,419</u>	<u>1,939,928</u>	<u>29,491</u>
223 Supervision of Special Programs			
100 Salaries	135,444	142,227	(6,783)
200 Employee Benefits	66,136	67,852	(1,716)
300 Purchased Services	-	1,239	(1,239)
400 Supplies and Materials	7,500	9,435	(1,935)
	<u>209,080</u>	<u>220,753</u>	<u>(11,673)</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
224 Improvement of Instruction - Inservice and Staff Training			
100 Salaries	349,287	148,074	201,213
200 Employee Benefits	75,338	64,225	11,113
300 Purchased Services	3,331	5,607	(2,276)
400 Supplies and Materials	228	27,251	(27,023)
	<u>428,184</u>	<u>245,157</u>	<u>183,027</u>
Total Instructional Staff Services	<u>3,433,292</u>	<u>3,037,343</u>	<u>395,949</u>
230 General Administration Services			
231 Board of Education			
100 Salaries	-	459	(459)
200 Employee Benefits	-	135	(135)
300 Purchased Services	69,178	61,802	7,376
318 Audit Services	38,250	37,050	1,200
400 Supplies and Materials	10,000	6,224	3,776
600 Other Objects	30,000	29,246	754
	<u>147,428</u>	<u>134,916</u>	<u>12,512</u>
232 Office of the Superintendent			
100 Salaries	490,772	494,203	(3,431)
200 Employee Benefits	174,918	173,433	1,485
300 Purchased Services	36,000	23,915	12,085
400 Supplies and Materials	10,000	8,829	1,171
600 Other Objects	1,500	1,355	145
	<u>713,190</u>	<u>701,735</u>	<u>11,455</u>
233 School Administration			
100 Salaries	5,489,495	5,497,433	(7,938)
200 Employee Benefits	2,257,291	2,268,195	(10,904)
300 Purchased Services	17,500	11,183	6,317
400 Supplies and Materials	97,031	87,654	9,377
	<u>7,861,317</u>	<u>7,864,465</u>	<u>(3,148)</u>
Total General Administration Services	<u>8,721,935</u>	<u>8,701,116</u>	<u>20,819</u>
250 Finance and Operations Services			
251 Student Transportation			
300 Purchased Services	-	800	(800)
	<u>-</u>	<u>800</u>	<u>(800)</u>
252 Fiscal Services			
100 Salaries	420,957	395,298	25,659
180 Head of Organizational Unit Salaries	165,528	171,028	(5,500)
200 Employee Benefits	237,197	239,745	(2,548)
300 Purchased Services	118,000	123,047	(5,047)
400 Supplies and Materials	73,500	123,107	(49,607)
600 Other Objects	32,000	29,543	2,457
	<u>1,047,182</u>	<u>1,081,768</u>	<u>(34,586)</u>
254 Operation and Maintenance of Plant			
100 Salaries	5,341,193	5,690,502	(349,309)
200 Employee Benefits	2,652,892	2,666,766	(13,874)
300 Purchased Services	1,172,097	1,555,261	(383,164)
321 Public Utilities	565,278	386,237	179,041
400 Supplies and Materials	917,382	1,479,985	(562,603)

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
470 Energy	2,653,522	2,070,941	582,581
500 Capital Outlay	-	30,135	(30,135)
	<u>13,302,364</u>	<u>13,879,827</u>	<u>(577,463)</u>
255 Student Transportation			
100 Salaries	2,482,661	2,692,803	(210,142)
200 Employee Benefits	1,121,294	1,082,636	38,658
300 Purchased Services	232,066	224,014	8,052
400 Supplies and Materials	107,200	77,500	29,700
	<u>3,943,221</u>	<u>4,076,953</u>	<u>(133,732)</u>
257 Internal Services			
100 Salaries	61,277	44,688	16,589
200 Employee Benefits	32,437	22,238	10,199
300 Purchased Services	2,500	404	2,096
400 Supplies and Materials	7,500	9,841	(2,341)
600 Other Objects	1,000	603	397
	<u>104,714</u>	<u>77,774</u>	<u>26,940</u>
258 Security			
100 Salaries	480,346	443,600	36,746
200 Employee Benefits	142,283	129,648	12,635
300 Purchased Services	1,581,784	1,609,882	(28,098)
400 Supplies and Materials	20,000	17,798	2,202
	<u>2,224,413</u>	<u>2,200,928</u>	<u>23,485</u>
Total Finance and Operations Services	<u>20,621,894</u>	<u>21,318,050</u>	<u>(696,156)</u>
260 Central Support Services			
263 Information Services			
100 Salaries	125,086	126,365	(1,279)
200 Employee Benefits	45,113	44,898	215
300 Purchased Services	19,500	3,358	16,142
400 Supplies and Materials	29,500	21,077	8,423
	<u>219,199</u>	<u>195,698</u>	<u>23,501</u>
264 Staff Services			
100 Salaries	181,904	193,743	(11,839)
200 Employee Benefits	77,660	78,333	(673)
300 Purchased Services	61,000	8,453	52,547
400 Supplies and Materials	13,500	31,850	(18,350)
	<u>334,064</u>	<u>312,379</u>	<u>21,685</u>
266 Technology and Data Processing Services			
100 Salaries	535,353	551,082	(15,729)
180 Head of Organizational Unit Salaries	129,536	129,536	-
200 Employee Benefits	262,125	258,973	3,152
300 Purchased Services	54,500	36,456	18,044
400 Supplies and Materials	245,000	272,169	(27,169)
	<u>1,226,514</u>	<u>1,248,216</u>	<u>(21,702)</u>
Total Central Support Services	<u>1,779,777</u>	<u>1,756,293</u>	<u>23,484</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
270 Support Services Pupil Activity			
271 Pupil Services Activities			
100 Salaries	1,139,706	1,187,791	(48,085)
200 Employee Benefits	409,104	446,978	(37,874)
300 Purchased Services	132,141	178,315	(46,174)
400 Supplies and Materials	576,668	162,594	414,074
500 Capital Outlay	50,000	-	50,000
660 Supporting Services Pupil Activity	75,600	23,040	52,560
	<u>2,383,219</u>	<u>1,998,718</u>	<u>384,501</u>
 Total Support Services Pupil Activity	 2,383,219	 1,998,718	 384,501
 TOTAL SUPPORT SERVICES	 <u>42,207,129</u>	 <u>41,783,718</u>	 <u>423,411</u>
 410 INTERGOVERNMENTAL EXPENDITURES			
412 Payments to Other Governmental Units			
720 Transits	1,090,701	981,576	109,125
	<u>1,090,701</u>	<u>981,576</u>	<u>109,125</u>
 TOTAL INTERGOVERNMENTAL EXPENDITURES	 <u>1,090,701</u>	 <u>981,576</u>	 <u>109,125</u>
 TOTAL EXPENDITURES	 <u>106,975,692</u>	 <u>107,136,624</u>	 <u>(160,932)</u>
 OTHER FINANCING SOURCES (USES)			
Interfund Transfers, from (to) Other Funds			
5220 Transfer from Special Revenue Fund - Special Projects	836,126	17,893	(818,233)
5230 Transfer from Special Revenue Fund - EIA	3,074,964	3,152,500	77,536
5240 Transfer from Debt Service Fund	398,542	741,265	342,723
5280 Transfer from Other Funds Indirect Costs	179,594	13,837	(165,757)
 421-710 Transfer to Special Revenue Fund - Special Projects	(364,145)	(1,164,419)	(800,274)
421-710 Transfer to Special Revenue Fund - Alternative Program	-	(107,026)	(107,026)
422-710 Transfer to Special Revenue Fund - EIA	(659,717)	(1,051,320)	(391,603)
425-710 Transfer to Special Revenue Fund - Food Service	(844,688)	(1,932,728)	(1,088,040)
	<u>2,620,676</u>	<u>(329,998)</u>	<u>(2,950,674)</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>2,620,676</u>	 <u>(329,998)</u>	 <u>(2,950,674)</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>\$ -</u>	 2,148,519	 <u>\$ 2,148,519</u>
 FUND BALANCES - JULY 1, 2020		<u>13,508,665</u>	
 FUND BALANCES - JUNE 30, 2021		<u>\$ 15,657,184</u>	

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING BALANCE SHEET
JUNE 30, 2021

ASSETS

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
Accounts receivable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,067	\$ 7,548	\$ 109,615
Due from other funds	-	-	-	-	78,306	-	-	78,306
Due from Federal Government	1,430,242	586,834	5,293	336	-	3,099,424	-	5,122,129
Total Assets	\$ 1,430,242	\$ 586,834	\$ 5,293	\$ 336	\$ 78,306	\$ 3,201,491	\$ 7,548	\$ 5,310,050

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 22,893	\$ 4,430	\$ -	\$ -	\$ 22	\$ 60,703	\$ 22,371	\$ 151,978
Due to other funds	1,407,349	582,404	5,293	314	-	2,414,448	717,458	5,127,266
Due to State Department of Education	-	-	-	-	-	15,114	-	15,114
Unearned revenue	-	-	-	-	36,747	711,226	-	747,973
Total Liabilities	1,430,242	586,834	5,293	336	78,306	3,201,491	739,829	6,042,331
Fund Balances	-	-	-	-	-	-	(732,281)	(732,281)
Total Liabilities and Fund Balances	\$ 1,430,242	\$ 586,834	\$ 5,293	\$ 336	\$ 78,306	\$ 3,201,491	\$ 7,548	\$ 5,310,050

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
REVENUES								
1000 Revenue from Local Sources								
1700 Pupil Activities								
1710 Admissions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 278,518	\$ 278,518
1720 Bookstore Sales	-	-	-	-	-	-	152,150	152,150
1730 Pupil Organization Membership Dues & Fees	-	-	-	-	-	-	19,655	19,655
1740 Student Fees	-	-	-	-	-	-	62,713	62,713
1790 Other Pupil Activity Income	-	-	-	-	-	-	80,659	80,659
1900 Other Revenue From Local Sources								
1910 Rentals	-	-	-	-	-	-	4,222	4,222
1920 Contributions and Donations from Private Sources	-	-	-	-	45,000	-	60,819	105,819
1930 Special Needs Transportation - Medicaid	-	-	-	-	11,171	584,297	-	595,468
1999 Revenue from Other Local Sources	-	-	-	-	321,016	290,841	3,570	615,427
Total Local Sources	-	-	-	-	377,187	875,138	662,306	1,914,631
3000 Revenue from State Sources								
3100 Restricted State Funding								
3110 Occupational Education								
3118 EEDA Career Specialist	-	-	-	-	424,377	-	-	424,377
3120 General Education	-	-	-	-	72,457	-	-	72,457
3127 Student Health & Fitness - PE Teachers								
3130 Special Programs								
3135 Reading Coaches	-	-	-	-	542,658	-	-	542,658
3136 Student Health & Fitness - Nurses	-	-	-	-	259,328	-	-	259,328
3143 GEER CERDEP Summer	-	-	-	-	27,605	-	-	27,605
3190 Miscellaneous Restricted State Grants								
3193 Education License Plates	-	-	-	-	1,407	-	-	1,407
3199 Other Restricted State Grants	-	-	-	-	12,997	-	-	12,997
3900 Other State Revenue								
3994 PEBA Nonemployer Contributions	-	-	-	-	18,997	-	-	18,997
3995 CRF Per Pupil Funding	-	-	-	-	1,863,014	-	-	1,863,014
Total State Sources	-	-	-	-	3,222,840	-	-	3,222,840
4000 Revenue from Federal Sources								
4200 Occupational Education								
4210 Perkins Aid, Title I	-	-	-	152,997	-	-	-	152,997
4300 Elementary and Secondary Education Act of 1965								
4310 Title I, Basic State Grant Programs	2,806,855	-	-	-	-	106,720	-	2,913,575
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	146,094	-	146,094
4351 Supporting Effective Instruction	-	-	-	-	-	423,086	-	423,086

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
4500 Programs for Children with Disabilities								
4510 Individuals with Disabilities Education Act (IDEA)	-	2,243,729	-	-	-	21,250	-	2,264,979
4520 Pre-School Grants for Children with Disabilities (IDEA)	-	-	105,369	-	-	-	-	105,369
4900 Other Federal Sources								
4975 Coronavirus Aid, Relief, & Economic Security Act (CARES Act)	-	-	-	-	-	2,384,553	-	2,384,553
4977 ESSER II	-	-	-	-	-	1,829,623	-	1,829,623
4997 Title IV/ SSAE	-	-	-	-	-	229,956	-	229,956
4999 Revenue from Other Federal Sources	-	-	-	-	-	140,074	-	140,074
Total Federal Sources	2,806,855	2,243,729	105,369	152,997	-	5,281,356	-	10,590,306
TOTAL REVENUE ALL SOURCES	2,806,855	2,243,729	105,369	152,997	3,600,027	6,156,494	662,306	15,727,777
EXPENDITURES								
100 INSTRUCTION								
110 General Instruction								
111 Kindergarten Programs								
100 Salaries	-	-	-	-	42,475	-	-	42,475
200 Employee Benefits	-	-	-	-	12,721	-	-	12,721
400 Supplies and Materials	-	-	-	-	-	993	-	993
112 Primary Programs								
100 Salaries	-	-	-	-	55,196	993	-	56,189
200 Employee Benefits	431,479	-	-	-	209,638	182,399	-	823,516
300 Purchased Services	188,471	-	-	-	77,408	88,238	-	354,117
400 Supplies and Materials	-	-	-	-	-	1,270	-	1,270
	2,844	-	-	-	239,231	188,693	-	430,768
	622,794	-	-	-	526,277	460,600	-	1,609,671
113 Elementary Programs								
100 Salaries	418,156	-	-	-	244,654	-	-	662,810
200 Employee Benefits	203,325	-	-	-	83,261	-	-	286,586
400 Supplies and Materials	27,437	-	-	-	-	1,313,910	-	1,341,347
	648,918	-	-	-	327,915	1,313,910	-	2,290,743
114 High School Programs								
100 Salaries	-	-	-	-	223,124	137,709	-	360,833
200 Employee Benefits	-	-	-	-	78,402	55,025	-	133,427
300 Purchased Services	-	-	-	-	-	73,989	-	73,989
400 Supplies and Materials	-	-	-	-	-	88,353	-	88,353
	-	-	-	-	301,526	355,076	-	656,602
115 Career and Technology Education Programs								
300 Purchased Services	-	-	-	5,400	-	-	-	5,400
400 Supplies and Materials	-	-	-	82,405	-	2,995	-	85,400
	-	-	-	87,805	-	2,995	-	90,800
116 Career and Technology Education (Vocational) Programs - Middle School								
300 Purchased Services	-	-	-	2,850	-	-	-	2,850
400 Supplies and Materials	-	-	-	62,342	-	-	-	62,342
	-	-	-	65,192	-	-	-	65,192
Total General Instruction	1,271,712	-	-	152,997	1,210,914	2,133,574	-	4,769,197

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
120 Exceptional Programs								
121 Educable Mentally Handicapped								
100 Salaries	-	42,196	-	-	7,658	-	-	49,854
200 Employee Benefits	-	17,667	-	-	2,293	-	-	19,960
400 Supplies and Materials	-	-	-	-	-	553	-	553
	-	59,863	-	-	9,951	553	-	70,367
122 Trainable Mentally Handicapped								
100 Salaries	-	-	-	-	4,936	-	-	4,936
200 Employee Benefits	-	-	-	-	1,478	-	-	1,478
300 Purchased Services	-	-	-	-	3,159	-	-	3,159
400 Supplies and Materials	-	-	-	-	-	1,544	-	1,544
	-	-	-	-	9,573	1,544	-	11,117
123 Orthopedically Handicapped								
100 Salaries	-	-	-	-	318	-	-	318
200 Employee Benefits	-	-	-	-	95	-	-	95
	-	-	-	-	413	-	-	413
124 Visually Handicapped								
300 Purchased Services	-	17,420	-	-	-	3,185	-	20,605
400 Supplies and Materials	-	-	-	-	-	1,757	-	1,757
	-	17,420	-	-	-	4,942	-	22,362
125 Hearing Handicapped								
400 Supplies and Materials	-	-	-	-	-	1,625	-	1,625
	-	-	-	-	-	1,625	-	1,625
126 Speech Handicapped								
100 Salaries	-	227,556	-	-	-	16,810	-	244,366
200 Employee Benefits	-	91,330	-	-	-	5,040	-	96,370
300 Purchased Services	-	519,258	-	-	-	-	-	519,258
400 Supplies and Materials	-	-	-	-	-	5,994	-	5,994
600 Other Objects	-	-	-	-	-	6,615	-	6,615
	-	838,144	-	-	-	34,459	-	872,603
127 Learning Disabilities								
100 Salaries	-	383,452	-	-	29,329	79,009	-	491,790
200 Employee Benefits	-	190,036	-	-	8,650	35,536	-	234,222
300 Purchased Services	-	1,960	-	-	-	3,339	-	5,299
400 Supplies and Materials	-	127,186	-	-	-	71,868	-	199,054
	-	702,634	-	-	37,979	189,752	-	930,365
128 Emotionally Handicapped								
100 Salaries	-	20,755	-	-	1,973	386,095	-	408,823
200 Employee Benefits	-	10,408	-	-	591	161,080	-	172,079
300 Purchased Services	-	-	-	-	-	21,206	-	21,206
400 Supplies and Materials	-	-	-	-	-	11,172	-	11,172
	-	31,163	-	-	2,564	579,553	-	613,280
129 Coordinated Early Intervening Services								
100 Salaries	-	-	-	-	2,435	164,718	-	167,153
200 Employee Benefits	-	-	-	-	729	80,002	-	80,731
	-	-	-	-	3,164	244,720	-	247,884
Total Exceptional Programs	-	1,649,224	-	-	63,644	1,057,148	-	2,770,016

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
130 Pre-School Programs								
137 Pre-School Handicapped Self-Contained (3 & 4-year olds)								
100 Salaries	-	59,645	65,025	-	4,580	-	-	129,250
200 Employee Benefits	-	29,630	37,730	-	1,372	-	-	68,732
400 Supplies and Materials	-	-	2,614	-	-	-	-	2,614
	-	89,275	105,369	-	5,952	-	-	200,596
139 Early Childhood Programs								
400 Supplies and Materials	-	-	-	-	-	737	-	737
	-	-	-	-	-	737	-	737
	-	89,275	105,369	-	5,952	737	-	201,333
Total Pre-School Programs								
140 Special Programs								
141 Gifted and Talented Academic								
100 Salaries	-	-	-	-	7,059	-	-	7,059
200 Employee Benefits	-	-	-	-	2,114	-	-	2,114
	-	-	-	-	9,173	-	-	9,173
147 CERDEP								
100 Salaries	48,431	-	-	-	74,941	-	-	123,372
200 Employee Benefits	21,931	-	-	-	22,694	-	-	44,625
	70,362	-	-	-	97,635	-	-	167,997
149 Other Special Programs								
100 Salaries	-	32,315	-	-	1,548	2,069	-	35,932
200 Employee Benefits	-	12,137	-	-	464	618	-	13,219
	-	44,452	-	-	2,012	2,687	-	49,151
Total Special Programs	70,362	44,452	-	-	108,820	2,687	-	226,321
160 Other Exceptional Programs								
161 Autism								
100 Salaries	-	154,978	-	-	3,826	58,884	-	217,688
200 Employee Benefits	-	69,754	-	-	1,146	25,034	-	95,934
400 Supplies and Materials	-	-	-	-	4,500	-	-	4,500
	-	224,732	-	-	9,472	83,918	-	318,122
162 Limited English Proficiency								
100 Salaries	-	-	-	-	6,048	4,697	-	10,745
200 Employee Benefits	-	-	-	-	1,811	1,484	-	3,295
300 Purchased Services	-	-	-	-	-	114,676	-	114,676
	-	-	-	-	7,859	120,857	-	128,716
Total Other Exceptional Programs	-	224,732	-	-	17,331	204,775	-	446,838
170 Summer School Programs								
172 Elementary Summer School								
100 Salaries	380,826	-	-	-	-	226,100	-	606,926
200 Employee Benefits	111,938	-	-	-	-	66,954	-	178,892
400 Supplies and Materials	-	-	-	-	-	3,333	-	3,333
	492,764	-	-	-	-	296,387	-	789,151
175 Instructional Programs Beyond Regular School Day								
100 Salaries	146,656	-	-	-	-	8,600	-	155,256
200 Employee Benefits	62,726	-	-	-	-	2,539	-	65,265
	209,382	-	-	-	-	11,139	-	220,521

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
Total Summer School Programs	702,146	-	-	-	-	307,526	-	1,009,672
180 Adult/Continuing Educational Programs	-	-	-	-	-	5,833	-	5,833
181 Adult Basic Education Programs	-	-	-	-	-	5,833	-	5,833
300 Purchased Services								
188 Parenting/Family Literacy								
100 Salaries	46,360	-	-	-	-	-	-	46,360
200 Employee Benefits	21,559	-	-	-	-	-	-	21,559
300 Purchased Services	323	-	-	-	-	-	-	323
400 Supplies and Materials	25,228	-	-	-	-	-	-	25,228
	93,470	-	-	-	-	-	-	93,470
Total Adult/Continuing Educational Programs	93,470	-	-	-	-	5,833	-	99,303
190 Instructional Pupil Activity								
100 Salaries	-	-	-	-	-	-	3,089	3,089
200 Employee Benefits	-	-	-	-	-	-	895	895
400 Supplies and Materials	-	-	-	-	-	-	9,506	9,506
660 Pupil Activity	-	-	-	-	-	-	67,029	67,029
	-	-	-	-	-	-	80,519	80,519
Total Instructional Pupil Activity	-	-	-	-	-	-	80,519	80,519
TOTAL INSTRUCTION	2,137,690	2,007,683	105,369	152,997	1,406,661	3,712,280	80,519	9,603,199
200 SUPPORT SERVICES								
210 Pupil Services								
211 Attendance and Social Work Services								
100 Salaries	-	-	-	-	-	174,050	-	174,050
200 Employee Benefits	-	-	-	-	-	74,332	-	74,332
	-	-	-	-	-	248,382	-	248,382
212 Guidance Services								
100 Salaries	-	-	-	-	49,508	89,545	-	139,053
200 Employee Benefits	-	-	-	-	18,763	31,716	-	50,479
400 Supplies and Materials	-	-	-	-	599	200	-	799
	-	-	-	-	68,870	121,461	-	190,331
213 Health Services								
100 Salaries	-	-	-	-	201,478	93,728	-	295,206
200 Employee Benefits	-	-	-	-	81,582	35,340	-	116,922
300 Purchased Services	-	-	-	-	322,896	48,649	-	371,545
400 Supplies and Materials	-	-	-	-	384,065	14	-	384,079
	-	-	-	-	990,021	177,731	-	1,167,752
214 Psychological Services								
100 Salaries	-	-	-	-	39,714	66,427	-	106,141
200 Employee Benefits	-	-	-	-	11,752	31,749	-	43,501
	-	-	-	-	51,466	98,176	-	149,642

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
215 Exceptional Program Services								
100 Salaries	-	-	-	-	-	51,744	-	51,744
200 Employee Benefits	-	-	-	-	-	22,940	-	22,940
300 Purchased Services	-	-	-	-	-	2,534	-	2,534
400 Supplies and Materials	-	-	-	-	-	10,505	-	10,505
600 Other Objects	-	-	-	-	-	360	-	360
	-	-	-	-	-	88,083	-	88,083
217 Career Specialist Services								
100 Salaries	-	-	-	-	313,346	-	-	313,346
200 Employee Benefits	-	-	-	-	127,030	-	-	127,030
	-	-	-	-	440,376	-	-	440,376
Total Pupil Services	-	-	-	-	1,550,733	733,833	-	2,284,566
220 Instructional Staff Services								
221 Improvement of Instruction - Curriculum Development								
100 Salaries	122,752	-	-	-	662,883	-	-	785,635
200 Employee Benefits	49,093	-	-	-	259,077	-	-	308,170
400 Supplies and Materials	-	-	-	-	-	943	-	943
	171,845	-	-	-	921,960	943	-	1,094,748
222 Library and Media Services								
100 Salaries	-	-	-	-	8,827	-	-	8,827
200 Employee Benefits	-	-	-	-	2,644	-	-	2,644
400 Supplies and Materials	-	-	-	-	-	370	-	370
	-	-	-	-	11,471	370	-	11,841
223 Supervision of Special Programs								
100 Salaries	109,909	170,409	-	-	-	82,249	-	362,567
200 Employee Benefits	41,189	64,034	-	-	-	34,766	-	139,989
300 Purchased Services	-	1,603	-	-	-	-	-	1,603
400 Supplies and Materials	-	-	-	-	-	2,799	-	2,799
	151,098	236,046	-	-	-	119,814	-	506,958
224 Improvement of Instruction - Inservice and Staff Training								
100 Salaries	245,749	-	-	-	-	58,412	-	304,161
200 Employee Benefits	93,057	-	-	-	-	29,153	-	122,210
300 Purchased Services	385	-	-	-	701	213,024	-	214,110
400 Supplies and Materials	357	-	-	-	-	4,551	-	4,908
600 Other Objects	-	-	-	-	-	955	-	955
	339,548	-	-	-	701	306,095	-	646,344
Total Instructional Staff Services	662,491	236,046	-	-	934,132	427,222	-	2,259,891
230 General Administrative Services								
233 School Administration								
100 Salaries	-	-	-	-	19,822	-	-	19,822
200 Employee Benefits	-	-	-	-	5,937	-	-	5,937
	-	-	-	-	25,759	-	-	25,759
Total General Administrative Services	-	-	-	-	25,759	-	-	25,759

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
250 Finance and Operations Services								
252 Fiscal Services								
100 Salaries	-	-	-	-	-	22,186	-	22,186
200 Employee Benefits	-	-	-	-	-	8,525	-	8,525
300 Purchased Services	-	-	-	-	-	1,302	-	1,302
	-	-	-	-	-	32,013	-	32,013
254 Operation and Maintenance of Plant								
400 Supplies and Materials	-	-	-	-	-	1,045,765	-	1,045,765
	-	-	-	-	-	1,045,765	-	1,045,765
255 Student Transportation								
100 Salaries	-	-	-	-	21,919	-	-	21,919
200 Employee Benefits	-	-	-	-	3,091	-	-	3,091
	-	-	-	-	25,010	-	-	25,010
Total Finance and Operations Services	-	-	-	-	25,010	1,077,778	-	1,102,788
260 Central Support Services								
266 Technology and Data Processing Services								
100 Salaries	-	-	-	-	-	38,508	-	38,508
200 Employee Benefits	-	-	-	-	-	15,998	-	15,998
400 Supplies and Materials	-	-	-	-	1,409	21,125	-	22,534
	-	-	-	-	1,409	75,631	-	77,040
Total Central Support Services	-	-	-	-	1,409	75,631	-	77,040
270 Support Services - Pupil Activity								
271 Pupil Services Activities								
100 Salaries	-	-	-	-	-	-	117,141	117,141
200 Employee Benefits	-	-	-	-	-	-	35,282	35,282
300 Purchased Services	-	-	-	-	-	-	213,669	213,669
400 Supplies and Materials	-	-	-	-	-	-	118,478	118,478
660 Support Services Pupil Activity	2,068	-	-	-	-	1,387	510,150	513,605
	2,068	-	-	-	-	1,387	994,720	998,175
	2,068	-	-	-	-	1,387	994,720	998,175
Total Support Services - Pupil Activity	664,559	236,046	-	-	2,537,043	2,315,851	994,720	6,748,219
TOTAL SUPPORT SERVICES								
300 COMMUNITY SERVICES								
390 Other Community Services	4,606	-	-	-	-	-	-	4,606
400 Supplies and Materials	4,606	-	-	-	-	-	-	4,606
	4,606	-	-	-	-	-	-	4,606
TOTAL COMMUNITY SERVICES								

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - SPECIAL PROJECTS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

410 INTERGOVERNMENTAL EXPENDITURES
411 Payments to State Department of Education

720 Transits

413 Payments to Nonpublic Schools

720 Transits

419 Payments to PEBA

720 Transits

TOTAL INTERGOVERNMENTAL EXPENDITURES

TOTAL EXPENDITURES

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds

5210 Transfer from General Fund

420-710 Transfer to General Fund

424-710 Transfer to Capital Projects Fund

431-791 Special Revenue Fund Indirect Costs

TOTAL OTHER FINANCING SOURCES (USES)

Excess (Deficiency) of Revenues Over Expenditures

FUND BALANCES, AS ADJUSTED - JULY 1, 2020

FUND BALANCES - JUNE 30, 2021

Title I	IDEA	Preschool Handicapped	CATE	Other Restricted State Grants	Other Special Revenue Programs	Student Activity Funds	Total
-	-	-	-	-	99,021	-	99,021
-	-	-	-	-	90,664	-	90,664
-	-	-	-	18,997	-	-	18,997
-	-	-	-	18,997	189,685	-	208,682
-	-	-	-	18,997	189,685	-	208,682
2,806,855	2,243,729	105,369	152,997	3,962,701	6,217,816	1,075,239	16,564,706
-	-	-	-	362,674	120,701	681,044	1,164,419
-	-	-	-	-	-	(17,893)	(17,893)
-	-	-	-	-	(45,542)	-	(45,542)
-	-	-	-	-	(13,837)	-	(13,837)
-	-	-	-	362,674	61,322	663,151	1,087,147
-	-	-	-	-	-	250,218	250,218
-	-	-	-	-	-	(982,499)	(982,499)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (732,281)	\$ (732,281)

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
 NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
 SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

District Subfund Code	Other Designated State Grants	District Subfund Code	Other Special Revenue Programs
217	CRF Per Pupil Funding	210	Title IV, SSAE
800	Special Needs Transportation	212	Individuals With Disabilities Education Act (IDEA) (ESY)
800	Other State Restricted Grants	237	Title I, School Improvement
802	Clemson Agriculture Ed - SCAGED	263	Title II Prior Year - Improving Teacher Quality
824	Onsite Health	264	Title III, Language Instruction for Limited English Proficient and Immigrant Students
826	SCF Nutritional Disorders Grant	265	Title III Prior Year - ESOL
919	Education License Plates	267	Title II, Supporting Effective Instruction
924	Child Early Reading Development & Education Program (CERDEP) - Full Day 4K	273	Medicaid
928	EEDA Career Specialist	220	SC CARES ESSER
935	Reading Coaches	225	ESSER II
936	Student Health & Fitness - Nurses	285	Army JROTC
937	Student Health & Fitness - PE Teachers	801	Contributions and Donations Private Sources
994	PEBA Nonemployer Contributions	801	Other Local Revenue
		804	Sharp Tech Grant
		805	E-Rate
		809	JBES Mary Black Foundation Grant
		810	Spartanburg Academic Movement
		817	WHES - ABC Arts in Education
		819	CDC - Positive Parenting/MBF
		821	AES - Adult Education
		827	Mary Black Foundation - Healthy Schools Initiative
		827	Healthy Schools Initiative
		828	SC Farm to School
		829	SRHC - AIM to Work / In This Together

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTE TO SPECIAL REVENUE FUND - SPECIAL PROJECTS
SUMMARY SCHEDULE FOR DESIGNATED STATE RESTRICTED GRANTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Subfund	Revenue	Program	Revenues	Expenditures	Other Fund Transfers In/(Out)	Unearned Revenue
928	3118	EEDA Career Specialist	\$	\$ 488,282	\$ 63,905	\$ -
937	3127	Student Health & Fitness - PE Teachers	72,457	94,992	22,535	-
924	3134	CERDEP - Full Day 4K	-	36,164	36,164	-
935	3135	Reading Coaches	542,658	759,339	216,681	-
936	3136	Student Health & Fitness - Nurses	259,328	266,650	7,322	-
924	3143	GEER CERDEP Summer	27,605	27,605	-	-
919	3193	Education License Plates	1,407	1,407	-	-
800	3199	Other Restricted State Grants	12,997	23,121	10,124	-
994	3994	PEBA Nonemployer Contributions	18,997	18,997	-	-
217	3995	CRF Per Pupil Funding	1,863,014	1,863,014	-	36,747
			<u>\$ 3,222,840</u>	<u>\$ 3,579,571</u>	<u>\$ 356,731</u>	<u>\$ 36,747</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT (EIA)
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUES

3000 Revenue From State Sources	
3500 Education Improvement Act	
3502 ADEPT	\$ 7,143
3509 Arts in Education	12,600
3519 Grade 10 Assessments	20,132
3526 Refurbishment of Science Kits	51,183
3528 Industry Certifications/Credentials	10,000
3529 Career and Technical Education	67,377
3532 National Board Salary Supplement	482,391
3533 Teacher of the Year Awards	1,077
3538 Students At Risk of School Failure	927,183
3541 Child Early Reading Development & Education Program - Full Day 4K	1,152,828
3550 Teacher Salary Increase	2,535,538
3555 Teacher Salary Fringe	616,962
3557 Summer Reading Program	146,559
3577 Teacher Supplies	219,725
3594 EEDA Supplemental Programs	168,150
3595 EEDA - Supplies and Materials	24,609
3597 Aid to Districts	363,333
3599 Other EIA	4,880
	<hr/>
Total State Sources	6,811,670
	<hr/>
TOTAL REVENUE ALL SOURCES	6,811,670
	<hr/>

EXPENDITURES**100 INSTRUCTION**

110 General Instruction	
111 Kindergarten Programs	
100 Salaries	62,644
200 Employee Benefits	40,945
112 Primary Programs	
100 Salaries	504,630
200 Employee Benefits	221,733
300 Purchased Services	12,600
400 Supplies and Materials	37,407
113 Elementary Programs	
100 Salaries	189,559
200 Employee Benefits	80,820
400 Supplies and Materials	244,705
114 High School Programs	
100 Salaries	172,573
200 Employee Benefits	67,327
300 Purchased Services	242,102
400 Supplies and Materials	20,132

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

115 Career and Technology Education Programs	
100 Salaries	39,900
200 Employee Benefits	18,201
300 Purchased Services	1,203
400 Supplies and Materials	34,994
116 Career and Technology (Vocational) Programs - Middle School	
400 Supplies and Materials	33,541
120 Exceptional Programs	
121 Educable Mentally Handicapped	
100 Salaries	7,500
200 Employee Benefits	2,981
122 Trainable Mentally Handicapped	
100 Salaries	7,500
200 Employee Benefits	3,421
127 Learning Disabilities	
100 Salaries	21,079
200 Employee Benefits	9,174
129 Coordinated Early Intervening Services (CEIS)	
100 Salaries	49,897
200 Employee Benefits	29,155
140 Special Programs	
147 CERDEP	
100 Salaries	1,447,967
200 Employee Benefits	675,069
400 Supplies and Materials	14,090
170 Summer School Program	
172 Elementary Summer School	
100 Salaries	64,795
200 Employee Benefits	17,982
400 Supplies and Materials	63,782
173 High School Summer School	
100 Salaries	600
200 Employee Benefits	180
TOTAL INSTRUCTION	4,440,188
200 SUPPORT SERVICES	
210 Pupil Services	
211 Attendance and Social Work Services	
100 Salaries	21,224
200 Employee Benefits	6,770
212 Guidance Services	
100 Salaries	7,500
200 Employee Benefits	3,161
300 Purchased Services	23,757
400 Supplies and Materials	852

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ALL PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

220 Instructional Staff Services	
221 Improvement of Instruction - Curriculum Development	
100 Salaries	23,410
200 Employee Benefits	8,305
222 Library and Media Services	
100 Salaries	7,500
200 Employee Benefits	2,709
223 Supervision of Special Programs	
100 Salaries	83,195
200 Employee Benefits	16,052
400 Supplies and Materials	866
224 Improvement of Instruction - Inservice and Staff Training	
100 Salaries	9,807
200 Employee Benefits	1,902
300 Purchased Services	33,215
400 Supplies and Materials	15,197
260 Central Support Services	
266 Technology and Data Processing Services	
400 Supplies and Materials	4,880
TOTAL SUPPORT SERVICES	270,302
TOTAL EXPENDITURES	4,710,490
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, from (to) Other Funds	
5210 Transfer from General Fund	1,051,320
420-710 Transfer to General Fund	(3,152,500)
TOTAL OTHER FINANCING SOURCES (USES)	(2,101,180)
Excess (Deficiency) of Revenues Over Expenditures	-
FUND BALANCES - JULY 1, 2020	-
FUND BALANCES - JUNE 30, 2021	\$ -

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - EDUCATION IMPROVEMENT ACT (EIA)
SUMMARY SCHEDULE BY PROGRAM
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

PROGRAM	Revenues	Expenditures	Other Fund Transfers In/(Out)	Unearned Revenue
3500 Education Improvement Act				
3502 ADEPT	\$ 7,143	\$ 7,143	\$ -	\$ 4,990
3509 Arts in Education	12,600	12,600	-	-
3518 Adoption List of Formative Assessment	-	-	-	58,652
3519 Grade 10 Assessments	20,132	20,132	-	-
3526 Refurbishment of Science Kits	51,183	51,183	-	-
3528 Industry Certifications/Credentials	10,000	10,000	-	20,249
3529 Career and Technical Education	67,377	67,377	-	100,579
3532 National Board Salary Supplement	482,391	535,063	52,672	-
3533 Teacher of the Year Awards	1,077	1,077	-	-
3538 Students At Risk of School Failure	927,183	927,183	-	715,159
3541 CERDEP - Full Day 4K	1,152,828	2,137,125	984,297	-
3550 Teacher Salary Increase	2,535,538	-	(2,535,538)	-
3555 Teacher Salary Fringe	616,962	-	(616,962)	-
3557 Summer Reading Program	146,559	146,559	-	100,045
3577 Teacher Supplies	219,725	220,000	275	-
3594 EEDA Supplemental Programs	168,150	168,150	-	-
3595 EEDA - Supplies and Materials	24,609	24,609	-	7,591
3597 Aid to Districts	363,333	377,409	14,076	-
3599 Other EIA	4,880	4,880	-	-
Totals	<u>\$ 6,811,670</u>	<u>\$ 4,710,490</u>	<u>\$ (2,101,180)</u>	<u>\$ 1,007,265</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUES

1000 Revenues from Local Sources

1600 Food Service

1610 Lunch Sales to Pupils	\$ 18,254
1620 Breakfast Sales to Pupils	951
1630 Special Sales to Pupils	52,740
1640 Lunch Sales to Adults	35,050
1650 Breakfast Sales to Adults	235
1660 Special Sales to Adults	5,131

1700 Pupil Activities

1720 Bookstore Sales	140,007
----------------------	---------

1900 Other Revenue from Local Sources

1990 Miscellaneous Local Revenue	
1992 Canteen Operations	52,877
1999 Revenue from Other Local Sources	76,261

Total Local Sources	<u>381,506</u>
---------------------	----------------

4000 Revenue from Federal Sources

4800 USDA Reimbursement

4810 School Lunch and After School Snacks Program	120,240
4830 School Breakfast Program	54,277
4860 Fresh Fruits and Vegetables Program	83,575
4880 Summer Feeding Program (SFSP)	5,431,067

4900 Other Federal Sources

4991 USDA Commodities	643,554
4999 Revenue from Other Federal Sources	25,560

Total Federal Sources	<u>6,358,273</u>
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TOTAL REVENUES ALL SOURCES	<u>6,739,779</u>
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EXPENDITURES

256 Food Service

100 Salaries	2,754,873
200 Employee Benefits	1,576,519
300 Purchased Services	185,062
400 Supplies and Materials	3,636,206
500 Capital Outlay	325,681
600 Other Objects	36,986

TOTAL EXPENDITURES	<u>8,515,327</u>
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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - FOOD SERVICE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds	
5210 Transfer from General Fund	1,932,728

TOTAL OTHER FINANCING SOURCES (USES)	1,932,728
---	-----------

Excess (Deficiency) of Revenues Over Expenditures	157,180
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FUND BALANCES - JULY 1, 2020	26,928
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FUND BALANCES - JUNE 30, 2021	\$ 184,108
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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - ALTERNATIVE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUES

1000 Revenue from Local Sources	
1300 Tuition	
1310 From Patrons for Regular Day School	\$ 181,244
Total Local Sources	<u>181,244</u>
2000 Intergovernmental Revenue	
2100 Payments from Other Governmental Units	<u>178,724</u>
Total Intergovernmental Revenue	<u>178,724</u>
TOTAL REVENUES ALL SOURCES	<u>359,968</u>

EXPENDITURES**100 INSTRUCTION**

110 General Instruction	
113 Elementary Programs	
100 Salaries	7,380
200 Employee Benefits	2,193
114 High School Programs	
300 Purchased Services	100,958
400 Supplies and Materials	<u>749</u>
TOTAL INSTRUCTION	<u>111,280</u>

200 SUPPORT SERVICES

210 Pupil Services	
211 Attendance and Social Work Services	
100 Salaries	127,782
200 Employee Benefits	47,204
400 Supplies and materials	3,739
212 Guidance Services	
100 Salaries	22,676
200 Employee Benefits	13,024
220 Instructional Staff Services	
223 Supervision of Special Programs	
100 Salaries	101,696
200 Employee Benefits	<u>39,593</u>

TOTAL SUPPORT SERVICES	<u>355,714</u>
TOTAL EXPENDITURES	<u>466,994</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SPECIAL REVENUE FUND - ALTERNATIVE PROGRAM
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

OTHER FINANCING SOURCES (USES)

Interfund Transfers, from (to) Other Funds

5210 Transfer from General Fund

107,026

TOTAL OTHER FINANCING SOURCES (USES)

107,026

Excess (Deficiency) of Revenues Over Expenditures

-

FUND BALANCES - JULY 1, 2020

-

FUND BALANCES - JUNE 30, 2021

\$ -

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
FINAL BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
1000 Revenue from Local Sources			
1100 Taxes			
1110 Ad Valorem Taxes - Including Delinquent	\$ 13,950,954	\$ 15,467,524	\$ 1,516,570
1200 Revenue From Local Governmental Units Other than LEA's			
1280 Revenue in Lieu of Taxes	1,459,485	1,639,824	180,339
1500 Earnings on Investments			
1510 Interest on Investments	13,250	21,555	8,305
Total Local Sources	15,423,689	17,128,903	1,705,214
3000 Revenue from State Sources			
3800 State Revenue in Lieu of Taxes			
3820 Homestead Exemption	524,158	581,104	56,946
3830 Merchant's Inventory Tax	149,064	186,330	37,266
3840 Manufacturers Depreciation Reimbursement	176,335	274,559	98,224
3890 Other State Property Tax Revenues	46,402	101,013	54,611
Total State Sources	895,959	1,143,006	247,047
TOTAL REVENUES ALL SOURCES	16,319,648	18,271,909	1,952,261
EXPENDITURES			
500 Debt Service			
319 Legal Services	73,000	101,000	(28,000)
610 Redemption of Principal	39,360,000	39,227,000	133,000
620 Interest	2,060,500	1,489,469	571,031
690 Other Objects	175,106	89,007	86,099
TOTAL EXPENDITURES	41,668,606	40,906,476	762,130
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, from (to) Other Funds			
5250 Transfer from Capital Projects Fund	25,747,500	24,600,000	(1,147,500)
420-710 Transfer to General Fund (Exclude Indirect Costs)	(398,542)	(741,265)	(342,723)
TOTAL OTHER FINANCING SOURCES (USES)	25,348,958	23,858,735	(1,490,223)
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ 1,224,168	\$ 1,224,168
FUND BALANCES - JULY 1, 2020		5,046,190	
FUND BALANCES - JUNE 30, 2021		\$ 6,270,358	

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

REVENUES

1000 Revenue from Local Sources	
1900 Other Revenue from Local Sources	
1920 Contributions and Donations from Private Sources	\$ 61,150
1990 Miscellaneous Local Revenue	
1993 Receipt of Insurance Proceeds	6,866
	<hr/>
Total Local Sources	68,016
	<hr/>
3000 Revenue from State Sources	
3900 Other State Revenue	
3995 CRF Per Pupil Funding	1,310,402
	<hr/>
Total State Sources	1,310,402
	<hr/>
TOTAL REVENUES ALL SOURCES	1,378,418
	<hr/>

EXPENDITURES

250 Finance and Operations	
253 Facilities Acquisition and Construction Services	
300 Purchased Services	712,535
400 Supplies and Materials	3,049,062
500 Capital Outlay	
520 Construction Services	299,999
530 Improvements Other Than Buildings	197,369
540 Equipment	516,295
550 Vehicles	454,640
	<hr/>
TOTAL EXPENDITURES	5,229,900
	<hr/>

OTHER FINANCING SOURCES (USES)

5110 Premium on Bonds Sold	1,556,890
5120 Issuance of General Obligation Bonds	33,500,000
5300 Sale of Capital Assets	32,426
5600 Lease Purchases	3,000,000
Interfund Transfers, from (to) Other Funds	
5220 Transfer from Special Revenue Fund - Special Projects	45,542
423-710 Transfer to Debt Service Fund	(24,600,000)
	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	13,534,858
	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	9,683,376
FUND BALANCES - JULY 1, 2020	9,725,510
	<hr/>
FUND BALANCES - JUNE 30, 2021	\$ 19,408,886
	<hr/>

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
 SCHEDULE OF DUE TO SC DEPARTMENT OF EDUCATION/FEDERAL GOVERNMENT
 JUNE 30, 2021

Program	Project/ Grant Number	Revenue Code	Description	Amount Due to SCDE/ Federal	Status of Amount Due
<u>Due to State Department of Education:</u>					
IDEA - Extended School Year	18-19 ESY	4510/212	Unspent Funds	\$15,113.65	Unpaid

Due to Federal Government:

None.

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
LOCATION RECONCILIATION SCHEDULE
FOR FISCAL YEAR ENDED JUNE 30, 2021

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
000	Districtwide	Districtwide	Central	\$ 65,609,660
053	Paul M. Dorman High	High School	School	34,887,570
054	Fairforest Middle	Middle	School	9,389,015
056	L.E. Gable Middle	Middle	School	7,501,963
057	Arcadia Elementary	Elementary	School	6,054,122
058	Fairforest Elementary	Elementary	School	8,177,116
060	R.P. Dawkins Middle	Middle	School	8,089,960
061	Lone Oak Elementary	Elementary	School	4,679,356
062	Pauline-Glenn Springs Elementary	Elementary	School	4,900,838
065	Jesse S. Bobo Elementary	Elementary	School	5,391,470
066	West View Elementary	Elementary	School	7,654,817
067	Woodland Heights Elementary	Elementary	School	4,941,941
086	Roebuck Elementary	Elementary	School	8,528,218
088	Anderson Mill Elementary	Elementary	School	7,724,471
				<u><u>\$ 183,530,517</u></u>

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

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 107,136,624
Special Revenue Fund - Special Projects	16,564,706
Special Revenue Fund - EIA	4,710,490
Special Revenue Fund - Food Service	8,515,327
Special Revenue Fund - Alternative Program	466,994
Debt Service Fund	40,906,476
Capital Projects Fund	5,229,900
	<u><u>\$ 183,530,517</u></u>

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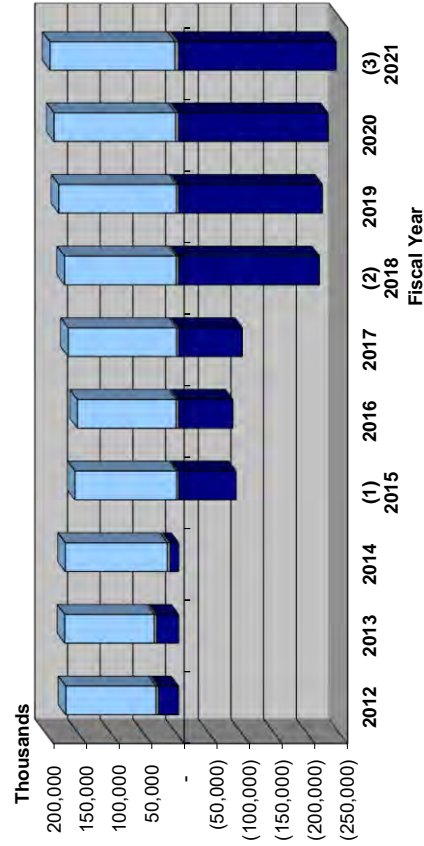
Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Net Position by Component
(Last Ten Fiscal Years)
(Unaudited)

Net position components	2012	2013	2014	(1) 2015	2016	2017	(2) 2018	2019	2020	(3) 2021
Net Investment in Capital Assets	\$ 137,775,011	\$ 136,837,989	\$ 155,754,573	\$ 155,303,642	\$ 150,870,630	\$ 165,724,881	\$ 170,665,421	\$ 179,688,924	\$ 185,614,780	\$ 190,959,125
Restricted	4,259,631	4,138,577	4,676,387	3,146,733	3,978,556	3,171,388	3,898,350	3,515,685	4,882,530	5,779,010
Unrestricted	30,443,161	33,199,706	12,805,362	(87,708,223)	(82,659,986)	(97,279,093)	(215,100,627)	(219,679,923)	(228,253,027)	(240,711,074)
Total primary government net position	\$ 172,477,803	\$ 174,176,272	\$ 173,236,322	\$ 70,742,152	\$ 72,189,200	\$ 71,617,176	\$ (40,536,856)	\$ (36,475,314)	\$ (37,755,717)	\$ (43,972,939)



Source: District Basic Financial Statements

- (1) In fiscal year 2015, the School District implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions"
(2) In fiscal year 2018, the School District implemented GASB Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits"
(3) In fiscal year 2021, the School District implemented GASB Statement No. 84 "Fiduciary Activities"

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

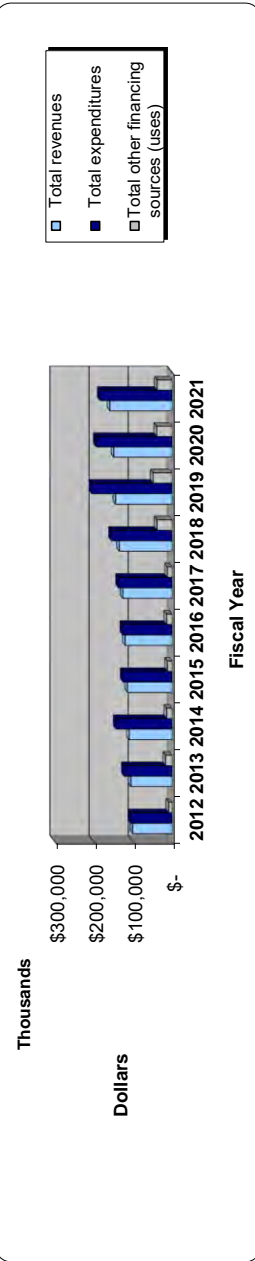
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Primary Government										
Expenses										
Governmental Activities:										
Instruction	\$ 60,542,214	\$ 64,828,616	\$ 65,586,670	\$ 68,591,000	\$ 71,249,934	\$ 75,910,430	\$ 81,873,739	\$ 83,225,113	\$ 88,613,519	\$ 97,457,066
Support Services	34,750,948	38,220,688	44,602,892	45,845,096	47,123,321	50,558,038	54,267,533	55,268,251	60,722,602	66,869,686
Community Services	5,488	1,713	2,788	362	1,402	1,889	1,286	2,000	792	4,606
Interest and other Charges	137,843	199,985	253,445	200,889	258,690	267,751	593,319	1,037,624	861,558	534,906
Total expenses	\$ 95,436,493	\$ 103,251,002	\$ 110,445,795	\$ 114,637,347	\$ 118,633,347	\$ 126,738,108	\$ 136,735,877	\$ 139,532,988	\$ 150,198,471	\$ 164,866,264
Program Revenues										
Governmental Activities:										
Program Revenues										
Charges for services:										
Food Service	1,015,191	956,020	850,321	1,317,566	1,314,215	1,314,971	1,430,179	1,395,041	996,080	112,361
Medicaid	755,191	1,141,895	1,199,705	1,079,126	1,022,370	906,350	996,801	862,346	831,138	584,297
Other Activities	174,366	174,730	130,111	182,420	182,894	221,331	197,151	587,552	240,514	992,703
Operating grants and contributions	47,174,527	50,924,217	53,064,049	54,281,699	57,825,959	63,045,510	68,214,505	69,756,843	73,565,873	81,047,908
Capital Grants and Contributions	300,054	-	-	-	-	-	-	-	-	-
Total program revenues	49,419,329	53,196,862	55,244,186	56,860,811	60,345,438	65,488,162	70,838,636	72,601,782	75,633,605	82,737,269
Primary government net expense	46,017,164	50,054,140	55,201,609	57,776,536	58,287,909	61,249,946	65,897,241	66,931,206	74,564,866	82,128,995
General Revenues										
Property Taxes (general purposes)	26,214,879	26,263,232	27,958,035	29,035,206	30,405,800	30,566,906	33,593,766	36,735,095	37,930,262	40,142,447
Property Taxes (debt services)	10,039,933	10,015,372	10,183,951	10,910,908	12,255,468	12,365,010	13,092,314	15,767,128	16,264,079	17,107,348
Unrestricted State grants	14,256,558	14,656,038	15,018,617	15,340,330	15,733,637	15,918,536	16,236,165	16,940,205	17,559,118	18,452,168
Sale of Capital Assets	-	-	-	21,332	-	-	(23,479)	-	11,725	-
Miscellaneous	839,776	778,510	1,138,351	1,540,886	1,295,317	1,774,451	1,009,173	754,702	1,156,087	1,101,821
Unrestricted investment earnings	31,974	39,456	42,166	24,444	44,735	53,019	99,245	795,618	363,192	90,488
Total primary government	51,383,120	51,752,608	54,341,120	56,873,106	59,734,957	60,677,922	64,007,184	70,992,748	73,284,463	76,894,272
Change in Net Position										
Total primary government	\$ 5,365,956	\$ 1,698,468	\$ (860,489)	\$ (903,430)	\$ 1,447,048	\$ (572,024)	\$ (1,890,057)	\$ 4,061,542	\$ (1,280,403)	\$ (5,234,723)

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Fund Balances, Governmental Funds
Last Ten Fiscal Years (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 1,258,269	\$ 1,354,234	\$ 1,052,505	\$ 18,161	\$ 11,006	\$ 11,579	\$ 25,968	\$ 91,280	\$ 66,372	\$ 451,597
Unassigned	10,586,308	9,968,814	9,337,582	10,447,741	10,548,390	10,574,532	11,447,158	13,208,337	13,442,293	15,205,587
Total General Fund	\$ 11,844,577	\$ 11,323,048	\$ 10,390,087	\$ 10,465,902	\$ 10,559,396	\$ 10,586,111	\$ 11,473,126	\$ 13,299,617	\$ 13,508,665	\$ 15,657,184
All Other Governmental Funds										
Nonspendable	-	-	-	100,864	124,067	-	-	-	221,200	31,600
Restricted, reported in:										
Special Revenue-Food Service	730,483	485,977	-	-	-	-	-	-	-	-
Debt Service	3,529,148	3,652,600	3,623,882	3,128,572	2,994,835	3,159,809	3,507,278	4,268,250	5,046,190	6,270,358
Capital Projects	4,164,882	-	-	-	848,648	14,056,667	31,383,790	15,979,936	9,504,310	19,377,286
Assigned, reported in:										
Capital Projects	16,449,529	21,836,956	3,288,144	4,445,095	11,682,518	-	-	-	-	-
Special Revenue-Alternative	1,356,098	39,702	144,566	49,528	-	-	-	-	-	-
Special Revenue-Food Service	-	-	-	-	-	696	336	-	26,928	184,108
Unassigned	-	-	-	(100,864)	(124,067)	-	-	-	-	(732,281)
Total all other governmental funds	\$ 26,230,140	\$ 26,015,235	\$ 7,056,592	\$ 7,623,195	\$ 15,526,001	\$ 17,217,172	\$ 34,891,404	\$ 20,248,186	\$ 14,798,628	\$ 25,131,071

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Changes in Fund Balances, Governmental Funds
(Last 10 Fiscal Years)
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Governmental Activities:										
Local property taxes	\$ 36,368,906	\$ 36,228,274	\$ 38,010,217	\$ 40,043,648	\$ 42,551,246	\$ 42,834,343	\$ 46,202,564	\$ 52,678,843	\$ 53,950,672	\$ 57,602,928
Other Local	2,801,573	3,084,506	3,351,579	4,144,441	3,859,531	3,850,391	3,732,542	4,778,072	3,587,011	2,849,245
Total Local	39,170,479	39,312,780	41,361,796	44,188,089	46,410,777	46,684,734	49,935,106	57,456,915	57,537,683	60,452,173
Intergovernmental	779,285	892,488	709,036	696,888	877,570	974,833	902,945	970,554	1,009,134	1,016,190
State	50,870,966	55,787,223	57,907,457	59,873,222	62,037,125	67,000,325	72,244,522	73,798,176	77,313,269	80,487,720
Federal	10,080,887	8,900,542	9,466,175	9,051,920	10,644,901	11,408,619	11,520,035	11,944,329	13,043,847	16,948,579
Total revenues	\$ 100,901,617	\$ 104,893,033	\$ 109,444,464	\$ 113,810,119	\$ 119,970,373	\$ 126,068,511	\$ 134,602,608	\$ 144,169,974	\$ 148,903,933	\$ 158,904,662
Expenditures										
Current:										
Instruction	54,036,199	58,201,747	58,928,878	60,149,258	61,938,489	65,309,860	67,737,204	70,429,273	73,919,906	78,525,997
Support services	34,328,088	36,587,869	39,374,428	41,212,064	44,226,856	47,392,300	50,672,103	53,252,067	56,039,674	61,434,877
Community services	5,488	1,713	2,788	362	1,402	1,889	1,286	2,000	792	4,606
Intergovernmental expenditures	1,164,766	1,207,496	1,286,114	1,305,290	1,271,015	1,174,990	2,222,634	2,126,942	2,517,850	1,190,258
Debt Services										
Principal	10,760,254	10,358,588	11,301,523	11,574,277	12,566,122	12,028,000	12,480,000	39,532,000	50,088,000	39,227,000
Interest	361,815	406,827	640,410	900,968	942,665	973,909	979,603	2,212,188	2,324,718	1,489,469
Other objects	27,770	93,878	102,671	87,306	121,345	103,936	222,787	218,905	160,806	190,007
Capital outlay										
Total expenditures	4,772,587	15,455,483	31,388,298	9,925,590	5,066,260	9,710,652	20,444,323	37,454,091	8,566,090	1,468,303
Excess of revenues over (under) expenditures	105,456,967	122,313,601	143,025,110	125,155,115	126,134,154	136,695,536	154,759,940	205,227,466	193,617,836	183,530,517
Other Financing Sources (uses)										
Sale of capital assets	(4,555,350)	(17,420,568)	(33,580,646)	(11,344,996)	(6,163,781)	(10,627,025)	(20,157,332)	(61,057,492)	(44,713,903)	(24,625,855)
Other Financing sources	8,635,980	16,678,028	13,679,969	11,987,414	14,160,081	12,344,910	38,718,578	48,240,765	39,461,668	32,426
Other Financing uses	-	-	-	-	-	-	-	-	-	-
Transfers in	1,535,449	3,302,558	4,019,121	4,091,721	5,345,325	5,724,246	6,227,700	32,792,894	43,833,466	32,826,530
Transfers out	(1,520,524)	(3,296,452)	(4,010,048)	(4,091,721)	(5,345,325)	(5,724,246)	(6,227,700)	(32,792,894)	(43,833,466)	(32,826,530)
Total other financing sources (uses)	8,650,905	16,684,134	13,689,042	11,987,414	14,160,081	12,344,910	38,718,578	48,240,765	39,473,393	38,089,316
Net change in fund balances	4,095,555	(736,434)	(19,891,604)	642,418	7,996,300	1,717,885	18,561,246	(12,816,727)	(5,240,510)	13,463,461
Debt service as a percentage of noncapital expenditures	10.9%	9.0%	8.6%	10.2%	11.0%	10.1%	10.0%	25.0%	33.8%	28.1%



Capital outlay in the reconciliation between the government-wide statement was used in the calculation of debt service as a percentage of noncapital expenditures



Revenue Capacity

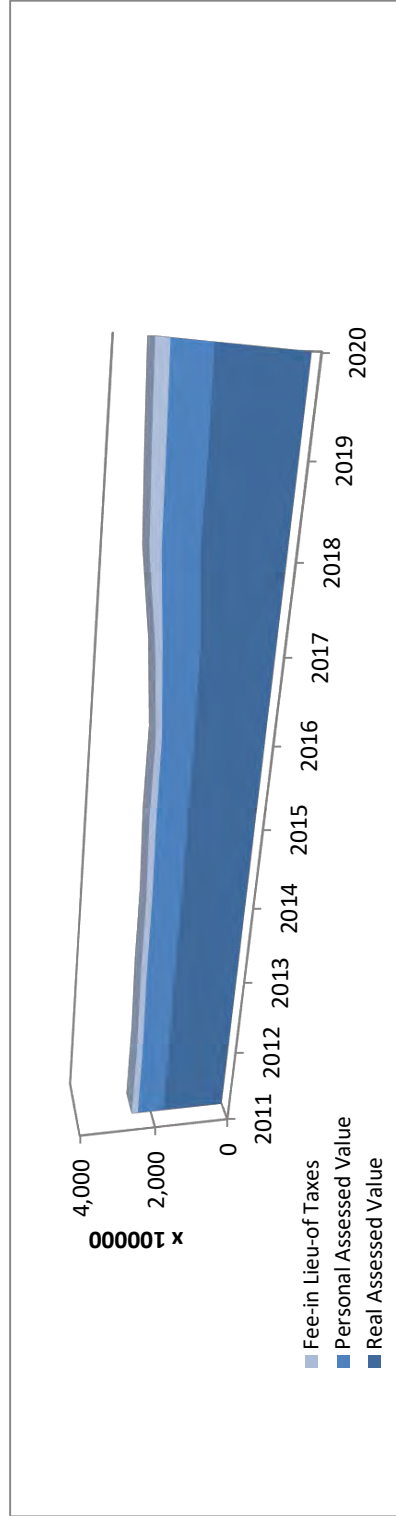
These schedules contain information to help the reader assess the government's most significant local revenue sources, the property tax.

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Assessed and Estimated Actual Value of Taxable Property

**Last Ten Years
(Unaudited)**

Tax Year	Real Assessed Value	Personal Assessed Value	Fee-in Lieu-of Taxes	Total Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
2011	165,518,341	69,583,964	16,616,444	251,718,749	188.2	232,843,900	92.5%
2012	165,068,917	71,410,655	15,279,241	251,758,813	188.2	230,348,302	91.5%
2013	169,519,970	73,202,498	15,426,460	258,148,928	191.3	235,843,748	91.4%
2014	170,294,547	74,517,953	14,943,192	259,755,692	195.4	236,676,934	91.1%
2015	173,541,006	77,795,226	16,852,524	268,188,756	203.1	240,237,587	89.6%
2016	176,299,564	77,885,158	14,831,164	269,015,886	204.7	238,622,389	88.7%
2017	182,017,522	87,815,536	16,973,485	286,806,543	208.2	265,985,365	92.7%
2018	202,324,206	86,921,147	26,999,959	316,245,312	217.6	287,250,726	90.8%
2019	205,179,830	91,337,648	30,958,623	327,476,101	217.6	291,224,642	88.9%
2020	212,229,785	92,754,162	32,133,800	337,117,747	217.6	303,736,903	90.1%



¹⁾Merchant Inventory of \$4,793,050 is not included in Total Assessed Value

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Property Tax Levy and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Tax Year	Tax Levy	Collected within the Fiscal Year of the Levy		Delinquent Taxes	Total Collections to Date	
			Amount	Percent of Levy		Amount	Percentage of Levy
2012	2011	44,635,586	42,403,796	95.00%	1,417,426	43,821,222	98.18%
2013	2012	44,483,809	42,457,284	95.44%	894,266	43,351,550	97.45%
2014	2013	46,059,915	43,884,509	95.28%	1,232,400	45,116,909	97.95%
2015	2014	47,836,363	44,493,121	93.01%	1,753,552	46,246,673	96.68%
2016	2015	51,046,389	47,496,160	93.05%	1,296,094	48,792,254	95.58%
2017	2016	52,031,613	47,389,541	91.08%	1,456,462	48,846,003	93.88%
2018	2017	56,179,243	54,244,857	96.56%	1,133,296	55,378,153	98.57%
2019	2018	62,939,789	61,578,986	97.84%	926,772	62,505,758	99.31%
2020	2019	64,522,203	62,208,312	96.41%	1,162,170	63,370,482	98.22%
2021	2020	66,364,507	64,985,536	97.92%	1,107,614	66,093,150	99.59%

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

District Direct Rates				Overlapping Rates					
Fiscal Year	School District	School District Debt Service	Total	McCarthy/Teszler	University School	Countywide Equalization	RD Anderson Technology Center	Spartanburg County	City of Spartanburg
2012	146.9	41.3	188.2	10.5	3.4	13.0	4.6	76.0	101.0
2013	146.9	41.3	188.2	10.5	3.4	13.0	4.6	76.0	101.0
2014	150.1	41.2	191.3	10.5	3.4	13.0	4.6	77.6	103.0
2015	152.2	43.2	195.4	11.4	3.8	13.0	4.7	78.1	105.0
2016	155.1	48.0	203.1	11.4	3.8	13.0	4.8	79.2	105.0
2017	156.7	48.0	204.7	11.4	3.8	13.0	6.3	79.2	105.0
2018	160.2	48.0	208.2	11.4	3.8	13.0	6.3	79.2	105.0
2019	165.0	52.6	217.6	11.4	3.8	13.0	6.3	80.0	104.4
2020	165.0	52.6	217.6	11.4	3.8	13.0	6.3	77.1	104.4
2021	165.0	52.6	217.6	11.4	3.8	13.0	6.3	80.0	104.4

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

Special Districts (Fire, Water, Sewer)	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Metropolitan Water District	60.3	59.9	59.6	56.2	58.2	58.2	62.5	62.5	65.5	65.5
Arkwright Fire	24.0	24.0	24.0	0.0	0.0	0.0	0.0	0.0	24.0	29.0
SJWD Water	11.8	10.7	12.0	11.5	10.0	12.0	12.0	9.4	11.5	11.9
Croft Fire	27.5	27.5	27.5	28.0	23.4	27.5	23.7	24.5	27.5	27.5
Pauline Glenn Springs Fire	15.0	15.0	15.1	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Inman Community Fire	21.7	21.7	21.4	21.4	21.4	24.8	24.8	22.5	22.5	22.5
North Spartanburg Fire	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0	31.0
Hilltop Fire	37.0	36.9	36.2	42.4	41.8	31.0	45.0	45.0	45.0	45.0
Poplar Springs Fire	15.3	15.3	15.1	16.7	17.1	19.8	20.0	18.4	20.0	20.0
Roeback Fire	24.0	24.0	24.0	26.6	26.5	28.3	24.0	24.0	24.0	29.0
Sanitary Sewer	7.5	7.5	7.5	7.5	7.5	8.9	8.9	8.6	8.6	8.6
Westview-Fairforest Fire	18.0	18.0	18.0	18.0	18.0	18.0	21.5	22.5	24.0	25.5
Una Fire	21.2	21.2	21.0	21.0	23.4	23.7	23.7	24.5	24.5	24.5
Woodruff-Roeback Water	10.4	10.7	10.8	10.4	10.7	10.6	10.7	10.9	10.2	10.2

SPARTANBURG COUNTY SCHOOL DISTRICT SIX

Principal Taxpayers

Fiscal Year Ended June 30, 2021 and Nine Years Ago
(Unaudited)

Taxpayer	2021			2012		
	Assessed Value	Rank	Percentage of Total Assessed	Assessed Value	Rank	Percentage of Total Assessed
Michelin North America, Inc.	\$8,726,479	1	2.6%	7,816,982	1	3.1%
Spartanburg DC Inc.	6,318,085	2	1.9%	NA		
Toray Composite Materials	5,377,789	3		NA		
Duke Energy Corp.	4,592,960	4	1.4%	3,583,940	2	1.4%
Norfolk Southern Corp	4,530,098	5	1.3%	NA		
Transcontinental gas Pipeline	3,020,600	6	0.9%	2,840,360	4	1.1%
Suso 4 Dorman LP formerly						
Inland Western Spartanburg	2,760,000	7	0.8%	1,763,610	9	0.7%
Parkside at Laurel West	2,408,090	8	0.7%	NA		
Yeomans Charles L. III	2,380,480	9	0.7%	2,785,300	5	1.1%
Tietex International Ltd.	2,304,640	10	0.7%	2,232,630	7	0.9%
Spartanburg Automotive Inc.	1,907,312		0.6%	1,762,474	10	0.7%
Milliken & Company Inc.	1,819,277		0.5%	2,160,353	8	0.9%
BellSouth Telecommunications	NA			1,527,290	6	0.6%
Totals	\$44,326,533		14.6%	\$26,472,939		11.4%

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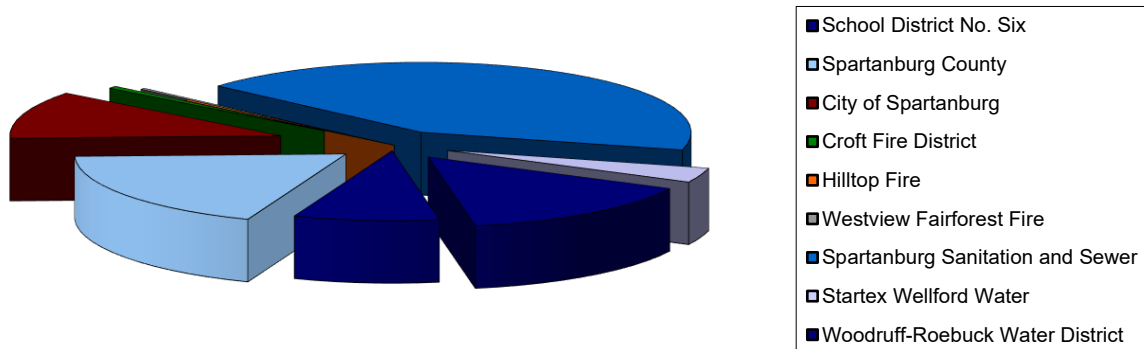
Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

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SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Computation of Direct and Overlapping Debt¹
Fiscal Year Ended June 30, 2021
(Unaudited)

Government	Net General Bonded Debt Outstanding	Percentage Applicable to District	District's Share of Debt
Direct:			
School District Six	\$29,135,000	100.00%	\$29,135,000
Overlapping:			
Spartanburg County	62,657,696	24.89%	15,597,910.97
City of Spartanburg	37,001,223	24.05%	8,898,626
Croft Fire District	1,802,866	27.59%	497,381
Hilltop Fire	871,475	74.79%	651,749
Westview Fairforest Fire	970,000	97.63%	946,998
Spartanburg Sanitation and Sewer	143,496,000	34.42%	49,391,047
Startex Wellford Water	11,375,000	9.93%	1,129,882
Woodruff-Roebuck Water District	49,751,062	54.01%	26,870,023
Overlapping Subtotal:	<u>307,925,322</u>		<u>103,983,618</u>
Totals	<u><u>337,060,322</u></u>		<u><u>133,118,618</u></u>

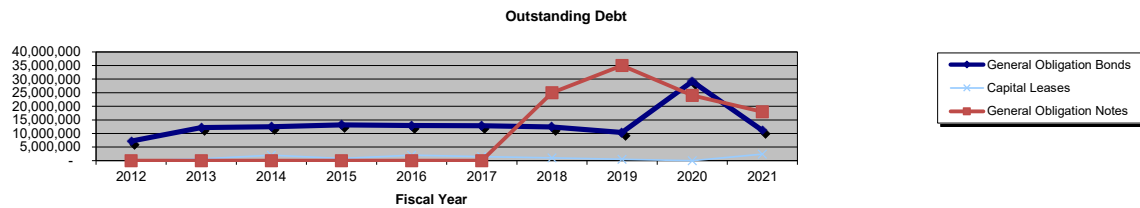


¹Overlapping rates are those of local and county governments that apply to property owners with Spartanburg County School District Six. Not all overlapping rates apply to all Spartanburg County School District Six property owners.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Ratios of Outstanding Debt
Last 10 Fiscal Years
(Unaudited)

Governmental Activities

Fiscal Year	General Obligation Bonds	General Obligation Notes	Loan Payable	Unamortized Premiums	Capital Leases	Total Primary Government	Personal Income	Percentage of Personal Income	Per Capita	Percentage of Estimated Actual Taxable Value of Property
2012	7,190,000	-	48,510	175,506	-	7,414,016	9,654,725,828	0.1%	33,518	3.1%
2013	12,180,000	-	32,340	519,946	667,582	13,399,868	10,195,553,760	0.1%	35,040	5.3%
2014	12,515,000	-	16,170	714,386	1,997,230	15,242,786	10,738,646,986	0.1%	36,583	5.3%
2015	13,120,000	-	-	873,433	834,123	14,827,556	11,536,506,808	0.1%	38,804	5.5%
2016	12,895,000	-	-	727,627	1,993,000	15,615,627	11,836,753,352	0.1%	39,386	5.4%
2017	12,855,000	-	-	763,995	1,505,000	15,123,995	11,851,641,260	0.1%	39,386	5.4%
2018	12,370,000	25,000,000	-	1,002,696	1,010,000	39,382,696	12,798,573,486	0.3%	41,709	4.7%
2019	10,340,000	35,000,000	-	749,476	508,000	46,597,476	13,245,759,712	0.4%	42,199	3.6%
2020	29,135,000	24,000,000	-	689,802	-	53,824,802	14,124,583,665	0.4%	44,169	10.0%
2021	11,135,000	18,000,000	-	885,895	2,398,000	32,418,895	15,409,502,983	0.2%	46,543	3.7%



SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Computation of Legal Debt Margin
Last 10 Fiscal Years
(Unaudited)

Legal Debt Margin	2021
Total Assessed Value	\$ 341,910,797
Legal Debt Limit-8% of Assessed Value	27,352,864
Amount of Debt Applicable to Debt Limit:	
Total General Obligation Debt	29,135,000
General Obligation Bond Anticipation Notes	(18,000,000)
Less Amount available for repayment of GO Debt	<u>(6,270,358)</u>
Total Amount of Debt Applicable to Debt Limit	
Legal Debt Margin	<u>22,488,222</u>
Total debt applicable as a percentage of Debt Limit	<u><u>82.2%</u></u>

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

Ten Year Data

Fiscal Year	Assessed Value	Debt Limit	⁽¹⁾ Total Debt applicable to limit	Legal Debt Margin
2020	\$ 332,269,151	\$ 26,581,532	\$ 5,213,810	21,367,722
2019	\$ 317,346,262	\$ 25,387,701	\$ 5,771,906	19,615,795
2018	\$ 269,833,058	\$ 21,586,645	\$ 8,862,722	12,723,923
2017	\$ 269,015,886	\$ 21,521,271	\$ 12,855,000	11,826,080
2016	\$ 268,188,756	\$ 21,455,100	\$ 12,895,000	11,554,935
2015	\$ 259,755,692	\$ 20,780,455	\$ 13,120,000	10,789,027
2014	258,148,928	20,651,914	12,515,000	11,760,796
2013	251,758,813	20,140,705	12,180,000	11,613,305
2012	251,718,749	20,137,500	7,190,000	12,947,500
2011	251,758,813	20,346,909	9,100,000	11,246,909

⁽¹⁾ Total Debt Applicable to limit less Amount available for repayment of GO Debt

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
Ratios of General Bonded Debt Outstanding
Last 10 Fiscal Years
(Unaudited)

Fiscal Year	Governmental Activities						Per Capita
	General Obligation Bonds	General Obligation Bond Anticipation Notes	Unamortized Premiums	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	
2012	7,190,000	-	175,506	3,529,148	3,836,358	1.6%	114
2013	12,180,000	-	519,946	3,652,600	9,047,346	3.9%	258
2014	12,515,000	-	714,386	3,623,882	9,605,504	4.1%	263
2015	13,120,000	-	873,433	3,128,572	10,864,861	4.7%	280
2016	12,895,000	-	727,627	2,994,835	10,627,792	4.6%	270
2017	12,855,000	-	763,995	3,159,809	10,459,186	4.5%	266
2018	12,370,000	25,000,000	1,002,696	3,507,278	34,865,418	15.0%	836
2019	10,340,000	35,000,000	749,476	4,568,094	41,521,382	17.8%	984
2020	29,135,000	24,000,000	689,802	4,882,530	48,942,272	21.0%	1,108
2021	11,135,000	18,000,000	885,895	6,270,358	23,750,537	10.2%	510



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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Spartanburg County School District Six ("the District") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 23, 2021.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

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

Purpose of this Report

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

Halliday, Schwartz & Co.

Spartanburg, South Carolina
November 23, 2021

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Spartanburg County School District Six's (the "District") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. Spartanburg County School District Six'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 District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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


Report on Internal Control over Compliance

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

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

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

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



Spartanburg, South Carolina
November 23, 2021

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number		Expenditures
<u>U.S. Department of Education</u>					
Pass-through S.C. Department of Education					
201	Title I, Regular	84.010	21 Title I Regular	\$ 2,015,190	
202	Title I, Regular	84.010	20 Title I Regular	791,665	
237	Title I, School Improvement	84.010	21 Targeted School Impr	22,968	
237	Title I, School Improvement	84.010	20 Targeted School Impr	<u>83,752</u>	\$ 2,913,575
Special Education Cluster					
203	IDEA - Children with Disabilities	84.027	21 IDEA	2,107,298	
204	IDEA - Children with Disabilities	84.027	20 IDEA	9,245	
204	IDEA - Children with Disabilities	84.027	19 IDEA Supp	127,186	
205	Handicapped Pre-School Grant	84.173	21 IDEA Pre-School	102,755	
206	Handicapped Pre-School Grant	84.173	19 IDEA Pre-School Supp	2,614	
212	IDEA - Children with Disabilities	84.027	ESY	<u>21,250</u>	
Total Special Education Cluster					2,370,348
207	CATE (subprogram 06)	84.048	21 CATE Federal	145,827	
207	CATE (subprogram 06)	84.048	20 CATE Federal	<u>7,170</u>	152,997
210	Title IV, SSAE	84.424	21 Title IV, SSAE	225,739	
210	Title IV, SSAE	84.424	20 Title IV, SSAE	<u>4,217</u>	229,956
264	Title III, English Language Acquisition	84.365	21 Title III	129,032	
265	Title III, English Language Acquisition	84.365	20 Title III	<u>17,062</u>	146,094
267	Title II, Supporting Effective Instruction	84.367	21 Title II	403,909	
263	Title II, Supporting Effective Instruction	84.367	20 Title II	<u>19,177</u>	423,086
Total U.S. Department of Education					<u>6,236,056</u>
<u>U.S. Department of Agriculture</u>					
Pass-through S.C. Department of Education					
Child Nutrition Cluster					
Non-Cash Assistance:					
600	National School Lunch Program	10.555	N/A	13,875	
600	Summer Food Service Program for Children	10.559	N/A	<u>626,729</u>	
Total Non-Cash Assistance:					640,604
Cash Assistance:					
600	School Breakfast Program	10.553	N/A	54,277	
600	National School Lunch Program	10.555	N/A	120,240	
600	Summer Food Service Program for Children	10.559	Summer Food Program	<u>5,431,067</u>	
Total Cash Assistance:					<u>5,605,584</u>
Total Child Nutrition Cluster					6,246,188
600	Fresh Fruits and Vegetable Program	10.582	N/A		83,575
Non-Cash Assistance:					
600	Child and Adult Care Food Program	10.558	N/A	2,950	
Pass-through S.C. Department of Social Services					
600	Child and Adult Care Food Program	10.558	N/A	<u>25,560</u>	28,510
Total U.S. Department of Agriculture					<u>6,358,273</u>

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

LEA Subfund Code	Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	
<u>U.S. Department of Treasury</u>					
Pass-through S.C. Department of Education					
225	COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	21 ESSER II	1,829,623	
220	COVID 19: Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	20 SC CARES ESSER	<u>2,384,553</u>	<u>4,214,176</u>
Total U.S. Department of Treasury					<u>4,214,176</u>
<u>U.S. Department of Defense</u>					
285	Army ROTC	12.000	N/A		<u>100,436</u>
Total U.S. Department of Defense					<u>100,436</u>
<u>U.S. Department of Housing and Urban Development</u>					
Pass-through Spartanburg County Community Development					
CDBG-Entitlement Grants Cluster					
829	COVID 19: The Youthstop - In This Together	14.218	FY2020 CDBG-CV	28,498	
829	AIM to Work - Youthstop	14.218	FY2019 CDBG	<u>11,140</u>	
Total CDBG-Entitlement Grants Cluster					<u>39,638</u>
Total U.S. Department of housing and Urban Development					<u>39,638</u>
Total Federal Financial Assistance					<u>\$ 16,948,579</u>

See note to Schedule of Expenditures of Federal Awards.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity for the District under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The accompanying schedule of expenditures of federal awards includes the federal grant activity of Spartanburg County School District Six and is presented on the modified accrual basis of accounting.
- B. For the fiscal year ended June 30, 2021, the District has elected not to use the de minimis 10% indirect cost rate as allowed under the Uniform Guidance.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2021

No prior audit findings.

SPARTANBURG COUNTY SCHOOL DISTRICT SIX
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2021

Section I - Summary of Auditor's ResultsFinancial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material Weakness(es) identified? yes x no

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

Noncompliance material to financial statements noted? yes x no

Federal Awards

Internal control over major programs:

Material Weakness(es) identified? yes x no

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

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

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

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027 & 84.173	Special Education Cluster
84.425D	Elementary & Secondary School Emergency Relief Fund

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

Auditee qualified as low-risk auditee? x yes no

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

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[Parker Poe Letterhead]

September 21, 2022

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

\$17,000,000
Spartanburg County School District Six, South Carolina
General Obligation Bonds
Series 2022

Dear Ladies and Gentlemen:

We have acted as bond counsel to Spartanburg County School District Six, South Carolina ("School District"), in connection with the issuance of its \$17,000,000 General Obligation Bonds, Series 2022 ("Bonds"). In connection with the issuance of the Bonds, we have examined a certified copy of the Transcript of Proceedings and other proofs submitted to us including the Constitution and statutes of the State of South Carolina ("South Carolina").

The Bonds are issued in fully registered form, dated September 21, 2022, numbered R-1 upward, in denominations of \$5,000 or any whole multiple thereof not exceeding the principal amount of the Bonds maturing in each year, bear interest from their dated date payable on April 1 and October 1 of each year, commencing April 1, 2023, and mature on April 1 in each of the years and in the principal amounts as stated in the Official Statement, dated August 30, 2022 ("Official Statement").

The Bonds recite that they are issued pursuant to and in accordance with the Constitution and statutes of South Carolina, including Article X, Section 15 of the Constitution of the State of South Carolina, 1895, as amended; Title 59, Chapter 71, Article 1, Code of Laws of South Carolina ("Act"); Title 11, Chapter 27, Code of Laws of South Carolina, 1976, as amended; and resolutions adopted by the Board of Trustees of the School District on August 2, 2021, and August 1, 2022.

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

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

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

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

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

3. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual alternative minimum tax, although we observe that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. The opinion set forth in the preceding sentence is subject to the condition that the School District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The School District has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. We express no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on the Bonds.

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

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

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

Very truly yours,

PARKER POE ADAMS & BERNSTEIN LLP

APPENDIX C

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

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FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (“Disclosure Agreement”), dated September 21, 2022, is executed and delivered by Spartanburg County School District Six, South Carolina (“Issuer”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (“Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (defined below) of the Bonds (defined below) and in order to assist the Issuer in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission (“SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time (“Rule”).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 2. Provision of Annual Reports.

(a) The Issuer shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than February 1 after the end of each fiscal year of the Issuer, commencing with the February 1 following the fiscal year ending June 30, 2022. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

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

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

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

(e) The Disclosure Dissemination Agent shall:

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

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

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

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

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

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

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

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles (“GAAP”) or alternate accounting principles, as described in the Official Statement. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP or alternate accounting principles, as described in the Official Statement, will be included in the Annual Report. Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

(b) The following operating data:

- (i) Financial information relating to the Issuer’s General Fund revenues and expenditures for the previous fiscal year.

- (ii) Information concerning the Issuer's budget for the fiscal year in which the Annual Report is issued.
- (iii) Information concerning the Issuer's sources of revenues for the previous fiscal year.
- (iv) Information concerning the assessed value and estimated true value of taxable real and personal property in the School District for the previous fiscal year.
- (v) (A) the millage levied on behalf of the Issuer during the previous fiscal year, (B) information concerning the *ad valorem* property taxes collected for the Issuer's operational and debt service purposes for the previous fiscal year, and (C) information concerning the ten largest taxpayers of the Issuer and the amounts of taxes paid by each during the previous fiscal year.
- (vi) (A) information showing the legal debt limit of the Issuer as of June 30 of the previous fiscal year, (B) information showing the outstanding indebtedness of the Issuer, including long term lease obligations and other long term liabilities, as of June 30 of the previous fiscal year, and (C) a composite debt service table of the Issuer.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Issuer is an "obligated person" (as defined by the Rule), which have been previously filed with the SEC or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Issuer will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Issuer is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (vii) Modifications to rights of Bond holders, if material;
- (viii) Bond calls, if material, and tender offers;
- (ix) Defeasances;
- (x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(xii) of this Section 4: For the purposes of the event described in subsection (a)(xii) of this Section 4, the event is considered to occur when any of the following

occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

- (xiii) The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (xv) Incurrence of a Financial Obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligated Person, any of which affect security holders, if material; and
- (xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligated Person, any of which reflect financial difficulties.

The Issuer shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the Issuer determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Issuer will provide the Dissemination Agent with the CUSIP numbers for (i) new bonds at such time as they are issued or become subject to the Rule and (ii) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Issuer acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Issuer may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Issuer desires to make, contain the written authorization of the Issuer for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Issuer desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Issuer as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-3.

(c) The parties hereto acknowledge that the Issuer is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Issuer and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to a series of the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds of such series, when the Issuer is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to

the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Issuer has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Issuer may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Issuer or DAC, the Issuer agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Issuer shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the Issuer.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Issuer or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Issuer has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the Issuer and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Issuer's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the Issuer has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Issuer at all times.

The obligations of the Issuer under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Issuer.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Issuer and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been

effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Issuer or the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the SEC from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer. No such amendment shall become effective if the Issuer shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Trustee, if any, of the Bonds, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of South Carolina (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Disclosure Dissemination Agent and the Issuer have caused this Disclosure Dissemination Agent Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

SPARTANBURG COUNTY SCHOOL DISTRICT SIX,
SOUTH CAROLINA,
as Issuer

By: _____
Name: _____
Title: _____

EXHIBIT A
NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer: Spartanburg County School District Six, South Carolina
Obligated Person(s): Spartanburg County School District Six, South Carolina
Name of Bond Issue: \$17,000,000 General Obligation Bonds, Series 2022
Date of Issuance: September 21, 2022
Date of Official Statement: August 30, 2022

<u>CUSIP Number</u>	<u>Maturity Date</u>
847065HC6	04/01/2023
847065HD4	04/01/2024
847065HE2	04/01/2025

EXHIBIT B
NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Spartanburg County School District Six, South Carolina
Obligated Person(s): Spartanburg County School District Six, South Carolina
Name of Bond Issue: \$17,000,000 General Obligation Bonds, Series 2022
Date of Issuance: September 21, 2022
Date of Official Statement: August 30, 2022

CUSIP Number(s):

847065HC6
847065HD4
847065HE2

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the named Bonds as required by the Disclosure Agreement between the Issuer and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. The Issuer has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by:_____.

Dated:_____

Digital Assurance Certification, L.L.C.,
as Disclosure Dissemination Agent,
on behalf of the Issuer

cc: [Disclosure Representative]

**EXHIBIT C-1
EVENT NOTICE COVER SHEET**

This cover sheet and accompanying "event notice" will be sent to the MSRB, pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and/or Other Obligated Person's Name: Spartanburg County School District Six, South Carolina

Issuer's Six-Digit CUSIP Number: 847065

[or Nine-Digit CUSIP Number(s) of the bonds to which this event notice relates:]

Number of pages attached: _____

_____ Description of Notice Events (Check One):

1. _____ Principal and interest payment delinquencies;
2. _____ Non-Payment related defaults, if material;
3. _____ Unscheduled draws on debt service reserves reflecting financial difficulties;
4. _____ Unscheduled draws on credit enhancements reflecting financial difficulties;
5. _____ Substitution of credit or liquidity providers, or their failure to perform;
6. _____ Adverse tax opinions, IRS notices or events affecting the tax status of the security;
7. _____ Modifications to rights of securities holders, if material;
8. _____ Bond calls, if material;
9. _____ Defeasances;
10. _____ Release, substitution, or sale of property securing repayment of the securities, if material;
11. _____ Rating changes;
12. _____ Tender offers;
13. _____ Bankruptcy, insolvency, receivership or similar event of the obligated person;
14. _____ Merger, consolidation, or acquisition of the obligated person, if material;
15. _____ Appointment of a successor or additional trustee, or the change of name of a trustee, if Material;
16. _____ Incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
17. _____ Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation, any of which reflect financial difficulties.

_____ Failure to provide annual financial information as required.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary event disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated, September ___, 2022, between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name: Spartanburg County School District Six, South Carolina

Issuer’s Six-Digit CUSIP Number: 847065

[or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:]

Number of pages attached: _____

____ Description of Voluntary Event Disclosure (Check One):

1. _____ amendment to continuing disclosure undertaking;
2. _____ change in obligated person;
3. _____ notice to investors pursuant to bond documents;
4. _____ certain communications from the Internal Revenue Service;
5. _____ secondary market purchases;
6. _____ bid for auction rate or other securities;
7. _____ capital or other financing plan;
8. _____ litigation/enforcement action;
9. _____ change of tender agent, remarketing agent, or other on-going party;
10. _____ derivative or other similar transaction; and
11. _____ other event-based disclosures.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying “voluntary financial disclosure” will be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated September 21, 2022, between the Issuer and DAC.

Issuer’s and/or Other Obligated Person’s Name: Spartanburg County School District Six, South Carolina

Issuer’s Six-Digit CUSIP Number: 847065

[or Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:]

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ quarterly/monthly financial information;
2. _____ change in fiscal year/timing of annual disclosure;
3. _____ change in accounting standard;
4. _____ interim/additional financial information/operating data;
5. _____ budget;
6. _____ investment/debt/financial policy;
7. _____ information provided to rating agency, credit/liquidity provider or other third party;
8. _____ consultant reports; and
9. _____ other financial/operating data.

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: _____

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street, Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

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