

# **SPARTANBURG COMMUNITY COLLEGE**

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**Independent Auditors' Report**

**Financial Statements and Schedules  
For the Year Ended June 30, 2025**



# SPARTANBURG COMMUNITY COLLEGE

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June 30, 2025

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# Spartanburg Community College Administration

Dr. Michael Mikota	President
Open Position	Vice President, Academic Affairs
Mr. Ethan Burroughs	Vice President, Finance
Dr. Stacey Obi	Vice President, Student & Community Advancement
Mrs. Phaedra Harris	Vice President, Human Resources
Mrs. Amanda Painter	Vice President, Community & Workforce Development

# Spartanburg County Commission for Technical and Community Education

Mrs. Tracey G. Hill, Secretary	School District No. 1
Mr. Eugene S. (Sonny) Anderson	School District No. 2
Mr. Tracy W. Keller, Chairman	School District No. 3
Mrs. Katherine O'Neill	School District No. 4
Mr. R. Carter Smith	School District No. 5
Mr. William G. Sarratt	School District No. 6
Mr. Anthony D. Bell, Vice Chairman	School District No. 7
Mr. Lyman Hamrick	Cherokee County
Mrs. Andrena Powell-Baker	Union County
Mr. Charlie King	Member at Large
Ms. Kimberly A. Fowler	Member at Large

## ***Ex Officio***

Dr. Julie Fowler	Superintendent, School District No. 3
Mr. J. Whitner (Whit) Kennedy, Jr	Chairman, Spartanburg County Planning Commission

# S.C. State Board for Technical and Comprehensive Education

Mr. Terry A. Hardesty	1st Congressional District
Mr. Benjamin W. Satcher, Jr.	2nd Congressional District
Mr. Anthony G. Barker	3rd Congressional District
Mr. E Grantland Burns	4th Congressional District
Mr. Ralph A. Odom, Jr.	5th Congressional District
Ms. Rachel T. Gainey	6th Congressional District
Mr. Kathleen Richardson	7th Congressional District
Mr. Warren Adams Darby, Jr.	Member at Large
Mr. Orville Stanley "Chip" Smith, III	Member at Large
Mr. Roger P. Schrum, Chairman	Member at Large
Ms. Carolyn Swinton	Member at Large

## *Ex Officio*

Ms. Ellen Weaver	State Superintendent of Education, State Department of Education
Dr. Tim Hardee	System President, South Carolina Technical College System
Mr. Harry M. Lightsey, III	Secretary of Commerce, S.C. Department of Commerce



## Independent Auditor's Report

To the Commission Members  
Spartanburg Community College  
Spartanburg, South Carolina

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

#### ***Opinions***

We have audited the accompanying financial statements of the business-type activities and discretely presented component unit of the Spartanburg Community College (the "College"), a component unit of the State of South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of College, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of Spartanburg Community College Foundation were not audited in accordance with *Government Auditing Standards*. 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 College, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Change in Accounting Principle***

As described in Note 1 to the financial statements, in 2025, the College adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

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

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, on our consideration of the College'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 College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



Gaffney, SC  
September 29, 2025



## Management's Discussion and Analysis

As management of Spartanburg Community College, we offer readers of the College's financial statements this narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2025, with comparative data for fiscal year ended June 30, 2024. The emphasis of discussion about these statements will be on current year data.

This report consists of a series of financial statements, prepared in accordance with the Governmental Accounting Standards Board (GASB) in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis – for Colleges and Universities*. The financial statement presentation required by GASB Statements No. 34, No. 35, No. 39 and No. 40 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets, and cash flows and replaces the fund-group perspective. The GASB statement presentation focuses on the financial condition of the College as a whole.

The State of South Carolina implemented GASB Statements No. 61 and No. 63 for the fiscal year ended June 30, 2013. As a result, Spartanburg Community College is presented as a discreetly presented component unit in the State of South Carolina Comprehensive Annual Financial Report. In addition, the Statement of Net Assets has been replaced by the Statement of Net Position.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, replaces the requirements of Statement No. 25 and Statement No. 50, and is effective for fiscal periods beginning after June 15, 2013. This statement affects the reporting requirements for pension plans that administer benefits. The South Carolina Public Employee Benefit Authority (PEBA) implemented the changes required by this standard in the South Carolina Retirement Systems' financial statements issued for the fiscal year ended June 30, 2014. This statement has no direct impact on the reporting requirements of employers participating in the plans, including the financial statements of the College.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, replaced the requirements of Statement No. 27, and is effective for fiscal periods beginning after June 15, 2014. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Spartanburg Community College implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015. As a result of implementing GASB No. 68 and GASB No. 75 and recording the Net Pension Liability, OPEB Liability and deferred outflows and inflows of resources, total net assets increased by \$10,520,670 for fiscal year ended June 30, 2025. If GASB No. 68 and GASB No. 75 were not implemented total net assets would have increased by \$11,114,452 for the fiscal year ended June 30, 2025.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions and was effective for the fiscal year ending June 30, 2018. The college now reports its proportionate share of the State of South Carolina's net OPEB liability. Changes in net OPEB liability not included in pension expense are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions after the measurement date of the net pension liability are reported as deferred outflows of resources. As a result of implementing GASB No. 68 and GASB No. 75 and recording the Net Pension Liability, OPEB Liability and deferred outflows and inflows of resources, total net assets increased by \$10,520,670 for fiscal year ended June 30, 2025. If GASB No. 68 and GASB No. 75 were not implemented total net assets would have increased by \$11,114,452 for the fiscal year ended June 30, 2025.

The Governmental Accounting Standards Board (GASB) issued Statement No. 87 Leases which establishes a single reporting model for lease accounting to enhance the relevance and consistency of information about governments' leasing activity. Spartanburg Community College implemented GASB Statement No. 87 for the fiscal year ended June 30, 2022. GASB 87 changes the definition of a lease to eliminate the "capital" and "operating" differences. All leases meeting GASB 87 criteria require Lessees to recognize a lease liability and intangible right-to-use lease asset and Lessors to recognize a lease receivable and a deferred inflow of resources.

The Governmental Accounting Standards Board (GASB) issued Statement No. 96 for subscription-based information technology arrangements (SBITAs) for government end users (governments). Spartanburg Community College implemented GASB Statement No. 96 for the fiscal year ending June 30, 2023. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The Governmental Accounting Standards Board (GASB) issued Statement No. 101 to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Spartanburg Community College implemented GASB Statement No. 101 for the fiscal year ending June 30, 2025. Spartanburg Community College does not have a policy regarding compensated absences. The college did extensive analysis and there is no compelling evidence that employees are more likely than not to use sick leave hours already earned. This also means that the college has little to no compensated absence liability to record for its sick leave. From the compiled information, sick leave balances are increasing year over year, then, more likely than not, employees are not using accrued sick leave.

## Overview of the Financial Statements

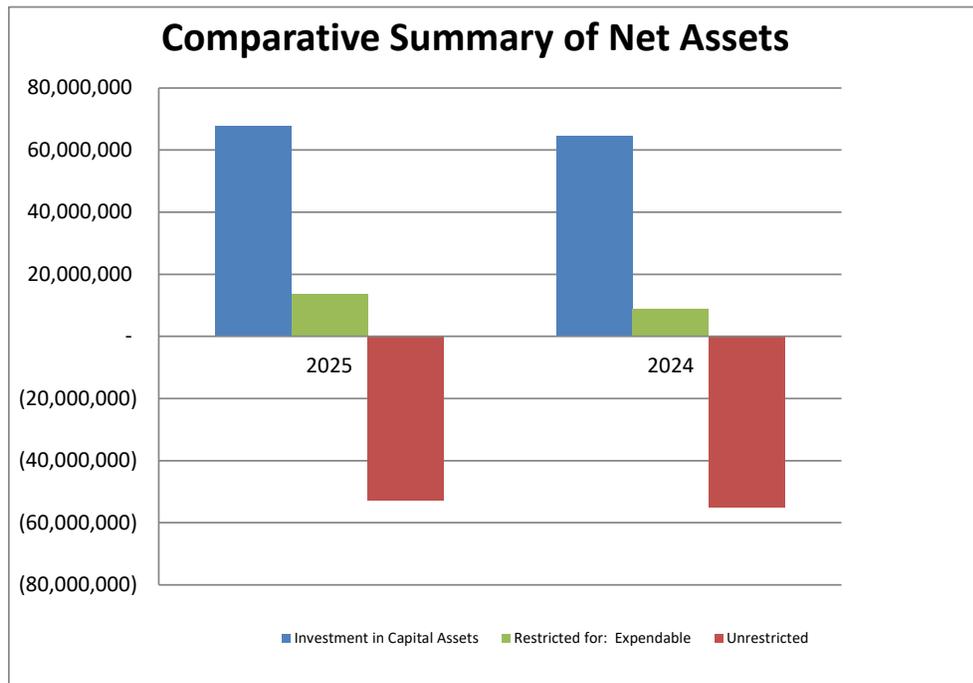
The College is engaged only in Business-type Activities (BTA) that are financed in part by fees charged to students for educational services. Accordingly, its activities are reported using the three financial statements required for proprietary funds: Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; and Statement of Cash Flows.

The Statement of Net Position presents the financial position of the College at the end of the fiscal year and classifies assets and liabilities into current and non-current. The difference between total assets and total liabilities is net assets, which are displayed in three broad categories: invested in capital assets (net of related debt), restricted and unrestricted. Net assets are one indicator of the current financial position of the College, while the change in net assets is an indicator of whether the overall financial condition has improved or worsened during the year.

- The assets and deferred outflows of Spartanburg Community College exceeded its liabilities and deferred inflows on June 30, 2025, by \$28,730,760 (net position). Due to the implementation of GASB 68 and GASB 75, unrestricted net assets are \$(52,652,476). If GASB 68 and GASB 75 was not implemented, total net assets would have increased by \$11,001,841.
- Total assets of the College increased \$11,929,064. Capital assets increased by \$6,338,055 (before accumulated depreciation) The college purchased new capital assets of \$1,693,924, which included several educational equipment and vehicle purchases and completed several construction in progress projects totaling \$2,847,458. In addition, the college made several land purchases, totaling \$2.3M in support of continued growth opportunities at the Cherokee County Campus. Total Current Assets increased by \$7,267,113, primarily due to a significant increase in cash and cash equivalents. The college received more state funds than budgeted for the fiscal year, which was \$2M. The college also invested funds in the Local Government Investment Pool (LGIP) which generated additional revenue of \$360,750.
- The college also experienced an increase in enrollment during the fiscal year which also contributed to the increase. Also, based on the budget set for the fiscal year, the operating expenses were lower than expected.
- Total liabilities increased by \$8,445,789. This decrease was mainly due to a significant increase in the OPEB Liability and the addition of a new capital lease financed through the State Treasurer's Office as well as some additional copier leases.
- Deferred Outflows and Inflows of Resources were recorded in accordance with GASB 68, GASB 75, and GASB 87 to show the College's share of the expected and actual experience and the net difference between the projected and actual investment earnings.

**Condensed Statement of Net Position  
As of June 30, 2025, and 2024**

	2025	2024	Increase (Decrease)
<b>Assets</b>			
Current Assets	\$47,430,242	\$40,163,129	\$ 7,267,113
Capital Assets	69,417,178	64,755,229	4,661,949
<b>Total Assets</b>	<b>116,847,420</b>	<b>104,918,358</b>	<b>11,929,062</b>
<b>Deferred Outflows of Resources</b>	<b>22,834,358</b>	<b>17,536,689</b>	<b>5,297,669</b>
<b>Liabilities</b>			
Current Liabilities	10,956,776	11,566,574	(609,798)
Non-current Liabilities	84,668,193	75,612,606	9,055,587
<b>Total Liabilities</b>	<b>95,624,969</b>	<b>87,179,180</b>	<b>8,445,789</b>
<b>Deferred Outflows of Resources</b>	<b>15,326,049</b>	<b>17,065,777</b>	<b>(1,739,728)</b>
<b>Net Position</b>			
Invested in Capital Assets, net of Debt	67,687,961	64,344,235	3,343,726
Restricted - Capital Projects	13,725,947	8,882,749	4,843,198
Restricted - Debt Service	(30,672)	(5,808)	(24,864)
Unrestricted	(52,652,476)	(55,011,086)	2,358,610
<b>Total Net Position</b>	<b>\$28,730,760</b>	<b>\$18,210,090</b>	<b>\$ 10,520,670</b>



The unrestricted net assets are negative in FY 2024-25 and FY 2023-24 due to the implementation of GASB 68, GASB 75, GASB 87, GASB 96 and recording the Net Pension Liability, OPEB Liability, Lease Liability, Subscription Liability, and deferred outflows and inflows of resources.

The Statement of Revenues, Expenses, and Changes in Net Position is basically a statement of net income that replaces the fund perspective with the entity-wide perspective. Revenues and expenses are categorized as operating and non-operating. Expenses are reported by object type.

GASB requires state appropriations and gifts to be classified as non-operating revenues. (Pell grants are classified as non-operating revenue – grants and contracts.) This requirement results in an operating deficit for the College.

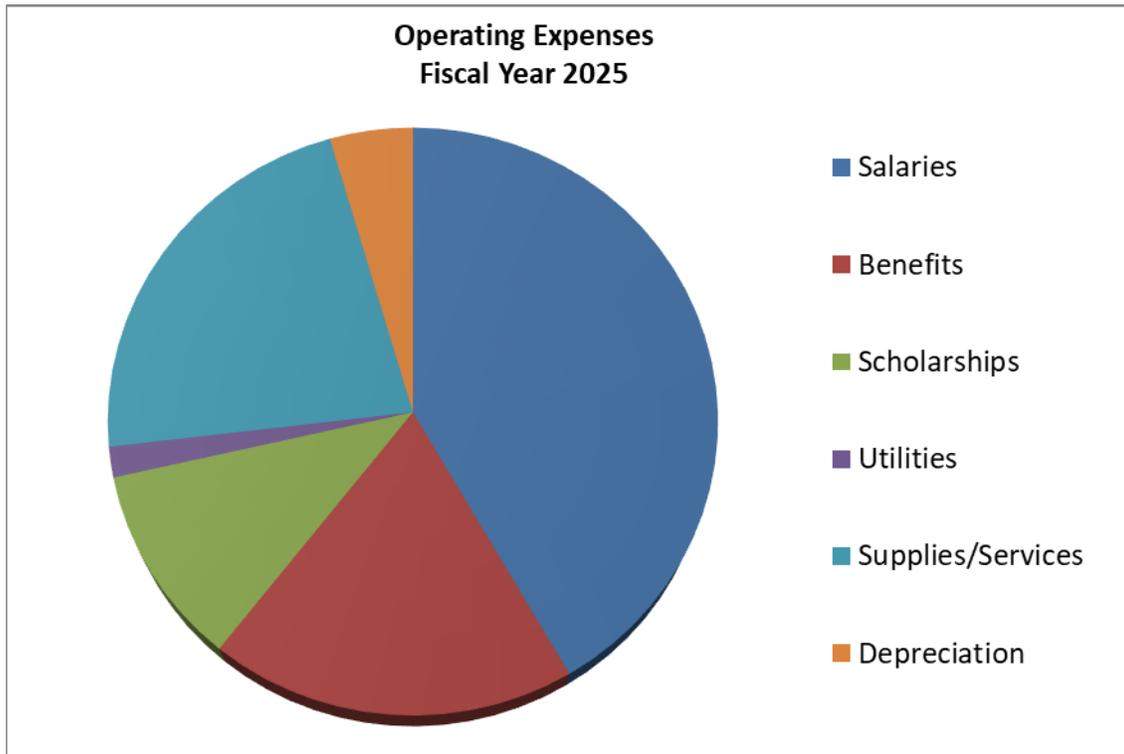
- Total net position increased by \$10,520,670 during fiscal year 2025. This increase is due to an increase in state appropriations and local support from Spartanburg County. The college also received more federal Pell grant funds for eligible recipients as well as additional SC Wins state funding for eligible recipients. Federal and State grants and contracts decreased during the fiscal year but there was an increase in Local grants and contracts. The College received State capital funds of \$1,506,816.
- Total operating revenues decreased by \$1,395,566 during the fiscal year. One of the major factors for the decrease is in Auxiliary enterprises since the bookstore began outsourcing textbooks purchases during the Spring semester. There were also decreases in Federal and State Grants & Contracts.

Operating expenses are those expenses paid to acquire or produce the goods and services provided in return for the operating revenues, and to carry out the mission of the institution.

- Salaries increased \$2,801,961. The state mandated a 2% salary increase during the fiscal year. This increase was given to all eligible full-time employees. Also, due to the increase in enrollment throughout the fiscal year, the college had to hire more adjunct faculty to teach additional course loads.
- Benefits increased \$2,472,106. There was an increase in retirement contributions and employer insurance increased as well.
- Scholarships increased by \$1,178,245. The college received additional SC Wins funds as well as Pell funds which are the primary reasons for the increase.
- Utilities remained constant throughout the fiscal year and decreased by \$32,034.
- Supplies and services decreased by \$3,651,648. In previous year's the overage of revenues against expenditures, transferred to the plant fund, was shown in this area. This overage is now shown as a decrease in operational revenues.
- Overall, the college had an increase in expenses. One factor for this increase is due to the college's continued increase in student enrollment Also with inflation, the college incurred additional expenses for routine materials and supplies.

**Condensed Summary of Operating Expenses  
For the Years Ended June 30, 2025 and 2024**

	2025	2024	Increase (Decrease)
Salaries	31,677,148	28,875,187	\$ 2,801,961
Benefits	14,396,274	11,924,168	2,472,106
Scholarships	8,229,229	7,050,984	1,178,245
Utilities	1,275,073	1,307,107	(32,034)
Supplies/Services	16,978,566	20,630,214	(3,651,648)
Depreciation	3,440,900	3,553,828	(179,083)
<b>Total</b>	<u>\$ 75,997,190</u>	<u>\$ 73,341,488</u>	<u>\$ 2,655,702</u>



The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, capital and related financing, non-capital financing, and investing activities. This statement also emphasizes the College's dependence on State and County appropriations by separating them from operating cash flows.

- The increase in cash flows of \$6,836,136 is primarily due to an increase in cash and cash equivalents. Current fund cash increased during the year due to an increase in enrollment as well as additional state funds that were received in excess of what was expected. The college also received additional local allocation funds from Spartanburg County for college operations. The college also invested excess revenues in the Local Government Investment Pool and earned additional investment income. Also, based on the budget set for the fiscal year, the college operating expenses were lower than expected. The college purchased new capital assets of \$1,693,924, which included several educational equipment and vehicle purchases and completed several construction in progress projects totaling \$2.6M. In addition, the college made several land purchases, totaling \$2.2M in support of continued growth opportunities at the Cherokee County Campus.

**Condensed Summary of Cash Flows  
For the Years Ended June 30, 2025 and 2024**

	2025	2024	Difference
Operating Activities	\$ (46,514,075)	(38,456,105)	(8,057,970)
Non-Capital Financing Activities	56,929,648	43,633,508	13,296,140
Capital and Related Financing Activities	(5,236,954)	(336,382)	(4,900,572)
Investing Activities	1,657,517	645,917	1,011,600
Net Increase in Cash	6,836,136	5,486,938	1,349,198
Cash & Cash Equivalents - Beginning of Year	33,898,362	28,411,424	5,486,938
Cash & Cash Equivalents - End of Year	<u>\$ 40,734,498</u>	<u>33,898,362</u>	<u>8,185,334</u>

## Financial Analysis

Net assets may serve over time as a useful indicator of an entity's financial position. In the case of the College, assets exceeded liabilities by \$28,730,760 at the close of the fiscal year. Due to the implementation of GASB 68, GASB 75, and GASB 87, unrestricted net position is \$(52,652,476).

By far the largest portion of the College's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment). The College uses these capital assets to provide services to students, consequently, these assets are not available for future spending. The College currently has no outstanding bond debt.

Cash increased by \$6,836,136. Overall cash provided from non-capital financing activities included state and local appropriations, grants and gifts, and other income of approximately \$56.9 million was used to fund operating activities.

The College is party to a 20-year capital lease with the Spartanburg Community College Foundation for the lease of the Business Training Center on the Cherokee Campus. Lease payments in the amount of \$199,000 were made this fiscal year. There is one year remaining on the capital lease and will be satisfied next fiscal year.

On June 17, 2013, Spartanburg Community College entered into a Sub-lease agreement with Spartanburg County School District No. 7, commencing on July 1, 2013, and terminating on June 30, 2018, for a total of five years. Spartanburg County School District No. 7 will pay Spartanburg Community College \$15.34 per square foot leased, which will be paid in annual installments of \$83,863.78 on or before the 10th day of July each consecutive calendar year of the term beginning on July 1, 2013. The College received \$83,863.78 in lease payments during fiscal years 2014-2018. An amendment was signed in 2019 with a reduced rate and the college would receive \$12,134 per year through June 30, 2023. The college received \$85,367 during FY25 and the lease agreement terminated June 30, 2025.

During FY25, Spartanburg Community College entered a five-year Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp. This financial arrangement was made through the State Treasurer's Office, Master Lease Program. The lease was chosen to purchase and install a Verkada Surveillance Solution across campus. This installation consists of 87 cables and 346 Verkada surveillance cameras. During FY25, the college received the entire amount of the lease agreement of \$932,877 and will begin making repayments in the following fiscal year.

## **Economic Factors**

Appropriations from the State to the College for operations increased by approximately 17 percent in the fiscal year 2025. The State appropriations continue to increase due to the increase in enrolment the college is experiencing. Capital appropriations of \$1,506,816 were received to support the operations of the Cherokee campus.

State funding for college operations is expected to increase for the 2026 fiscal year. The state mandated a 2% salary increase for all full-time eligible employees. The State has provided additional SC Wins funding for Scholarships in designated programs to students to attend one of the State's sixteen technical Colleges at low to no cost.

While the College makes every effort to keep tuition costs to a minimum, state appropriations comprise a lower percentage of the College's operating budget than they have been in the past, making the College more dependent on tuition revenues from students and the financial aid they are eligible to receive. As a result, Federal and State financial aid programs are an increasingly important factor in the financial well-being of the College.

The College continues to operate on a fiscally sound basis and is conservative in planning and budgeting. The current financial position is stable, and current appropriations and tuition revenues are adequate to fund the operations for the following year. The College has projected and budgeted for flat enrollment for 2025-26. Management decided to increase tuition by 2% for the next fiscal year as well. The college is continuing to offer free tuition for any student that qualifies with the "Live to Chase Initiative" that was implemented beginning Fall 2023.

Increased use of our facilities will put demands on our operational costs. Utilities and operational costs are expected to continue to increase.

The Spartanburg Community College Enterprise Campus was established in 2017 by SC Act 200, codified as sub-article 3, Article 20, Chapter 53, Title 59, of the 1976 South Carolina Code of Laws, as amended. For accounting purposes, the Authority is considered a component unit of Spartanburg Community College. The Authority was established to provide for the management, development, and operation of the Enterprise Campus of Spartanburg Community College at the Tyger River Campus. During 2020-2021, the Authority extended to include designated space at the Cherokee County campus and Downtown campus. The Board of the Enterprise campus consists of the members of the Spartanburg Community College Commission. The activity of the enterprise campus is blended in the financial statements of the College.

**SPARTANBURG COMMUNITY COLLEGE**

## Statement of Net Position

June 30, 2025

**ASSETS**

## CURRENT ASSETS

Cash and Cash Equivalents	\$ 40,734,498
Accounts Receivable, Net	6,109,228
Inventories	130,178
Other Assets	456,338
Total Current Assets	<u>47,430,242</u>

## NONCURRENT ASSETS

Capital Assets, Net of Accumulated Depreciation	67,897,145
Lease Assets, Net of Accumulated Amortization	<u>1,520,033</u>
Total Noncurrent Assets	<u>69,417,178</u>

## Total Assets

116,847,420**DEFERRED OUTFLOWS OF RESOURCES**

Pension Related Items	8,823,183
OPEB Related Items	<u>14,011,175</u>
	<u>22,834,358</u>

**LIABILITIES**

## CURRENT LIABILITIES

Accounts Payable	1,511,527
Compensated Absences	243,126
Accrued Payroll and Related Liabilities	604,466
Finance Lease- SCCF	192,846
Finance Lease- Equipment	282,056
Unearned Revenue	8,003,193
Accrued Interest Payable	30,672
Agency Accounts	88,890
Total Current Liabilities	<u>10,956,776</u>

## NONCURRENT LIABILITIES

Finance Lease- Equipment	1,223,643
Compensated Absences - Payable	1,430,452
Net Pension Liability	43,848,657
Net OPEB Liability	<u>38,165,441</u>
Total Noncurrent Liabilities	<u>84,668,193</u>

## Total Liabilities

95,624,969**DEFERRED INFLOWS OF RESOURCES**

Pension Related Items	1,753,741
OPEB Related Items	<u>13,572,308</u>
	<u>15,326,049</u>

**NET POSITION**

Invested in Capital Assets, Net of Related Debt	67,687,961
Restricted for:	
Capital Projects	13,725,947
Debt Service	(30,672)
Unrestricted	<u>(52,652,476)</u>
Total Net Position	<u>\$ 28,730,760</u>

SEE NOTES TO FINANCIAL STATEMENTS

**SPARTANBURG COMMUNITY COLLEGE**  
Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2025

**REVENUES**

**OPERATING REVENUES**

Student Tuition and Fees	\$ 8,837,820
(Net of Scholarship Allowances of \$25,259,212)	
Student Tuition and Fees Pledged for Capital Projects	5,245,458
(Net of Scholarship Allowances of \$1,109,114)	
Federal Grants and Contracts	2,446,637
State Grants and Contracts	8,078,534
Local Grants and Contracts	1,098,481
Auxiliary Enterprises (Net of Scholarship Allowances of \$1,540,201)	288,267
Other Operating Revenues	451,982
Total Operating Revenues	26,447,179

**EXPENSES**

**OPERATING EXPENSES**

Salaries	31,677,148
Benefits	14,396,274
Scholarships	8,229,229
Utilities	1,275,073
Supplies and Other Services (Other Transfers Included)	16,978,566
Depreciation and Amortization	3,440,900
Total Operating Expenses	75,997,190
Operating Income (Loss)	(49,550,011)

**NONOPERATING REVENUES (EXPENSES)**

State Appropriations	25,396,117
Local Appropriations	13,851,507
Investment Income	1,657,517
Interest On Capital Asset-Related Debt	(12,031)
Federal Grants and Contracts	17,137,378
Other Non-Operating Revenue	85,367
Donation from SCC Foundation	459,279
Net Non-Operating Revenues	58,575,134
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	9,025,123

**OTHER**

State Capital Appropriations	1,506,816
Gain/Loss on Disposal of Capital Assets	(11,269)
Total Other	1,495,547
Increase (Decrease) in Net Position	10,520,670

**NET POSITION**

Net Position - Beginning of Year	18,210,090
Net Position - End of Year	\$ 28,730,760

SEE NOTES TO FINANCIAL STATEMENTS

**SPARTANBURG COMMUNITY COLLEGE**

Statement of Cash Flows  
For the Year Ended June 30, 2025

**CASH FLOWS FROM OPERATING ACTIVITIES**

Tuition and Fees	\$ 14,555,684
Federal, State and Local Grants and Contracts	10,546,754
Auxiliary Enterprise Charges	395,328
Payments to Suppliers for Goods and Services	(18,878,958)
Payments to Employees	(46,836,134)
Payments for Scholarships and Fellowships	(8,229,229)
Other Receipts	1,932,480
Net Cash Provided (Used) by Operating Activities	<u>(46,514,075)</u>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

State Appropriations	25,396,117
County Appropriations	13,851,507
Grants & Gifts Received for Other Than Capital Purposes	17,682,024
Net Cash Flows Provided by Noncapital Financing Activities	<u>56,929,648</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

State Capital Appropriations	1,506,816
Purchase of Capital Assets	(7,504,558)
Proceeds from Issuance of Master Lease	932,877
Principal Paid on Capital Debt	(184,922)
Interest Paid on Capital Debt	12,833
Net Cash Provided by Capital and Related Financing Activities	<u>(5,236,954)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on Investments	1,657,517
Net Cash Flows Provided (Used) by Investing Activities	<u>1,657,517</u>

Net Increase (Decrease) in Cash	6,836,136
Cash - Beginning of Year	<u>33,898,362</u>
Cash - End of Year	<u>\$ 40,734,498</u>

**Reconciliation of Net Operating Revenue (Expenses) to Net Cash Provided (Used) by Operating Activities:**

Operating Income (Loss)	\$ (49,550,011)
Adjustments to Reconcile Net Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization Expense	3,440,900
Change in Assets and Liabilities:	
Receivables, Net	(1,213,776)
Inventories	664,020
Allocated Net Pension Liability to Benefits Expense	593,782
Lease Obligation Liability	(3,811)
Subscription Obligation Liability	(66,155)
Deferred Charges and Prepaid Expenses	118,779
Accounts Payable and Accrued Expenses	(1,275,284)
Compensated Absences	53,111
Agency Funds	2,003
Unearned Revenue	722,365
Net Cash Provided (Used) by Operating Activities	<u>\$ (46,514,075)</u>

Supplemental Disclosure of Cash Flow Information	
Cash Paid During the Year for Interest	14,076

Non-Cash Transactions	
Proceeds from Issuance of Lease	609,562
Purchase of Equipment Under Lease	609,562

SEE NOTES TO FINANCIAL STATEMENTS

**SPARTANBURG COMMUNITY COLLEGE FOUNDATION**

Statement of Financial Position  
For the Year Ended June 30, 2025

**ASSETS**

**ASSETS**

Cash	\$	368,455
Investments		23,312
Pledges Receivable, Net		62,000
Total Current Assets		<u>453,767</u>

**PROPERTY, PLANT AND EQUIPMENT**

Less: Accumulated Depreciation		4,527,820
		<u>(1,978,032)</u>
		<u>2,549,788</u>

**ASSETS**

Investments Held by Spartanburg County Foundation		<u>8,145,180</u>
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**TOTAL ASSETS**

\$ 11,148,735

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts Payable	\$	130,500
Accrued Interest		395
Current Portion of Long-Term Debt		85,010
Total Current Liabilities		<u>215,905</u>

**NET ASSETS**

Without Donor Restrictions		
Board Designated		2,666,844
Undesignated		2,444,208
With Donor Restrictions		
Purpose Restricted		5,821,778
Total Net Assets		<u>10,932,830</u>

**TOTAL LIABILITIES AND NET ASSETS**

\$ 11,148,735

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**SPARTANBURG COMMUNITY COLLEGE FOUNDATION**

Statement of Activities

For the Year Ended June 30, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue			
Grants and Contributions	\$ 495,227	822,174	1,317,401
Lease Income	199,000	-	199,000
Investment Income			
Investment Interest and Dividends	49,100	108,112	157,212
Realized Gains (Losses)	24,084	50,476	74,560
Unrealized Gains (Losses)	258,265	577,307	835,572
Other Revenue	144	-	144
Net Assets Released from/(to) Restrictions	<u>1,742,908</u>	<u>(1,742,908)</u>	<u>-</u>
Total Revenue	<u>2,768,728</u>	<u>(184,839)</u>	<u>2,583,889</u>
Expenditures			
Program Services	2,134,986	-	2,134,986
Management and General	165,061	-	165,061
Fundraising	<u>40,470</u>	<u>-</u>	<u>40,470</u>
Total Expenses	<u>2,340,517</u>	<u>-</u>	<u>2,340,517</u>
Change in Net Assets	<u>428,211</u>	<u>(184,839)</u>	<u>243,372</u>
Net Assets at Beginning of Year	<u>4,682,841</u>	<u>6,006,617</u>	<u>10,689,458</u>
Net Position at End of Year	<u>\$ 5,111,052</u>	<u>5,821,778</u>	<u>10,932,830</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

## SPARTANBURG COMMUNITY COLLEGE

Notes To Financial Statements, Continued

June 30, 2025

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Nature of Operations:** Spartanburg Community College (the “College”), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Spartanburg, Union, and Cherokee counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College’s service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives as well as the Associate of Arts and Associate of Science degree programs for students wishing to continue their education at a four-year college or university.

Spartanburg Community College Foundation, Inc. (the “Foundation”) is a nonprofit organization that was formed June 28, 1983, to benefit and support education at Spartanburg Community College.

**B. Reporting Entity:** The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. The State of South Carolina implemented GASB Statement No. 61 beginning for the fiscal year ended June 30, 2013. As a result, Spartanburg Community College is presented as a discretely presented component unit beginning in the 2013 State of South Carolina Comprehensive Annual Financial Report. Accordingly, the financial statements include the accounts of Spartanburg Community College, as a discretely presented component unit, and the accounts of Spartanburg Community College Foundation, its component unit, and Spartanburg Enterprise Campus, as a blended presented component unit. The College is a component unit of the State of South Carolina. However, based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The board of the Foundation is self-perpetuating and consists of graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests, is restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

On January 13, 2012, the Foundation formed the SCC Foundation-Downtown Campus, LLC, a partnership, with the Spartanburg Public Facilities Corporation as a 3% partner to carry out the charitable and educational purposes of the Foundation, to benefit Spartanburg Community College, as a partnership of two non-profit entities, and, more specifically, for the purpose of renovating the Evans building, the new downtown campus project. This renovation project was completed during the fiscal year ended June 30, 2014, and the renovated facility occupied and leased to and managed by the College.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued

The Foundation is a private not-for-profit organization that reports its financial results under Financial Accounting Standards Board (FASB) Statements. Most significant to the Foundation's operations and reporting model is FASB Statement No. 116, *Accounting for Contributions Received and Contributions Made*, and FASB Statement No. 117, *Financial Reporting for Not-for-Profit Organizations*. As such, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. No modifications have been made to the Foundation's financial information in the College's financial reporting entity for these differences. However, significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes to the financial statements. (See Note R within this Summary of Significant Accounting Policies.)

Financial statements for the Foundation can be obtained by mailing a request to: Spartanburg Community College Foundation, Post Office Box 4386, Spartanburg, South Carolina 29305.

The Spartanburg Community College Enterprise Campus was established in 2017 by SC Act 200, codified as sub-article 3, Article 20, Chapter 53, Title 59, of the 1976 South Carolina Code of Laws, as amended. For accounting purposes, the Authority is considered a component unit of Spartanburg Community College. The Authority was established to provide for the management, development, and operation of the Enterprise Campus of Spartanburg Community College at the Tyger River Campus. In the fall of 2023, SCC transferred the campus assets of the SCC Downtown and SCC Cherokee Campuses to the Spartanburg Community College Enterprise Campus as well. The Board of the Enterprise campus consists of the members of the Spartanburg Community College Commission. The activity of the enterprise campus is blended in the financial statements of the College.

**C. Financial Statements:** The financial statements are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and GASB Statement No. 35, *Basic Financial Statements and Management's Discussion and Analysis for Public Colleges and Universities*. The financial statement presentation required by GASB Statements No. 34 and No. 35 provides a comprehensive, entity-wide perspective of the College's assets, liabilities, net assets, revenues, expenses, changes in net assets and cash flows that replaces the fund-group perspective previously required.

Beginning in fiscal year 2013, the State required the implementation of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. As a result, the Statement of Net Assets has been replaced by the Statement of Net Position. The State also implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus and amendment of GASB Statements No. 14 and No. 34*, beginning in the fiscal year ended June 30, 2013. As a result, Spartanburg Community College is presented as a discretely presented component unit in the State of South Carolina Comprehensive Annual Financial Report.

In fiscal year 2014, the College implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognized as outflows of resources or inflow of resources. Requirements of this Statement are effective for financial statements whose fiscal year begins after December 15, 2012.

GASB Statement No. 67, *Financial Reporting for Pension Plans*, replaces the requirements of Statement No. 25 and Statement No. 50, and is effective for fiscal periods beginning after June 15, 2013. This statement affects the reporting requirements for pension plans that administer benefits. The South Carolina Public Employee Benefit Authority (PEBA) implemented the changes required by this standard in the South Carolina Retirement Systems' financial statements issued for the fiscal year ended June 30, 2014. This statement has no direct impact on the reporting requirements of employers participating in the plans, including the financial statements of the College.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, replaced the requirements of Statement No. 27, and is effective for fiscal periods beginning after June 15, 2014. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Spartanburg Community College implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015.

The Governmental Accounting Standards Board (GASB) issued Statement No. 101, *Compensated Absences*, to enhance the relevance and consistency of financial reporting by updating the recognition and measurement guidance for compensated absences. The College implemented GASB Statement No. 101 for the fiscal year ending June 30, 2025. Although the College does not maintain a formal policy for sick leave specifically, within the definition of compensated absences, management performed extensive analysis and found no compelling evidence that employees are more likely than not to use previously earned sick leave hours. Furthermore, compiled information indicates that sick leave balances continue to increase year over year, suggesting that employees generally do not utilize their accrued sick leave. For measurement purposes, the College applies the Last-In, First-Out (LIFO) method in determining the order in which leave is considered to be used.

**D. Basis of Accounting:** For financial reporting purposes, the College is considered a special-purpose government engaged only in business-type activities. Accordingly, the College's financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred. Student tuition and auxiliary enterprise fees are presented net of scholarships and fellowships applied to student accounts, while stipends and other payments made directly are presented as scholarship expenses. All significant intra-institutional transactions have been eliminated.

The College has elected not to apply Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989.

**E. Cash and Cash Equivalents:** For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Funds invested through the State of South Carolina State Treasurer's Office are considered cash equivalents.

**F. Investments:** Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, and "Investments of Funds". GASB Statement No. 40, *Deposits and Investment Risk Disclosures – an amendment to GASB Statement No. 3*, requires disclosures related to deposit risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The College accounts for its investments at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net assets.

**G. Accounts Receivable:** Accounts receivable consists of tuition and fee charges to students, gift pledges and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivables are recorded net of estimated uncollectible amounts.

**H. Inventories:** Inventories for internal use are valued at cost. Inventories for resale are carried at the lower of cost or market on the first-in, first-out ("FIFO") basis.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued

**I. Capital Assets:** Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions, renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles. Effective July 1, 2011, the College adopted a monthly depreciation convention for the straight-line method consistent with the policy of the State of South Carolina.

**J. Deferred Revenues and Deposits:** Deferred revenues include amounts received for tuition and fees and certain auxiliary activities prior to the end of the fiscal year but related to the subsequent accounting period. Deferred revenues also include amounts received from grant and contract sponsors that have not yet been earned.

Deposits represent tuition for international students, student fee refunds, and other miscellaneous deposits. Student deposits are recognized as revenue during the semester for which the fee is applicable and earned when the deposit is nonrefundable to the student under the forfeit terms of the agreement.

**K. Compensated Absences:** Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of long-term liabilities in the Statement of Net Position and as a component of benefit expenses in the Statement of Revenues, Expenses, and Changes in Net Position.

**L. Net Assets:** The College's net assets are classified as follows:

***Invested in capital assets, net of related debt:*** This represents the College's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of invested in capital assets, net of related debt.

***Restricted net assets - expendable:*** Restricted expendable net assets include resources in which the College is legally or contractually obligated to spend resources in accordance with restrictions imposed by external third parties.

***Restricted net assets - nonexpendable:*** Nonexpendable restricted net assets consist of endowment and similar type funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**, Continued

**L. Net Assets:**, continued

***Unrestricted net assets:*** Unrestricted net assets represent resources derived from student tuition and fees, appropriations, and sales and services of educational departments and auxiliary enterprises. These resources are used for transactions relating to the educational and general operations of the College, and may be used at the discretion of the governing board to meet current expenses for any purpose. These resources also include auxiliary enterprises, which are substantially self-supporting activities that provide services for students, faculty and staff.

The College policy for applying expenses that can use both restricted and unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

**M. Income Taxes:** The College is exempt from income taxes under the Internal Revenue Code.

**N. Classification of Revenues:** The College has classified its revenues as either operating or non-operating revenues according to the following criteria:

***Operating Revenues:*** Operating revenues generally result from exchange transactions to provide goods or services related to the College's principal ongoing operations. These revenues include (1) student tuition and fees received in exchange for providing educational services and other related services to students; (2) receipts for scholarships where the provider has identified the student recipients; (3) fees received from organizations and individuals in exchange for miscellaneous goods and services provided by the College; and (4) grants and contracts that are essentially the same as contracts for services that finance programs the College would not otherwise undertake.

***Nonoperating Revenues:*** Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes. Beginning fiscal year 2009-10, the SC Comptroller General's office mandated that Pell grants be reclassified as non-operating revenues from operating revenues. State fiscal stabilization funds are reported as federal non-operating revenues in the financial statements, with a portion reported as federal capital grants, as appropriate.

**O. Sales and Services of Educational and Other Activities:** Revenues from sales and services of educational and other activities generally consist of amounts received from instructional and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The College receives such revenues from programs such as culinary arts luncheons, horticultural plant sales, and massage therapy sessions.

**P. Auxiliary Enterprises and Internal Service Activities:** Auxiliary enterprise revenues primarily represent revenues generated by bookstore services and vending. Revenues of internal service and auxiliary enterprise activities and the related expenditures of college departments have been eliminated.

**NOTE 2 – STATE APPROPRIATIONS**

State funds for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the technical and community colleges in a uniform and equitable manner. Appropriations are recognized as revenue when received and available. Amounts that are not expended by fiscal year-end lapse and are required to be returned to the General Fund of the State unless the Board receives authorization from the General Assembly to carry the funds over to the next year.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 2 – STATE APPROPRIATIONS**, Continued

The following is a reconciliation of the state appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2025:

**Non-Capital Appropriations**

Appropriations Per State Board Allocation	\$ 15,969,489
Lottery Technology	256,255
SC Wins	5,843,145
Retirement Increase From State	170,047
Prior Year's Critical Needs Workforce Allocation	140,126
Prior Year's Workforce Scholarships and Grants	27,693
Prior Year's Lottery-High Demand Job skill Training Equipment	773,779
Prior Year's SC Wins	2,215,583
Total Non-Capital Appropriations Recorded As Current Year Revenue	<u>\$ 25,396,117</u>

**Capital Appropriations**

Appropriations for Cherokee Campus	\$ 1,307,816
Appropriations for Cherokee Campus	199,000
Total Capital Appropriations Recorded As Current Year Revenue	<u>\$ 1,506,816</u>

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**DEPOSITS**

State Law requires that a bank or savings and loan association receiving State funds must secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that a government will not be able to recover deposits if the depository financial institution fails or to recover the value of collateral securities that are in the possession of an outside party if the counterparty transaction fails.

The College's policy concerning custodial credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The President is authorized to invest surplus funds or may delegate this responsibility to the Vice President of Business Affairs. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process (and all in compliance with State laws and regulations). All investments shall be protected by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund (SAIF), and/or have sufficient pledged securities as collateral. This policy was formally approved by the Commission on August 16, 2004 and was updated and approved on May 19, 2014.

The deposits for Spartanburg Community College at June 30, 2025, were \$6,783,580. Of these, \$0 were exposed to custodial credit risk as uninsured and uncollateralized.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 3 – DEPOSITS AND INVESTMENTS**, Continued

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Spartanburg Community College does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the College is not exposed to this risk.

**INVESTMENTS**

The College is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The College had no investments at June 30, 2025.

**Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the College will not be able to recover the value of investments or collateral securities that are in the possession of an outside party.

The College's policy concerning custodial credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The President is authorized to invest surplus funds or may delegate this responsibility to the Vice President of Business Affairs. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process. All investments shall be protected by FDIC, and/or have sufficient pledged securities as collateral. This policy was formally approved by the Commission on August 16, 2004 and was updated and approved on May 19, 2014.

The College's investments at June 30, 2025, were held by the College or in the College's name by the College's custodial banks. The College recognized no losses due to the default by counterparts to investment transactions and amounts recovered from prior period losses.

**Credit Risk**

Credit risk is the risk that an insurer or other counterparty to an investment will not fulfill its obligations.

The College's policy concerning credit risk is to invest surplus funds of the College in a manner that maximizes return to the College while safeguarding against any potential of loss. The President is authorized to invest surplus funds or may delegate this responsibility to the Vice President of Business Affairs. Investments shall be selected from financial institutions on a competitive basis through an informal bidding process. All investments shall be protected by FDIC, and/or have sufficient pledged securities as collateral. This policy was formally approved by the Commission on August 16, 2004 and was updated and approved on May 19, 2014.

The College's excess funds were held in an interest-bearing checking account, which was fully insured or collateralized at June 30, 2025.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The College does not have a policy on concentration of credit risk.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 3 – DEPOSITS AND INVESTMENTS**, Continued

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. It occurs because potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase, thereby affording potential purchasers more favorable rates on essentially equivalent securities.

The College does not have a policy concerning interest rate risk.

**Foreign Currency Risk**

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Spartanburg Community College does not maintain investments that are denominated in a currency other than the United States dollar, and therefore, the college is not exposed to this risk.

**Deposits Held by State Treasurer**

State law requires full collateralization of all State Treasurer bank balances; therefore, College deposits held by the State Treasurer totaling \$34,593,358 as of June 30, 2025, are fully collateralized. The state treasurer must correct any deficiencies in collateral within seven days. With respect to investments in the state's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the state or its agents in the state's name. Information pertaining to the reported amounts, fair values and credit risk of the State Treasurer's deposits is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

**Cash and Investment Reconciliation**

The following schedule reconciles cash and investments as reported on the Statement of Net Position to footnote disclosure provided for deposits and investments.

STATEMENT OF NET POSITION:	
Cash and Cash Equivalents	\$ <u>40,734,498</u>
DEPOSITS AND INVESTMENTS NOTE:	
Cash on Hand	\$ 11,197
Deposits Held by State Treasurer	34,593,358
Carrying Amounts of Deposits, Net	<u>6,129,943</u>
Total	<u>\$ 40,734,498</u>

**NOTE 4 – ACCOUNTS RECEIVABLE**

Receivables as of June 30, 2025, including applicable allowances, were as follows:

<u>Receivables:</u>	
Student Accounts	\$ 3,109,033
Less: Allowance for Doubtful Accounts	(2,306,574)
Federal Grants and Other Contracts	525,304
Other	56,776
State Grants and Contracts	4,328,532
Cherokee County	11,490
Spartanburg County	<u>384,666</u>
Net Accounts Receivable	<u>\$ 6,109,228</u>

Allowances for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2025, the allowance for uncollectible student accounts is valued at \$2,306,574.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 5 – CAPITAL ASSETS**

The balances of the major classes of property, plant and equipment are listed below:

	Beginning Balance 06/30/24	Additions	Retirements	Transfers	Ending Balance 06/30/25
Capital Assets Not Being Depreciated:					
Land and Improvements	\$ 5,436,046	2,291,775	-	-	7,727,821
Construction in Progress	1,592,786	2,585,981	-	2,612,497	1,566,270
Works of Art, Historical Treasures, and Similar Assets	14,644	-	-	-	14,644
Total Capital Assets Not Being Depreciated	<u>7,043,476</u>	<u>4,877,757</u>	<u>-</u>	<u>2,612,497</u>	<u>9,308,736</u>
Other Capital Assets:					
Buildings and Renovations	88,617,065	-	-	2,612,497	91,229,563
Machinery, Equipment, and Other Vehicles	18,564,922	1,541,241	160,609	-	19,945,554
Depreciable Land Improvements	1,239,722	152,683	73,017	-	1,319,388
Intangibles Assets	2,967,561	-	-	-	2,967,561
Total Other Capital Assets	<u>111,606,413</u>	<u>1,693,924</u>	<u>233,626</u>	<u>2,612,497</u>	<u>115,679,210</u>
Less Accumulated Depreciation For:					
Buildings and Improvements	34,492,684	2,060,633	-	-	36,553,317
Machinery, Equipment and Other Vehicles	16,046,576	1,099,530	152,453	-	16,993,653
Depreciable Land Improvements	977,561	93,818	69,904	-	1,001,475
Intangibles	2,256,843	68,364	-	-	2,325,207
Total Accumulated Depreciation	<u>53,990,808</u>	<u>3,322,346</u>	<u>222,357</u>	<u>-</u>	<u>57,090,798</u>
Other Capital Assets, Net	57,615,605	(1,628,422)	11,269	2,612,497	58,588,412
Capital Assets, Net	<u>\$ 64,659,081</u>	<u>3,249,335</u>	<u>11,269</u>	<u>-</u>	<u>67,897,145</u>

Lease and subscription assets activity for the year ended June 30, 2025 is as follows:

	Balance Beginning of Year	Additions	Retirements	Balance End of Year
Lease Assets:				
Equipment	\$ 115,929	1,542,439	-	1,658,368
Subscription	316,478	-	(316,478)	-
Total Lease Assets	<u>432,407</u>	<u>1,542,439</u>	<u>(316,478)</u>	<u>1,658,368</u>
Less Accumulated Amortization:				
Equipment	85,936	52,399	-	138,335
Subscription	250,323	66,155	(316,478)	-
Total Accumulated Amortization	<u>336,259</u>	<u>118,554</u>	<u>(316,478)</u>	<u>138,335</u>
Total Lease Assets, Net	<u>\$ 96,148</u>	<u>1,423,885</u>	<u>-</u>	<u>1,520,033</u>

**NOTE 6 – CONTINGENCIES, LITIGATION, & PROJECT COMMITMENTS**

The College may be party to various lawsuits arising out of the normal conduct of its operations. In the opinion of College management, there are no material claims or lawsuits against the College that are not covered by insurance or whose settlement would materially affect the College's financial position.

The College participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 6 – CONTINGENCIES, LITIGATION, & PROJECT COMMITMENTS**, Continued

Necessary funding has been obtained for the construction, renovation, and equipping of certain facilities, which will be capitalized in the applicable capital asset categories upon completion. At June 30, 2025, the College had no remaining commitment balances with certain engineering firms, construction contractors, and vendors related to these projects.

Other capital projects, which are not to be capitalized when completed, are for replacements, repairs, and/or renovations to existing facilities. There were no remaining commitment balances with any parties related to these projects at June 30, 2025.

The College anticipates funding these projects out of current resources, private gifts, or student fees. Four buildings, the Health Sciences Building on the main campus, the Academic Building and the Center for Advance Manufacturing and Industrial Technologies (CAMIT) on the Cherokee County campus, and the Center for Business and Entrepreneurial Development (CBED) on the Tyger River campus were partially funded by grants from the Economic Development Administration (EDA). As a condition of the grants, the College entered into a twenty-year mortgage agreement on the properties with the EDA. The mortgage creates a contingent liability that would be imposed in the event that Spartanburg Community College acted in a manner prohibited by the award. According to the agreement, the College may not transfer or convey, including leasing the properties, without the written consent of EDA. The College must maintain insurance coverage and must keep the property in good condition. The possibility of this mortgage resulting in a liability for the College is remote. Therefore, the contingent liability is not reflected in the College's financial statements.

**NOTE 7 – LEASE & SUBSCRIPTION OBLIGATIONS**

**Finance Lease- Spartanburg Community College Foundation**

The College entered into a 20-year lease agreement with Spartanburg Community College Foundation on September 29, 2005. This agreement is for the lease of the Business Training Center on the Cherokee Campus. The lease began on the first day of the month after the month in which the facility was ready for occupancy. The first payment was due on January 25, 2007.

Spartanburg Community College has the option to purchase all of its rights, title, and interest at any time during the initial term or any extended term of the lease at a price equal to the sum of (a) the 2003 land appraisal of the value of the land per acre, times the acreage of the leased property, (b) the Spartanburg Community College Foundation's un-financed capital expenditures invested in the facility and other improvements on the property, and (c) the aggregate outstanding balance of all loans incurred by the Foundation to construct the building, access roads, and parking.

The cost of the building is \$2,578,561 and the accumulated depreciation is \$1,160,352 on June 30, 2025.

The capital lease payment to Spartanburg Community College Foundation was \$199,000 for the year ended June 30, 2025.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 7 – LEASE & SUBSCRIPTION OBLIGATIONS**, Continued

Future minimum payments to be paid:

Year Ended June 30	Capital Lease with Discretely Presented Component Units
2026	199,000
Total Minimum Payments	\$ 199,000
Less: Interest	(6,154)
Present Value of Net Minimum Lease Payment	\$ 192,846

**Finance Leases Payable**

A summary of the College's lease obligations at June 30, 2025 is as follows:

The College entered into a 5 year equipment master lease/purchase agreement on September 11, 2024. The initial liability was recorded in the amount of \$932,877. The College is required to make fixed monthly payment of \$207,162.35 including interest at 3.5935% per annum.

\$ 932,877

On May 1, 2025, the College entered into a 60 month lease (SC2088) as lessee for the use of Xerox machine. An initial lease liability was recorded in the amount of \$273,593. The College is required to make monthly fixed payments of \$6,320.48. The lease has an interest rate of 13.8500%

266,092

On September 11, 2024, the College entered into a 60 month lease (SC2008) as lessee for the use of Xerox machine. An initial lease liability was recorded in the amount of \$233,551. The College is required to make monthly fixed payments of \$4,407.75. The lease has an interest rate of 3.6000%

204,312

On March 25, 2025, the College entered into a 58 month lease (SC2122) as lessee for the use of Xerox machine. An initial lease liability was recorded in the amount of \$102,418. The College is required to make monthly fixed payments of \$2,077.09. The lease has an interest rate of 3.6000%

102,418  
\$ 1,505,699

Principal and interest requirements on lease obligations to maturity are as follows:

Year Ended June 30,	Principal	Interest	Total
2026	\$ 282,056	78,758	360,814
2027	297,891	62,923	360,814
2028	313,902	46,912	360,814
2029	331,405	29,408	360,813
2030	280,445	11,199	291,644
	1,505,699	229,200	1,734,899

The total amount of leased assets acquired under these leases is \$1,658,368 with accumulated amortization at June 30, 2025 of \$138,355.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 7 – LEASE & SUBSCRIPTION OBLIGATIONS**, Continued

**Subscriptions Payable**

The financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. The College has no subscription payable at June 30, 2025.

**NOTE 8 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2025, was as follows:

	June 30, 2024	Addition	Reductions	June 30, 2025	Due Within One Year
Finance Lease- SCCF	\$ 377,768	-	184,922	192,846	192,846
Finance Lease- Equipment	\$ 33,226	1,542,439	69,966	1,505,699	282,056
Accrued Compensated Absences	1,620,467	778,680	725,569	1,673,578	243,126
Pension Liability	43,903,756	6,991,998	7,047,097	43,848,657	-
OPEB Liability	30,479,163	9,174,136	1,487,858	38,165,441	-
Total Long-Term Liabilities	<u>\$ 76,414,380</u>	<u>18,487,253</u>	<u>9,515,412</u>	<u>85,386,221</u>	<u>718,028</u>

**NOTE 9 – PENSION PLANS**

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

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

## SPARTANBURG COMMUNITY COLLEGE

Notes To Financial Statements, Continued

June 30, 2025

### **NOTE 9 – PENSION PLANS**, Continued

PEBA issues an Annual Comprehensive Financial Report (ACFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The ACFR is publicly available through PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the ACFR for the state.

#### Plan Description

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

The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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

In addition to the plans described above, PEBA also administers three single employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for Judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

#### Membership

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

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

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 – PENSION PLANS**, Continued

State ORP - As an alternative to membership in SCRS, newly hired state, public school and higher education employees, as well as individuals first elected to the South Carolina General Assembly at or after the general election in November 2012 have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

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

**Benefits**

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

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

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

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 – PENSION PLANS, Continued**

PORS - A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 55 or with 25 years of service regardless of age. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

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

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 and 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. Effective July 1, 2017, employee rates were increased and capped at 9 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017, for both SCRS and PORS until reaching 18.56 percent for SCRS and 21.24 percent for PORS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

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

Effective July 1, 2024, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 18.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 18.41% and 0.15% for the incidental death benefit program. The College’s actual retirement and incidental death benefit program contributions for participating employees to the SCRS for the years ended June 30, 2025, 2024, and 2023 were:

<u>Fiscal Year Ended</u>	<u>Retirement</u>		<u>Incidental Death</u>	
	<u>Rate</u>	<u>Contribution</u>	<u>Rate</u>	<u>Contribution</u>
2025	18.410%	\$ 4,194,842	0.15%	\$ 34,178
2024	18.410%	\$ 3,884,899	0.15%	\$ 31,653
2023	17.410%	\$ 3,351,436	0.15%	\$ 28,875

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 – PENSION PLANS, Continued**

Effective July 1, 2024, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 21.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 20.84%, 0.20% for the incidental death benefit program, and 0.20% for the accidental death program. The College’s actual retirement, incidental death benefit program and accidental death program contributions to the PORS for the years ended June 30, 2025, 2024, and 2023 were:

Fiscal Year Ended	Retirement		Incidental Death		Accidental Death	
	Rate	Contribution	Rate	Contribution	Rate	Contribution
2025	20.840%	\$ 70,552	0.20%	\$ 677	0.20%	\$ 677
2024	20.840%	\$ 56,510	0.20%	\$ 542	0.20%	\$ 542
2023	19.840%	\$ 44,949	0.20%	\$ 453	0.20%	\$ 453

Employee and employer contributions to the State ORP are at the same rates as SCRS. Employees participating in the State ORP were required to contribute 9.00% of all earnable compensation. In fiscal year 2025, the employer contribution rate for the State ORP was 18.56% plus the retiree surcharge of 6.35% that will fund retiree health and dental insurance coverage. Of the 18.56% employer contribution rate, the employer remits 5.00% directly to the participant’s ORP account and the remaining 13.41% retirement contribution and 0.15% incidental death benefit program contribution amounts are remitted to SCRS.

For fiscal year 2025, total contributions requirements to the ORP were approximately \$910,746 (excluding the surcharge) from the College as employer.

Actuarial Assumptions and Methods

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. The GASB Statement No. 67 valuation report prepared as of June 30, 2024 is based on the experience study report for the period ending June 30, 2019. A more recent experience report on the Systems was issued for the period ending June 30, 2023 and will be used for future valuations.

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

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 – PENSION PLANS**, Continued

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024.

		SCRS	PORS
		Entry age normal	Entry age normal
Actuarial Cost Method		Entry age normal	Entry age normal
Investment Rate of Return	1	7%	7%
Projected Salary Increases		3.0% to 11.0% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) <sup>1</sup>
Benefit Adjustments		Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

<sup>1</sup> Includes inflation at 2.25%

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

Assumptions used in the determination of the June 30, 2024, TPL are as follows.

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

Net Pension Liability

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

Plan	Total Pension Liability	Plan Fiduciary Net Pension	Employers’ Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	College’s Allocation Percentage	College’s Proportionate Share
SCRS	\$ 61,369,806,968	37,919,492,371	23,450,314,597	61.8%	0.185227%	43,436,265
PORS	10,177,904,231	7,178,118,865	2,999,785,366	70.5%	0.013747%	412,392
						<u>43,848,657</u>

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the requirements of GASB 67 in the Systems’ notes to the financial statements and required supplementary information. Liability calculations performed by the Systems’ actuary for the purpose of satisfying the requirements of GASB 67 and 68 are not applicable for other purposes, such as determining the plans’ funding requirements.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 – PENSION PLANS, Continued**

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

At June 30, 2025, the College reported liabilities of \$43,436,265 and \$412,392 for its proportionate share of the net pension liabilities of SCRS and PORS, respectively. The net pension liability was measured as of June 30, 2024. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating employers. At June 30, 2025, the College's SCRS and PORS proportion was 0.185227% and 0.013747%, respectively.

For the year ended June 30, 2025, the College recognized pension expenses of \$5,078,998 and \$65,419 for SCRS and PORS, respectively.

At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>	<u>PORS</u>	<u>Total</u>
<b>Deferred Outflows of Resources</b>			
Difference between Expected and Actual Experience	\$ 1,427,469	38,729	1,466,198
Assumption Changes	765,774	8,978	774,752
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	-	-
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	1,325,186	35,186	1,360,372
Colleges Contributions Subsequent to the Measurement Date	<u>5,149,955</u>	<u>71,906</u>	<u>5,221,861</u>
<b>TOTAL</b>	<u><u>\$ 8,668,384</u></u>	<u><u>154,799</u></u>	<u><u>8,823,183</u></u>
<b>Deferred Inflows of Resources</b>			
Difference between Expected and Actual Experience	\$ 53,907	2,364	56,271
Assumption Changes	-	-	-
Net difference between Projected and Actual Earnings on Pension Plan Investments	1,673,611	23,120	1,696,731
Change in Proportion and Difference Between Employer Contribution and Proportionate Share of Plan Contributions	-	739	739
<b>TOTAL</b>	<u><u>\$ 1,727,518</u></u>	<u><u>26,223</u></u>	<u><u>1,753,741</u></u>

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 - PENSION PLANS**, Continued

The \$5,149,955 and \$71,906 reported as deferred outflows of resources related to pensions resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. 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>	<u>SCRS</u>	<u>PORS</u>
2025	170,269	14,319
2026	1,898,370	41,481
2027	161,778	6,981
2028	(439,506)	(6,112)
2029	-	-
Thereafter	-	-
	<u>1,790,911</u>	<u>56,670</u>

**Long-term Expected Rate of Return**

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 - PENSION PLANS**, Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Allocation/Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
<b>Public Equity</b>	46.0%	6.23%	2.86%
<b>Bonds</b>	26.0%	2.60%	0.68%
<b>Private Equity</b>	1 9.0%	9.60%	0.86%
<b>Private Debt</b>	1 7.0%	6.90%	0.48%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate	1 9.0%	4.30%	0.39%
Infrastructure	1 3.0%	7.30%	0.22%
<b>Total Expected Return</b>	2 100.0%		5.49%
 Inflation for Actuarial Purposes			2.25%
 Expected Rate of Return			7.74%

1 RSIC staff and consultant will notify the Commission if the collective exposure to Private Equity, Private Debt and Private Real Assets exceeds 30 percent of total plan assets.

2 Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

**Discount Rate**

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 9 - PENSION PLANS**, Continued

Sensitivity Analysis

The following table presents the College's proportionate share of the SCRS and PORS net pension liability calculated using the discount rate of 7.00 percent, as well as what the College's respective net pension liability would be if it were calculated using a discount rate of 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

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

<u>Plan</u>	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
SCRS	\$ 56,288,491	43,436,265	31,600,382
PORS	597,477	412,392	260,798

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2024, and the accounting valuation report as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The South Carolina Public Employee Benefit Authority (PEBA) was created by the South Carolina General Assembly as part of Act No. 278 effective July 1, 2012. PEBA – Insurance Benefits is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts and retirement systems and is part of the State of South Carolina primary government.

The governing board of PEBA is a board of 11 members. The membership composition is three members appointed by the Governor, two members appointed by the President Pro Tempore of the Senate, two members appointed by the Chairman of the Senate Finance Committee, two members appointed by the Speaker of the House of Representatives and two members appointed by the Chairman of the House Ways and Means Committee. Individuals appointed to the PEBA board must possess certain qualifications. Members of the PEBA board serve for terms of two years and until their successors are appointed and qualify. Terms commence on July first of even numbered years. The PEBA board appoints the Executive Director. The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of PEBA. By law, the State Fiscal Accountability Authority (SFAA), which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits (OPEB).

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**, Continued

Plan Descriptions

The Other Post-Employment Benefits Trust Funds (OPEB Trusts), collectively refers to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), were established by the State of South Carolina as Act 195, which became effective in May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans. The SCLTDITF was created to fund and account for the employer costs of the State's Basic Long-Term Disability Income Benefit Plan.

In accordance with Act 195, the OPEB Trusts are administered by the PEBA – Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trusts are cost-sharing multiple-employer defined benefit OPEB plans. Article 5 of the State Code of Laws defines the two plans and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Benefits

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 benefits 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.

The SCLTDITF is a long-term disability plan that covers employees of the State of South Carolina, including all agencies and public school districts and all participating local governmental entities. The SCLTDITF provides disability payments to eligible employees that have been approved for disability.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**, Continued

Contributions and Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires the postemployment and long-term disability benefits to be funded through non-employer and employer contributions for active employees and retirees to the PEBA – Insurance Benefits.

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2024 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 consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

The SCLTDITF is funded through employer contributions for active employees that elect health insurance coverage. For this group of active employees, PEBA – Insurance Benefits bills and collects premiums charged to State agencies, public school districts and other participating local governments. The monthly premium per active employee was \$3.22 for the fiscal year ended June 30, 2024. The SCLTDITF premium is billed monthly by PEBA – Insurance Benefits and transferred monthly to the SCLTDITF. It is also funded through investment income.

The allocation percentage of the OPEB amounts are calculated differently for each OPEB Trust. For the SCRHITF, the allocation percentage is based on the covered payroll surcharge contribution for each employer. Please note that actual covered payroll contributions received from SCRS for the fiscal year 2024 totaled \$732,799,781. However, the covered payroll contributions total includes prior year covered payroll contribution adjustments and true-ups that net to a total of \$2,577,195.

In accordance with part (b) of paragraph 69 of GASB Statement No. 75, participating employers should recognize revenue in an amount equal to the employer'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. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**, Continued

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 and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. 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.

PEBA – Insurance Benefits issues audited financial statements and required supplementary information for the OPEB Trust Funds. This information is publicly available through the PEBA – Insurance Benefits’ link on PEBA’s website at [www.peba.sc.gov](http://www.peba.sc.gov) or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the comprehensive annual financial report of the state.

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plans (as understood by the employer and plan participants) and include the types of benefits provided at the time the valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry-Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.97% as of June 30, 2024
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years.
Aging Factors:	Based on plan specific experience.
Retiree Participation:	79% for retirees who are eligible for funded premiums. 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**, Continued

Additional information as of the latest actuarial valuation for SCLTDITF:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry – Age Normal
Inflation:	2.25%
Investment Rate of Return:	3.00%, net of Plan investment expense; including inflation
Single Discount Rate:	3.68% as of June 30, 2024
Salary, Termination, and Retirement Rates:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence:	The disability incidence rates used in the valuation are 165% of the rates developed for the South Carolina Retirement Systems pension plans
Disability Recovery:	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets:	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses:	Third party administrative expenses were included in the benefit projections
Notes:	The discount rate changed from 3.57% as of June 30, 2023 to 3.68% as of June 30, 2024.

Roll Forward Disclosures

The actuarial valuations were performed as of June 30, 2023. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2024.

Net OPEB Liability

The Net OPEB Liability (NOL) is calculated separately for each OPEB Trust Fund and represents that particular Trust's Total OPEB Liability (TOL) determined in accordance with GASB No. 74 less that Trust's fiduciary net position. The allocation of each employer's proportionate share of the collective Net OPEB Liability and collective OPEB Expense was determined using the employer's payroll-related contributions over the measurement period. This method is expected to be reflective of the employer's long-term contribution effort as well as be transparent to individual employers and their external auditors.

The following table represents the components of the net OPEB liability as of June 30, 2024:

OPEB Trust	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	College's Allocation Percentage	College's Proportionate Share
SCRHITF	\$ 17,894,389,610	\$ 1,772,587,512	\$ 16,121,802,098	9.91%	0.236553%	38,136,607
SCLTDITF	49,010,702	31,771,665	17,239,037	64.83%	0.167260%	28,834
						<u>38,165,441</u>

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**, Continued

The TOL is calculated by the Trusts' actuary, and each Trust's fiduciary net position is reported in the Trust's financial statements. The NOL is disclosed in accordance with the requirements of GASB No. 74 in the Trusts' notes to the financial statements and required supplementary information. Liability calculations performed by the Trusts' actuary for the purpose of satisfying the requirements of GASB Nos. 74 and 75 and are not applicable for other purposes, such as determining the Trusts' funding requirements.

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

At June 30, 2025, the College reported liabilities of \$38,136,607 and \$28,834 for its proportionate share of the net OPEB liabilities of the SCRHITF and the SCLTDITF, respectively. The net OPEB liability was measured as of June 30, 2024. The College's proportion of the net OPEB liability was based on the College's share of contributions to the OPEB Trust Funds relative to the contributions of all participating employers. At June 30, 2025, the College's proportion of the SCRHITF and the SCLTDITF was 0.236553% and 0.167260%, respectively.

For the year ended June 30, 2025, the College recognized net OPEB expenses of \$2,488,397 and \$17,930 for the SCRHITF and the SCLTDITF, respectively.

At June 30, 2025, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SCRHITF</u>	<u>SCLTDITF</u>	<u>Total</u>
Deferred Outflows of Resources			
Difference between Projected and Actual Experience	\$ 1,982,435	6,948	1,989,383
Changes of Assumptions	8,167,899	2,851	8,170,750
Net difference between Projected and Actual Investment Experience	186,017	5,314	191,331
Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Plan Contributions	1,745,214	517	1,745,731
College Contributions Subsequent to the Measurement Date	<u>1,899,651</u>	<u>14,329</u>	<u>1,913,980</u>
TOTAL	<u>\$ 13,981,216</u>	<u>29,959</u>	<u>14,011,175</u>

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued**

	<u>SCRHITF</u>	<u>SCLTDITF</u>	<u>Total</u>
Deferred Inflows of Resources			
Difference between Projected and Actual Experience	\$ 5,644,474	2,502	5,646,976
Changes of Assumptions	7,830,647	2,825	7,833,472
Net difference between Projected and Actual Earnings on OPEB Plan Investments	-	-	-
Change in Proportion and Difference Between Employer Contributions and Proportionate Share of Plan Contributions	<u>91,548</u>	<u>312</u>	<u>91,860</u>
<b>TOTAL</b>	<u><u>\$ 13,566,669</u></u>	<u><u>5,639</u></u>	<u><u>13,572,308</u></u>

The \$1,899,651 and \$14,329 reported as deferred outflows of resources related to OPEB resulting from the College contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024.

The other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB outstanding at June 30, 2024 will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>SCRHITF</u>	<u>SCLTDITF</u>
2025	\$ 117,171	3,242
2026	(126,837)	2,763
2027	(983,513)	933
2028	(1,650,619)	598
2029	291,035	668
Thereafter	<u>867,659</u>	<u>1,786</u>
	<u><u>(1,485,104)</u></u>	<u><u>9,991</u></u>

As discussed in paragraph 86 of GASB Statement No. 75, differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period.

Additionally, differences between projected and actual earnings on OPEB plan investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**, Continued

Long-term Expected Rate of Return

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

South Carolina Retiree Health Insurance Trust Fund

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

South Carolina Long-Term Disability Insurance Trust Fund

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Allocation-Weighted Long-Term Expected Real Rate of Return</u>
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash Equivalents	20.00%	0.35%	0.07%
Total	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			3.00%

Single Discount Rate

The Single Discount Rate of 3.97% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.68% was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.97%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain at \$38.64 per year for each covered active employee. Based on these assumptions, the plan's Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2033. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2033, and the municipal bond rate was applied to all benefit payments after that date.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB), Continued**

Sensitivity Analysis

The following table presents the SCRHITF’s net OPEB liability calculated using a Single Discount Rate of 3.97%, as well as what the plan’s net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
Plan	1% Decrease (2.97%)	Baseline Discount Rate (3.97%)	1% Increase (4.97%)
SCRHITF	\$ 45,271,053	38,136,607	32,425,569

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate			
Plan	1% Decrease (2.68%)	Baseline Discount Rate (3.68%)	1% Increase (4.68%)
SCLTDITF	32,010	28,834	25,772

Regarding the sensitivity of the College’s proportionate share of the SCRHITF’s net OPEB liability to changes in the healthcare cost trend rates, the following table presents the College’s proportionate share of the plan’s net OPEB liability, calculated using the assumed trend rates as well as what the University’s proportionate share of the plan’s net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate			
Plan	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
SCRHITF	\$ 31,360,184	38,136,607	46,925,985

**OPEB Expense**

Components of collective OPEB expense (and the College’s proportionate share) reported in the Allocation of the OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB for the fiscal year ended June 30, 2024 are presented below.

Description	College's Proportionate Share		College's Proportionate Share	
	SCRHITF	SCLTDITF	SCRHITF	SCLTDITF
Service Cost	487,751,534	1,153,791	8,547,520	14,297
Interest on the Total OPEB Liability	566,382,641	1,339,795	1,690,809	2,828
Projected Earnings on Plan Investments	(46,238,326)	(109,378)	(950,093)	(1,589)
OPEB Plan Administrative Expense	1,031,566	2,440	89,771	150
Recognition of Outflow (Inflow) of Resources Due to Liabilities	(194,560,521)	(460,239)	324,376	543
Recognition of Outflow (Inflow) of Resources Due to Assets	31,125,195	73,628	1,027,371	1,718
<b>Total Aggregate OPEB Expense</b>	<b>\$ 845,492,089</b>	<b>2,000,037</b>	<b>10,729,754</b>	<b>17,947</b>

Additional items included in Total Employer OPEB Expense are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers’ proportionate share of the collective NOL and differences between actual employer contributions and proportionate share of total plan employer contributions.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 10 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**, Continued

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of OPEB Amounts by Employer (the Schedules) was compiled from the OPEB Trust Funds audited financial statements for the fiscal year ended June 30, 2024, and the accounting and financial reporting actuarial valuations as of June 30, 2024. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the OPEB Trust Funds audited financial statements. Employers are encouraged to review Illustration II in Appendix C of GASB Statement No. 75, which provides a sample footnote disclosure and required supplementary information for a cost-sharing multiple-employer defined benefit OPEB plan.

**NOTE 11 – ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2025 are summarized as follows:

Accounts Payable, Student Credit Balances	\$ 24,938
Accounts Payable, Payroll	687,470
Outstanding Accounts Payable	756,113
Accounts Payable, Unrestricted	43,006
Total Accounts Payable	<u>\$ 1,511,527</u>

**NOTE 12 – BONDS AND NOTES PAYABLE**

The College did not have any outstanding bonds or notes payable at June 30, 2025.

**NOTE 13 – RELATED PARTIES**

The Spartanburg Community College Foundation (the “Foundation”) is a certain separately chartered legal entity whose activities are related to those of the College and exists primarily to provide financial assistance and other support to the College and its educational program. Financial statements for that entity are prepared by accountants and retained by the Foundation.

Management has reviewed its relationship with the Foundation under existing guidance of GASB Statement No. 14, as amended by GASB 39. Because of the nature and significance of its relationship with the College, the Foundation is considered a component unit of the College.

There are no related party receivables and payables between the college and Foundation as of June 30, 2025.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 14 – RISK MANAGEMENT**

The College is exposed to various risks of loss and maintains State or commercial insurance coverage for each of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. Settlement claims have not exceeded this coverage in any of the past three years.

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several state funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

- Unemployment compensation benefits
- Worker's compensation benefits for job-related illnesses or injuries
- Health and dental insurance benefits
- Long-term disability and group-life insurance benefits

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan.

The College and other entities pay premiums to the State's Insurance Reserve Fund (IRF), which issues policies, accumulates assets to cover the risk of loss, and pays claims incurred for covered losses relating to the following activities:

- Theft, damage to, or destruction of assets
- Real property, its contents, and other equipment
- Motor vehicles and watercraft
- Torts
- Natural disasters
- Medical malpractice claims

The IRF is a self-insurer and purchases reinsurance to obtain certain services and to limit losses in certain areas. The IRF's rates are determined actuarially.

The College is insured through the State's blanket fidelity bond insurance policy for all employees for losses arising from theft or misappropriation.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 14 – RISK MANAGEMENT**, Continued

***The Spartanburg Community College Enterprise Campus Authority***

The Spartanburg Community College Enterprise Authority, as described in Note 1, is a blended component unit and the following balances for the authority are incorporated into these financial statements.

	<b>2025</b>
Revenues	
Other Operating Revenues	\$ 2,541,330
Total Other Operating Revenues	2,541,330
Expenses	
Salaries	1,692,917
Agr., Marine, & Forestry	7,913
Engineering & Arch	6,000
Utilities	515,268
Contractual Services	254,456
Property Taxes	27,444
General Repair, Maintenance	33,947
Other Miscellaneous	3,385
Total Operating Expenses	\$ 2,541,330
Operating Income (Loss)	-

**NOTE 15 – OPERATING EXPENSES BY FUNCTION**

Operating expenses by functional classification for the year ended June 30, 2025 are summarized as follows:

	Compensation	Benefits	Scholarships and Fellowships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	\$ 16,389,610	7,338,600	-	-	5,588,462	-	29,316,671
Academic Support	2,062,933	997,127	-	-	1,585,679	-	4,645,739
Student Support	5,167,761	2,506,052	-	-	3,422,720	-	11,096,533
Operation & Maintenance of Plant	2,755,903	1,110,061	-	1,275,073	2,829,149	-	7,970,187
Institutional Support	5,126,683	2,368,126	-	-	1,131,132	-	8,625,942
Scholarships & Fellowships	-	-	8,229,229	-	-	-	8,229,229
Auxiliary Enterprises	174,257	76,308	-	-	2,421,425	-	2,671,989
Depreciation & Amortization	-	-	-	-	-	3,440,900	3,440,900
Total Operating Expenses	\$ 31,677,148	14,396,274	8,229,229	1,275,073	16,978,566	3,440,900	75,997,190

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 16 – PURCHASES WITH OTHER SC HIGHER EDUCATION INSTITUTIONS**

The College had significant financial transactions with other South Carolina public institutions of higher education during the fiscal year ended June 30, 2025. The College received goods and/or services from other South Carolina higher education institutions for a fee, as listed below:

	<u>Purchases</u>
Aiken Technical College	\$ 750
Clemson University	6,559
Trident Technical College	750
USC	<u>1,190</u>
Total Purchases	<u>\$ 9,249</u>

**NOTE 17 – STATEMENT OF ACTIVITIES**

	<u>2025</u>	<u>2024</u>	Increase/ (Decrease)
Charges for Services	\$ 25,995,197	27,524,793	(1,529,596)
Operating Grants and Contributions	33,172,482	25,087,111	8,085,371
Capital Grants and Contributions	-	2,000,000	(2,000,000)
Less: Expenses	<u>(76,009,221)</u>	<u>(73,361,201)</u>	<u>(2,648,020)</u>
Net Program Revenue (Expense)	<u>(16,841,542)</u>	<u>(18,749,297)</u>	<u>1,907,755</u>
Transfers:			
State Appropriations	25,396,117	19,442,227	5,953,890
State Capital Appropriations	1,506,816	1,506,816	-
SCC Foundation Donation	459,279	40,000	419,279
Lease Revenues	-	20,163	(20,163)
Total General Revenue and Transfers	<u>27,362,212</u>	<u>21,009,206</u>	<u>6,353,006</u>
Change in Net Assets	10,520,670	2,259,909	8,260,761
Net Assets - Beginning of Year	<u>18,210,089</u>	<u>15,950,181</u>	<u>2,259,908</u>
Net Assets - Ending	<u>\$ 28,730,760</u>	<u>18,210,090</u>	<u>10,520,670</u>

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 18 – TRANSACTIONS WITH OTHER AGENCIES**

The College had significant transactions with the State of South Carolina and various agencies.

Several services received at no cost from state agencies include maintenance of certain accounting records by the Comptroller General; check preparation, banking, bond trustee, and investment services from the State Treasurer; and legal services from the Attorney General.

Other services received at no cost from the various offices of the State Budget and Control Board include pension plan administration, insurance plans administration, grant services, personnel management, assistance in the preparation of the State Budget, review and approval of certain budget amendments, procurement services, and other centralized functions.

**NOTE 19 – TAX ABATEMENTS**

The College receives support in the form of property tax revenue from the three Counties in its service area: Cherokee County, Spartanburg County and Union County. Each of the Counties has entered into various property tax abatement agreements with local businesses.

Companies that are located in South Carolina and are classified as manufacturing facilities are subject to *ad valorem taxes*. The fair market value is multiplied by the assessment ratio, generally equal to 10.5%, to produce the assessed value and then multiplied by the millage rate. The three counties provide certain tax reductions through the following programs:

1. Fee in Lieu of Ad Valorem Tax
2. Special Source Revenue Credit

The *Fee in Lieu of Ad Valorem Tax* program is intended to encourage investment in commercial and industrial investments in South Carolina. The property tax reduction is granted pursuant to Chapter 44 of Title 12 of the South Carolina Code of Laws of South Carolina 1976 as amended. Taxpayers are eligible to receive a reduction in property taxes, through reduced assessed values and locked millage rates, if they enter into an agreement with the County and invest at least \$2.5 million in taxable property (or some other negotiated investment floor) within a 5-year period. Under the *Fee in Lieu of Ad Valorem Tax* program, if a taxpayer does not make the required investment within the 5-year period, then the reduced property taxes terminate, and the taxpayer must repay the County the difference between the abated taxes received and what the taxpayer would have paid had it not had the benefit of the *Fee in Lieu of Ad Valorem Tax* program.

The three counties that provide support to Spartanburg have multiple taxpayers that have entered into agreements under the *Fee in Lieu of Ad Valorem Tax* program. In the aggregate, these taxpayers, without the benefit of the program would pay significantly more in *ad valorem* tax. However, due to the benefit provided by the *Fee in Lieu of Ad Valorem Tax* program, the taxpayers paid less in the most recent fiscal year, as shown in the table below.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 19 – TAX ABATEMENTS**, Continued

The *Special Source Revenue Credit* program is intended to encourage investment into infrastructure serving the County or infrastructure serving a commercial or manufacturing enterprise in the County. The property tax reduction is granted pursuant to Chapter 1 of Title 4 of the South Carolina Code of Laws of South Carolina 1976, as amended. All property that is located in an MCIP, *Multi-County Industrial Park*, is exempt from property taxes, but property owners must pay an amount equivalent to the property taxes that would otherwise be due. The companies that make an agreement with the county based on this option are based on infrastructure credits or credits based on investments /money spent to improve a facility. Taxpayers are eligible to receive a percentage reduction off their total property tax liability if the taxpayer is located in a multicounty park, enters into an agreement with the County and agrees to make an investment in taxable property in the County and create jobs. If the taxpayer does not meet its investment or job commitments, the taxpayer must repay a portion of the reduction.

These three counties have several taxpayers that have entered into agreements with the counties under the Special Source Revenue Credit program. In the aggregate, these taxpayers, without the benefits of the program would pay more in ad valorem tax in the most recent fiscal year. However, due to the benefit provided by the *Special Source Revenue Credit* program, the taxpayers pay significantly less as shown below.

	<b>Fee in Lieu of Tax</b>	<b>Special Source Revenue Credits</b>	<b>Total</b>	<b>Total Ad Valorem Tax</b>
Cherokee County	\$ 53,837	4,732	58,570	114,210
Spartanburg County	1,578,884	477,440	2,056,324	3,173,220
Union County	-	-	-	-
<b>Total</b>	<b>\$ 1,632,722</b>	<b>482,172</b>	<b>2,114,894</b>	<b>3,287,430</b>

\* N/A = Not Available

**NOTE 20 – COMPONENT UNIT**

**1. NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

**Organization and Purpose**

Spartanburg Community College Foundation (the Foundation) is a foundation whose purpose is to develop and administer programs organized exclusively to receive and hold by gift, bequest or purchase any real or personal property and to manage, invest, and use the property for scientific, educational, and charitable purposes for the advancement of Spartanburg Community College (the College). Effective July 1, 2015, the Foundation is classified as a public charity as described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code, an organization that normally receives a substantial part of its support from a governmental unit or from the general public.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**, Continued

During fiscal years 2005 and 2007 the Foundation formed three separate Single Member LLC's. The first, SCTF Phase 1 Properties, LLC (Phase 1) was formed April 6, 2005, with the Foundation as its sole member. Subsequently, on May 16, 2005, SCTF Phase II Properties, LLC (Phase II) was formed, with Phase I as its sole member. On November 15, 2016 approximately 14.10 acres of property in Cherokee County was sold by the Foundation to Phase I who then leased 2.59 acres to Spartanburg Community College on a twenty-year lease and 3.45 acres to Phase II on a 375-month lease. Phase II then, on the same date, leased the 3.45 acres to an industry for the same 375 months. On November 27, 2006 SCTF Phase III Properties, LLC (Phase III) was formed with Phase I as its sole member, and on July 31, 2007 Phase I sold the remaining acreage to Phase III. These three entities are treated collectively as blended component units of the Foundation.

**Basis of Accounting**

The Foundation prepares its financial statements in accordance with generally accepted accounting principles, which involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

**Financial Statement Presentation**

(a) The financial statements of the Organization have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide"). (ASC) 958-205 was effective January 1, 2018.

The significant policies are described below to enhance the usefulness of the financial statements.

(b) Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets without Donor Restrictions**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

The part of net assets that is not subject to donor-imposed restrictions.

Board Designated Net Assets

Net assets without donor restrictions subject to self-imposed limits by action of the governing board. Board-designated net assets may be earmarked for future programs, investment, contingencies, purchase or construction of fixed assets, or other uses.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**, Continued

**Net Assets with Donor Restrictions**

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds.

Donor Restricted Endowment Fund

An endowment fund that is created by a donor stipulation requiring investments of a gift in perpetuity or for a specified term. Some donors or laws may require that a portion of income, gains, or both be added to the gift and invested subject to similar restrictions.

Donor-Restricted Support

Donor-restricted revenues or gains from contributions that increase net assets with donor restrictions (donors include other types of contributors, including makers of certain grants).

(c) **Agency Funds**

Agency funds are funds held by the Organization as custodian. The receipts, earnings and expenditures related to the agency funds are not included in the Organization's Statement of Activities. Pooled investment income is not allocated to the Agency funds.

(d) **Contributions**

Unconditional promises to give, contributions in kind, and other contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designed for future periods or restricted by donor for specific purposes are reported as support with donor restrictions that increases the net asset class. It is the policy of the Organization to first spend net assets with donor restrictions, as appropriate.

The Organization reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Organization reports gifts of land, buildings, and equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as support with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**, Continued

**Donated Material and Services**

Donated materials and services are reflected as contributions in the accompanying financial statements at their estimated fair market values at the date of receipt. The Foundation pays for most services requiring specific expertise; however, a substantial number of volunteers have donated significant amounts of their time to assist the Foundation. For the year ended June 30, 2025, approximately \$431,050 was recorded on the Statement of Activities for specific donated materials and specialized services; no additional amounts have been recorded for volunteer hours or other general services.

**Revenue Recognition**

In May 2014, the FASB issued ASU 2014-09 Revenue from Contracts with Customers (ASCTopic 606), which requires an entity to recognize revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Foundation has adopted this standard as of the beginning of fiscal year 2019 and there is no material impact to the financial statements as a result of adoption. Lease income for facilities is deemed to result in performance obligations and are treated as contracts in the Foundation's financial statements. As of the fiscal year end all such revenue was considered as earned, as no material amounts were unearned or deferred.

**Functional Expenses**

The cost of providing program activities has been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services provided.

**Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Allowance for Doubtful Accounts**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

**Investments**

The Foundation has adopted FASB ASC 958-320, *Investments – Debt and Equity Securities*. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**, Continued

**Fair Value of Financial Instruments**

ASC 820, *Fair Value Measurements*, defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America, and expands disclosures regarding the fair value measurements of certain financial instruments. FASB ASC 820 addresses acceptable valuation techniques and establishes a fair value hierarchy that distinguishes between (1) market participant assumptions developed based on market data obtained from independent sources (observable inputs) and (2) the reporting entity's own assumptions about market participant assumptions developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1), and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are as follows:

- *Level 1 inputs* are unadjusted quoted prices for identical assets and liabilities in active markets to which the reporting entity has access.
- *Level 2 inputs* are inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. They include quoted prices for similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable (for example, interest rates); and inputs that are derived from or corroborated by observable market data.
- *Level 3 inputs* are unobservable and are significant to the fair value measurement.

FASB ASC 820 expands disclosures about fair value measurements for certain financial assets and liabilities.

The carrying amounts of cash, receivables, accounts payable, and other accrued liabilities approximate fair value because of the short maturity of these financial instruments. The carrying values of the Foundation's funds held by the Spartanburg County Foundation are based on information provided to the Spartanburg County Foundation by external investment managers.

**Property and Equipment**

Property and equipment are stated at historical cost. Acquisitions of property and equipment with useful lives exceeding one year are capitalized. Repairs and maintenance not increasing the values or extending the useful lives of the assets are expensed as incurred. Contributions of property and equipment are recorded at their fair market value at the date of the gift.

Depreciation is provided for using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the assets are as follows:

Building and Land Improvements	15-39 Years
Equipment	5 Years
Furniture and Fixtures	7 Years

Disposals of property and equipment are eliminated from the asset and accumulated depreciation accounts. Gains and losses on dispositions of property and equipment are included in income.

Depreciation expense for the year ended June 30, 2025 was \$101,122.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

1. **NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**, Continued

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Income Tax Status**

The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the financial statements do not reflect a provision for income taxes.

The Foundation adopted the accounting guidance concerning accounting for uncertain tax positions. The Foundation has no uncertain tax positions for which reserves would be required.

The Organization files IRS form 990 information returns in the United States.

**Recently Issued Accounting Pronouncements**

In February 2016, the FASB issued ASU 2016-02, Lease (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about lease arrangements. ASU 2016-02 was effective for financial statements issued for fiscal years beginning after December 15, 2021. The Foundation has no leases as defined in ASU 2016-02, and therefore, the pronouncement had no effect on the Foundation’s financial statements upon implementation.

2. **CASH AND CASH EQUIVALENTS AND DEPOSITS**

All deposits of the Foundation are maintained in bank deposit accounts, which at times, may exceed federally insured limits. The following schedule reconciles deposits within the footnotes to the statement of financial position amounts:

<b>Statement of Financial Position</b>		
Cash and Cash Equivalents	\$	368,455
<b>Footnotes</b>	<b>Carrying Value</b>	<b>Bank Balance</b>
Cash - Checking	\$	367,710

3. **INVESTMENT**

The investment at fair value consists of equity securities on June 30, 2025 in the amount of \$23,312. The financial instrument is classified as Level 1 in the fair value hierarchy.

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

**4. RELATED PARTY TRANSACTIONS**

Due to the purpose of the Foundation, Spartanburg Community College (the college) is a related party. The Foundation seeks funds and resources to further the educational mission of the college. It provides to the college's students, scholarships and other support, while the college provides to the Foundation the personnel to manage the Foundation's activities. All transactions are deemed to be conducted at arms-length.

The Foundation has entered into an agreement with the college, whereby the college provides the Foundation with personnel, office and storage space, custodial services, telephone equipment, and computer services and the Foundation is to make an annual cash payment in the form of a rent payment of \$10,000 to the college to defray these costs. Total payments to the college for these services provided during the year ended June 30, 2025 are reflected in the accompanying Statement of Functional Expenses and included in administrative support.

As referenced in Note 12, the college also leases a building located in Cherokee County from the Foundation. Lease income from the College was \$199,000 for the year ended June 30, 2025.

**5. FUNDS HELD BY SPARTANBURG COUNTY FOUNDATION**

The Spartanburg Community College Foundation has established several funds with the Spartanburg County Foundation. The funds are held, managed, administered, applied, and disbursed under the general powers and duties of the Spartanburg County Foundation.

The funds are carried as assets on the accompanying financial statements, since these funds were established by the Spartanburg Community College Foundation with the Foundation as the beneficiary. The proceeds of these funds are to be used for scholarship assistance for students attending Spartanburg Community College or for the benefit of the College depending on the purpose of the individual funds.

The Foundation has established a temporarily restricted account for BMW scholarships, the funding of which was received from a State of South Carolina Grant for BMW scholar scholarships at Spartanburg Community College, Greenville Technical College and Tri-County Technical College. During the current year this grant resulted in payments to Spartanburg Community College of \$554,482, Greenville Technical College of \$351,000 and Tri-County Technical College of \$35,761 to advance technical careers as participants in the BMW Scholars Program managed by the Spartanburg Community College Foundation and disbursed through the Spartanburg County Foundation.

	Fair Value Measurements Using		
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets Held at the SCF	\$ 8,145,180	8,145,180	-

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

5. **FUNDS HELD BY SPARTANBURG COUNTY FOUNDATION**, Continued

The beneficial interest in assets held at the Spartanburg County Foundation has been valued, as a practical expedient, at the fair value of the Spartanburg Community College Foundation's share of the Spartanburg County Foundation's investment pool as of the measurement date. The Spartanburg County Foundation values securities and other financial instruments on a fair value basis of accounting. The estimated fair values of certain investments of the Spartanburg County Foundation, which includes private placements and other securities for which prices are not readily available, are determined by the management of the Spartanburg County Foundation and may not reflect amounts that could be realized upon immediate sale, nor amounts that ultimately may be realized. Accordingly, the estimated fair values may differ significantly from the values that would have been used had a ready market existed for these investments. The Spartanburg County Foundation's investments are composed approximately of 46.3 percent global public equities, 20 percent flexible capital/hedge funds, 23.6 percent fixed income, 10 percent real assets and 0.1 percent in money market. The beneficial interest in assets held at the Spartanburg County Foundation is not redeemable by the Spartanburg Community College Foundation.

6. **PLEDGES RECEIVABLE**

The pledges receivable are unconditional and due over seven years. Uncollectible promises are estimated at approximately 0.5% of the unpaid balance, and are discounted using a net present value calculation and an effective rate of approximately 3.0 percent.

Unconditional promises to give as June 30 are:

Receivable in:		
Year 1	\$	45,000
Year 2		10,000
Year 3		10,000
		65,000
Less Discount and Allowance for Uncollectible Amounts		(3,000)
Pledges Receivable (Net)	\$	62,000

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

**7. PROPERTY, PLANT AND EQUIPMENT**

The balances of the major classes of property, plant and equipment are listed below:

Spartanburg Community College Foundation:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Land and Land Improvements	\$ 432,877	-	-	432,877
Buildings	4,091,533	-	-	4,091,533
Furniture and Fixtures	3,187	-	-	3,187
Equipment	223	-	-	223
	<u>4,527,820</u>	-	-	<u>4,527,820</u>
Less Accumulated Depreciation	<u>1,876,910</u>	<u>101,122</u>	-	<u>1,978,032</u>
Net Property, Plant and Equipment	<u>\$ 2,650,910</u>	<u>(101,122)</u>	-	<u>2,549,788</u>

Depreciation expense for the year amounted to \$101,122.

**8. LONG-TERM DEBT**

Spartanburg Community College Foundation:

During October 2005, the Foundation was issued an Economic Development Bond by the South Carolina Jobs Economic Development Authority to defray the cost of acquiring, by construction and purchase, a Cherokee County Campus for use by Spartanburg Community college. The bond matures October 1, 2025. Interest and principal on the outstanding balance is payable semi-annually. This original bond bore interest at 4.24%, and provided for Semi-annual payments of principal and interest in the amount of \$96,468.54 due April 17 and October 17 of each year.

Subsequent to the October, 2015 principal and interest payment, the remaining balance of the loan in the amount of \$1,559,283.74 was re-financed at a lower interest rate of 1.86% over the remaining term, thus lowering the annual debt service from \$192,937 to \$171,600, or a total of \$213,362 over the remaining ten years. Semi-annual payments of principal and interest are due October 1 and April 1 of each year.

The debt maturities required in the future and in the aggregate are as follows:

June 30	Principal	Interest	Total
2026	\$ 85,010	790	85,800

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

8. **LONG-TERM DEBT**, Continued

A summary of the outstanding debt at June 30 is as follows:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
Economic Development Bond	\$ 252,687	-	167,677	85,010

Interest expense for the year ended June 30, 2025 was \$3,144.

9. **RESTRICTIONS ON NET ASSETS**

The Foundation's net assets with donor restrictions for the following purposes as of June 30 consisted of the following:

Subject to Expenditure for Specific Purpose:

Scholarships	\$ 5,579,288
Capital Projects	63,928
Lectures & Events	89,111
Academic Support	53,259
Alumni	2,151
Programs & Grants	28,191
Other College Support	5,850
Total	\$ 5,821,778

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by the donors.

Purpose Restrictions Accomplished

Scholarships	\$ 1,042,906
Capital Projects	20,974
Lectures & Events	7,367
Academic & Faculty Support	119,731
Other College Support	287,171
Programs & Grants	264,759
Total Restrictions Released	\$ 1,742,908

**SPARTANBURG COMMUNITY COLLEGE**  
Notes To Financial Statements, Continued  
June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

**10. BOARD DESIGNATED NET ASSETS**

During the fiscal year ended June 30, 2017 the Foundation entered into a donor agreement with the Spartanburg County Foundation and transferred \$500,000 of unrestricted cash to fund an endowment type fund to provide scholarships and other support for the benefit of Spartanburg Community College and its students and faculty. Although the funds are not externally restricted they have been set aside and designated by contractual agreement. This amount is included with investments held by the Spartanburg County Foundation on the Statement of Financial Position.

The Organization's Board-designated net assets as of June 30, 2025 consisted of the following:

Held by Spartanburg County Foundation For College Support	<u><u>\$ 2,666,844</u></u>
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**11. WORKING CAPITAL AND LIQUIDITY**

**Working Capital**

Current Assets	\$ 453,767
Less: Current Liabilities	<u>215,905</u>
Working Capital	<u><u>237,862</u></u>

The Foundation's financial assets available within one year of the balance sheet date for general expenditure are as follows:

Cash	368,455
Pledges Receivable, Current	45,000
Investments	<u>23,312</u>
Total Liquid Assets	<u><u>436,767</u></u>
Commitments	
Current Liabilities	<u>215,905</u>
Liquid Assets Available	<u><u>\$ 220,862</u></u>

**12. LEASE INCOME**

The Foundation has entered into a twenty year lease agreement with Spartanburg Community College that expires in 2027. Under this lease agreement the College pays rent to the Foundation for use of the Cherokee County Campus building and equipment in the amount of \$199,000 per year. Pursuant to the terms of the lease, future minimum rental payments are expected to be \$199,000 per year for each of the next 12 years.

The Foundation has also entered into a twenty year lease agreement with a tenant for 3.45 acres of land located in Cherokee County that expires in 2027. On June 30, 2025, the book value of the leased land was \$108,451. The lease payment is \$1,440 per year. Pursuant to the terms of the lease, future minimum rental payments are expected to be \$1,440 per year for each of the next 4 years. Lease income for the current fiscal year was \$1,440 under this lease.

**SPARTANBURG COMMUNITY COLLEGE**

Notes To Financial Statements, Continued

June 30, 2025

**NOTE 20 – COMPONENT UNIT**, Continued

**13. CONCENTRATIONS OF CREDIT RISK**

At various times throughout the year, and at year end, the Foundation had deposits at a financial institution in excess of Federal Deposit Insurance Corporation (FDIC) insurable limits. At June 30, 2025 this amount was \$-0-.

**14. CONTINGENCIES / COMMITMENTS**

Due to the nature of the Foundation's normal activities, it is routinely subject to a variety of claims and demands by various individuals and entities. Loss contingencies are situations involving uncertainties as to possible loss. The uncertainties are resolved when certain events occur or fail to occur. Loss contingencies may result for litigation, claims, audit disallowances, threatened property loss, or uncollectible receivables. Such situations are loss contingencies if the related liability has not been recorded, yet a loss is reasonably possible. Guarantees of others' debts are loss contingencies, however, even if the probability of loss is remote. The Foundation maintains insurance against certain loss contingencies with liability policies and physical damage coverage. At the date of this report, management is not aware of any contingencies that will result in any material loss to the Foundation.

**NOTE 21 – EVALUATION OF SUBSEQUENT EVENTS**

Management has, through September 29, 2025, the date the financial statements were available to be issued, considered whether events have occurred, or circumstances exist subsequent to the date of the financial statements, June 30, 2025, that would have materially significant effect on the carrying amounts of assets or liabilities, including estimates, and no such items have been identified.

**SPARTANBURG COMMUNITY COLLEGE**  
**Pension Required Supplementary Information**  
**For the Year Ended June 30, 2025**

**SOUTH CAROLINA RETIREMENT SYSTEM (SCRS)**

**Schedule of the College's Proportionate Share of the Net Pension Liability**

Year	Proportion of the Net Pension Liability	Proportion of the Net Pension Liability	Covered Payroll During the Measurement Period	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2025	0.185227%	\$43,436,265	\$26,915,764	161.38%	61.80%
June 30, 2024	0.179941%	43,505,249	24,179,315	179.93%	58.60%
June 30, 2023	0.179858%	43,601,348	22,659,472	192.42%	57.10%
June 30, 2022	0.170942%	36,994,110	20,550,573	180.01%	60.70%
June 30, 2021	0.171109%	43,721,486	20,166,868	216.80%	50.70%
June 30, 2020	0.173467%	39,609,774	19,300,961	205.22%	54.40%
June 30, 2019	0.173876%	38,959,974	18,991,841	205.14%	54.10%
June 30, 2018	0.173987%	39,167,272	18,182,511	215.41%	53.34%
June 30, 2017	0.170293%	36,374,333	17,419,328	208.82%	52.91%
June 30, 2016	0.176492%	33,472,535	17,558,450	190.63%	56.99%

**Schedule of Employer Contribution**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	SCC Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2025	\$5,149,955	\$5,149,955	-	\$ 29,577,220	17.41%
June 30, 2024	4,704,883	4,704,883	-	26,915,764	17.48%
June 30, 2023	3,999,425	3,999,425	-	24,179,315	16.54%
June 30, 2022	3,542,095	3,542,095	-	22,659,472	15.63%
June 30, 2021	3,009,481	3,009,481	-	20,550,573	14.64%
June 30, 2020	2,961,808	2,961,808	-	20,166,868	14.69%
June 30, 2019	2,669,487	2,669,487	-	19,300,961	13.83%
June 30, 2018	2,445,710	2,445,710	-	18,991,841	12.88%
June 30, 2017	1,980,554	1,980,554	-	18,182,511	10.89%
June 30, 2016	1,824,011	1,824,011	-	17,419,328	10.47%

**SPARTANBURG COMMUNITY COLLEGE**  
**Pension Required Supplementary Information**  
**For the Year Ended June 30, 2025**

**POLICE OFFICERS RETIREMENT SYSTEM (PORS)**

**Schedule of the College's Proportionate Share of the Net Pension Liability**

Year	Proportion of the Net Pension Liability	Proportion of the Net Pension Liability	Covered Payroll During the Measurement Period	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2025	0.013747%	\$412,392	\$271,164	152.08%	70.50%
June 30, 2024	0.013091%	398,507	226,559	175.90%	67.80%
June 30, 2023	0.011506%	345,050	177,805	194.06%	66.40%
June 30, 2022	0.011549%	297,153	171,596	173.17%	70.40%
June 30, 2021	0.012046%	399,478	181,976	219.52%	58.80%
June 30, 2020	0.012170%	348,773	176,514	197.59%	62.70%
June 30, 2019	0.009102%	257,897	125,979	204.71%	61.70%
June 30, 2018	0.002150%	58,764	26,845	218.90%	60.90%
June 30, 2017	0.002960%	74,978	37,681	198.98%	60.44%
June 30, 2016	0.003240%	70,637	40,147	175.95%	64.57%

**Schedule of Employer Contribution**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	SCC Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2025	\$71,906	\$71,906	-	\$338,542	21.24%
June 30, 2024	57,595	57,595	-	271,164	21.24%
June 30, 2023	45,856	45,856	-	226,559	20.24%
June 30, 2022	34,210	34,210	-	177,805	19.24%
June 30, 2021	31,299	31,299	-	171,596	18.24%
June 30, 2020	33,192	33,192	-	181,976	18.24%
June 30, 2019	30,431	30,431	-	176,514	17.24%
June 30, 2018	20,459	20,459	-	125,979	16.24%
June 30, 2017	3,823	3,823	-	26,845	14.24%
June 30, 2016	5,177	5,177	-	37,681	13.74%

**SPARTANBURG COMMUNITY COLLEGE**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**South Carolina Retirement System Health Insurance Trust Fund (SCRHIFT)**  
**For the Year Ended June 30, 2025**

**South Carolina Retirement System Health Insurance Trust Fund (SCRHIFT)**

**Schedule of the College's Proportionate Share of the Net OPEB Liability**

Year	Proportion of the Net OPEB Liability	Proportion of the OPEB Liability	Covered Payroll During the Measurement Period	Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2025	0.236553%	\$ 38,136,607	\$ 27,299,144	139.70%	9.91%
June 30, 2024	0.232628%	30,454,463	24,405,874	124.78%	11.24%
June 30, 2023	0.232346%	35,344,105	22,837,277	154.76%	9.64%
June 30, 2022	0.222203%	46,269,733	20,722,168	223.29%	7.48%
June 30, 2021	0.220755%	39,849,471	20,348,844	195.83%	8.39%
June 30, 2020	0.222706%	33,676,543	19,477,475	172.90%	8.44%
June 30, 2019	0.221689%	31,414,628	19,117,820	164.32%	7.91%
June 30, 2018	0.215934%	29,247,907	18,209,356	160.62%	7.60%

**Schedule of Employer Contributions**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2025	\$ 1,899,650	1,899,650	-	29,915,761	6.35%
June 30, 2024	1,733,496	1,733,496	-	27,299,144	6.35%
June 30, 2023	1,525,367	1,525,367	-	24,405,874	6.25%
June 30, 2022	1,427,330	1,427,330	-	22,837,277	6.25%
June 30, 2021	1,295,136	1,295,136	-	20,722,168	6.25%
June 30, 2020	1,271,803	1,271,803	-	20,348,844	6.25%
June 30, 2019	1,178,387	1,178,387	-	19,477,475	6.05%
June 30, 2018	1,051,482	1,051,482	-	19,117,820	5.50%

Note: This schedule will continue to build prospectively until a 10 year trend of data is compiled.

**SPARTANBURG COMMUNITY COLLEGE**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**South Carolina Retirement System Long-term Disability Insurance Trust Fund (SCLTDITF)**  
**For the Year Ended June 30, 2025**

**South Carolina Retirement System Long-Term Disability Insurance Trust Fund (SCLTDITF)**

**Schedule of the College's Proportionate Share of the Net OPEB Liability**

Year	Proportion of the Net OPEB Liability	Proportion of the OPEB Liability	Covered Payroll During the Measurement Period	Net OPEB Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2025	0.167260%	\$ 28,834	\$ 27,299,144	0.11%	64.83%
June 30, 2024	0.161319%	24,700	24,405,874	0.10%	68.01%
June 30, 2023	0.162334%	18,807	22,837,277	0.08%	75.04%
June 30, 2022	0.159984%	5,084	20,722,168	0.02%	92.84%
June 30, 2021	0.160873%	488	20,348,844	0.00%	99.29%
June 30, 2020	0.163504%	3,218	19,477,475	0.02%	95.17%
June 30, 2019	0.163306%	4,999	19,117,820	0.03%	92.20%
June 30, 2018	0.160276%	2,906	18,209,356	0.02%	95.29%

**Schedule of Employer Contributions**

Year	Statutorily Required Contribution	Contributions Recognized by the Plan	Contributions Excess (Deficiency)	College's Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2025	\$ 14,329	\$ 14,329	-	\$ 29,915,761	0.05%
June 30, 2024	13,173	13,173	-	27,299,144	0.05%
June 30, 2023	12,323	12,323	-	24,405,874	0.05%
June 30, 2022	12,291	12,291	-	22,837,277	0.05%
June 30, 2021	12,120	12,120	-	20,722,168	0.06%
June 30, 2020	12,159	12,159	-	20,348,844	0.06%
June 30, 2019	12,049	12,049	-	19,477,475	0.06%
June 30, 2018	11,853	11,853	-	19,117,820	0.06%

Note: This schedule will continue to build prospectively until a 10 year trend of data is compiled.