ANDERSON COUNTY
DEPARTMENT OF EDUCATION

ANDERSON, SOUTH CAROLINA

ANNUAL FINANCIAL REPORT
June 30, 2025

(With Independent Auditors' Report Thereon)

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ANDERSON, SOUTH CAROLINA
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MARTIN·SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

The Board of Trustees
Anderson County Department of Education
Anderson, South Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of Anderson County Department of Education ("the Department") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Department's financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Anderson County Department of Education at June 30, 2025, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Anderson County Department of Education 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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 Anderson County Department of Education'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.

Auditors' 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 auditors' report that includes our opinion. 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 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 Department'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 Department'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, budgetary comparison information, pension liability and contribution schedules, and other post-employment benefits liability and contribution schedules as listed in the accompanying table of contents, be presented to supplement the financial statements. Such information, although not a required part of the financial statements, is supplementary information required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the financial statements in the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The other supplementary information, as listed in the accompanying table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements of Anderson County Department of Education. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly presented in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 28, 2025, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
November 28, 2025

This discussion and analysis of Anderson County Department of Education's ("the Department's") financial performance provides an overview of the Department's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the Department's financial performance as a whole; readers should also review the Notes to the Financial Statements and the financial statements themselves to enhance their understanding of the Department's financial performance.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements
In the Statement of Net Position, the liabilities and deferred inflows of the Department exceeded its assets and deferred outflows at the close of the 2025 fiscal year by $1,655,861.

The Department's total net position increased by $363,765 during its most recent fiscal year, as compared to an increase of $189,192 in the previous year.

Fund Financial Statements
As of the close of the current fiscal year, the Department's Governmental Funds reported combined ending fund balances of $610,154. This is an increase in the fund balances of $252,131 from the previous year.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was $610,154.

During the 2025 fiscal year, the Department's governmental fund-type revenues were $1,383,900, an increase of $176,744 from the previous year.

During the current fiscal year, the Department's governmental fund-type expenditures were $1,093,103.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the Department's financial statements. The Department's financial statements consist of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- Notes to the Financial Statements

In addition to the financial statements, this report contains Required Supplementary Information that will enhance the reader's understanding of the financial condition of the Department.

Government-Wide Financial Statements
The Government-Wide Financial Statements provide a broad overview of the Department's overall financial status, in a manner similar to a private-sector enterprise.

The Statement of Net Position presents information on all the Department's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The Statement of Activities presents information showing how the government's net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Government-Wide Financial Statements, continued

The Government-Wide Financial Statements distinguish functions of the Department that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities). However, all activities of the Department are Governmental Activities, which include instruction, supporting services, and intergovernmental.

The Government-Wide Financial Statements can be found at Exhibits A and B of this report.

Fund Financial Statements

The remaining financial statements are Fund Financial Statements which focus on individual parts of the Department, reporting the Department's operations in more detail than the Government-Wide Statements.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Department, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the Department are Governmental Funds.

Governmental Funds are used to account for essentially the same functions reported as Governmental Activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Funds Financial Statements focus on near-term uses of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the Government-Wide Financial Statements, it is useful to compare the information presented for Governmental Funds with similar information presented for Governmental Activities in the Government-Wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between Governmental Funds and Governmental Activities.

The Department maintains three individual Governmental Funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, the EIA Fund, and the Special Revenue Fund. The Governmental Funds Financial Statements can be found at Exhibits C, D, E, and F of this report.

The Department maintains one type of Proprietary Fund. Enterprise Funds are used to report the same functions presented as Business-Type Activities in the Government-Wide Financial Statements. The Department uses an Enterprise Fund to account for its food service operation. Proprietary Funds provide the same type of information as the Government-Wide Financial Statements, only in more detail; therefore, the Proprietary Fund Financial Statements provide more detailed information for the food service operation. The Proprietary Fund Financial Statements can be found at Exhibits G, H, and I of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The Notes to the Financial Statements can be found following Exhibit I of this report.

Other Information

The Department adopts an annual appropriated budget for its General Fund and Proprietary Fund. A budgetary comparison statement has been provided in the financial section of the General Fund to demonstrate compliance with its budget.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

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

		Fund Financial Statements	
	Government-Wide Statements	**Governmental Funds**	**Proprietary Funds**
Scope	Entire Department government	The activities of the Department that are not proprietary	Activities the Department operates similar to private businesses
Required financial statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balance	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods/services have been received and payment is due during the year or soon after	All revenues and expenses during year, regardless of when cash is received or paid

Government-Wide Financial Analysis
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Department, liabilities and deferred inflows exceeded assets and deferred outflows by $1,655,861 at the close of the most recent fiscal year.

Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	**2024**	**2025**	**2024**	**2025**	**2024**
Assets						
Current and Other Assets	$ 691,823	$ 418,219	$ 17,893	$ 20,814	$ 709,716	$ 439,033
Capital Assets	231,999	258,775	-	-	231,999	258,775
Total Assets	923,822	676,994	17,893	20,814	941,715	697,808
Deferred Outflows	575,500	739,438	-	-	575,500	739,438
Liabilities						
Long-term Liabilities	2,463,925	2,259,664	-	-	2,463,925	2,259,664
Other Liabilities	81,669	60,971	-	-	81,669	60,971
Total Liabilities	2,545,594	2,320,635	-0-	-0-	2,545,594	2,320,635
Deferred Inflows	627,482	945,941	-	-	627,482	945,941
Net Position (Deficit)						
Unrestricted (deficit)	(1,673,754)	(2,040,440)	17,893	20,814	(1,655,861)	(2,019,626)
Total Net Position (deficit)	$ (1,673,754)	$ (2,040,440)	$ 17,893	$ 20,814	$ (1,655,861)	$ (2,019,626)

Net position of the Department's Governmental Activities changed to ($1,673,754) compared to ($2,040,440). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from ($2,040,440) at June 2024 to ($1,673,754) at June 30, 2025.

The unrestricted governmental net position increased for fiscal year 2025 by $366,686, as compared to an increase of $189,192 for fiscal year 2024.

The net position of Business-Type Activities decreased by $2,921 for the year ended June 30, 2025.

The following table shows the changes in net position for fiscal year 2025 compared to 2024:

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	$ -	$ -	$ -	$ -	$ -	$ -
Operating Grants	-	-	-	-	-	-
General Revenues:						
Property Taxes	1,121,216	1,031,648	-	-	1,121,216	1,031,648
Other	262,684	175,508	83,893	74,000	346,577	249,508
Total Revenues	1,383,900	1,207,156	83,893	74,000	1,467,793	1,281,156
Program Expenses						
Support Services	970,337	968,323	-	-	970,337	968,323
Intergovernmental	148	145	-	-	148	145
Interest	8,063	11,334	-	-	8,063	11,334
Food Service	-	-	125,480	112,162	125,480	112,162
Transfers	38,666	38,162	(38,666)	(38,162)	-	-
Total Expenses	1,017,214	1,017,964	86,814	74,000	1,104,028	1,091,964
Changes in Net Position	$ 366,686	$ 189,192	$ (2,921)	$ -0-	$ 363,765	$ 189,192

Governmental Activities. Governmental Activities increased the Department's net position from 2024 to 2025 by $366,686.

Business-Type Activities. Business-Type Activities net position decreased by $2,921.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The analysis of Governmental Funds serves the purpose of looking at what resources came into the funds, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

For the year ended June 30, 2025, the Department's Governmental Funds reported a combined fund balance of $610,154, as compared to $358,023 for the prior year. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At June 30, 2025, the Department's unassigned fund balance for all Governmental Funds was $610,154 which solely represents the General Fund.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS, Continued

The General Fund is the chief operating fund of the Department. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $610,154.

The Department's General Fund balance increased by $252,131 during the current fiscal year.

The Department's Major Funds include General Fund, as described above, the Special Projects Fund, and Special Revenue-EIA Fund.

The Department's Special Revenue-EIA Fund is used to account for revenues derived from the State of South Carolina. Special Revenue Funds do not have fund balances as revenues should be expended, deferred, or returned to the grantor.

Proprietary Fund
The Department's only Proprietary Fund is the Food Service Fund.

General Fund Budgetary Highlights
The Department's budget is prepared according to South Carolina law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund. During the course of the fiscal year 2025, insignificant amendments to the Department's General Fund revenue budget were made.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
At the end of 2025, the Department had $231,999 invested in capital assets, net of depreciation.

The following table shows fiscal 2025 balances compared to 2024:

Capital Assets at June 30
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Buildings	$ -	$ -	$ -	$ -	$ -	$ -
Equipment	-	-	-	-	-	-
Right of Use Asset - Building	231,999	258,775	-	-	231,999	258,775
Totals	$ 231,999	$ 258,775	$ -0-	$ -0-	$ 231,999	$ 258,775

Long-term Debt
Other obligations of the Department include compensated absences of $13,920. The compensated absences balance decreased by $5,851 from the previous year. The Department continued payments on its lease obligation during the current year.

Economic Factors
The Department does not expect any significant changes in its operations during the coming year. The economic outlook continues to improve so that further cutbacks at the state level are not anticipated.

Exhibit A

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	$ 661,482	$ 17,893	$ 679,375
Property taxes receivable, net	30,341	-	30,341
Capital assets:			
Buildings	10,000	38,747	48,747
Equipment	91,971	50,928	142,899
Right of Use Asset - Building	335,109	-	335,109
Less accumulated depreciation	(205,081)	(89,675)	(294,756)
Total capital assets, net of depreciation	231,999	-	231,999
Total assets	923,822	17,893	941,715
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amounts related to pensions and OPEB	575,500	-	575,500
Total deferred outflows of resources	575,500	-0-	575,500
LIABILITIES			
Accounts payable and accrued expenses	315	-	315
Due to governmental units	81,354	-	81,354
Long-term liabilities:			
Due in more than one year:			
Net pension liability	1,194,040	-	1,194,040
Net OPEB liability	1,006,968	-	1,006,968
Lease obligations - due within one year	23,457	-	23,457
Lease obligations - due in more than one year	225,540	-	225,540
Compensated absences	13,920	-	13,920
Total liabilities	2,545,594	-0-	2,545,594
DEFERRED INFLOWS OF RESOURCES			
Deferred amounts related to pensions and OPEB	627,482	-	627,482
Total deferred inflows of resources	627,482	-0-	627,482
NET POSITION - DEFICIT			
Net investment in capital assets	-	-	-
Unrestricted (deficit)	(1,673,754)	17,893	(1,655,861)
Total net position (deficit)	$ (1,673,754)	$ 17,893	$ (1,655,861)

The notes to the financial statements are an integral part of this statement.

Exhibit B

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net Revenue (Expense) and Change in Net Position		
Functions / Programs	**Expenses**	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants/ Contributions**	**Governmental Activities**	**Business - Type Activities**	**Total**
Governmental Activities:							
Support services	$ 970,337	$ -	$ -	$ -	$ (970,337)	$ -	$ (970,337)
Intergovernmental	148	-	-	-	(148)	-	(148)
Debt services	8,063	-	-	-	(8,063)	-	(8,063)
Total Governmental Activities	978,548	-0-	-0-	-0-	(978,548)	-0-	(978,548)
Business-Type Activities:							
Food service	125,480	-	-	-	-	(125,480)	(125,480)
Total Business-Type Activities	125,480	-0-	-0-	-0-	-0-	(125,480)	(125,480)
Total	$ 1,104,028	$ -0-	$ -0-	$ -0-	(978,548)	(125,480)	(1,104,028)
General revenues:							
Property taxes levied for:							
General purposes					1,121,216	-	1,121,216
Unrestricted investment earnings					10,797	-	10,797
Miscellaneous					251,887	83,893	335,780
Transfers - food service					(38,666)	38,666	-
Total general revenues					1,345,234	122,559	1,467,793
Change in net position					366,686	(2,921)	363,765
Net position (deficit), beginning of year					(2,040,440)	20,814	(2,019,626)
Net position (deficit), end of year					$ (1,673,754)	$ 17,893	$ (1,655,861)

The notes to the financial statements are an integral part of this statement.

Exhibit C

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2025

	General	Special Revenue	EIA	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 661,482	$ -	$ -	$ 661,482
Property taxes receivable, net	30,341	-	-	30,341
Total assets	$ 691,823	$ -0-	$ -0-	$ 691,823
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	$ 315	$ -	$ -	$ 315
Due to governmental units	81,354	-	-	81,354
Total liabilities	81,669	-0-	-0-	81,669
Fund balances:				
Unassigned	610,154	-	-	610,154
Total fund balances	610,154	-0-	-0-	610,154
Total liabilities and fund balances	$ 691,823	$ -0-	$ -0-	$ 691,823

The notes to the financial statements are an integral part of this statement.

Exhibit D

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balance - Governmental Funds	$	610,154
Amounts reported for Governmental Activities in the Statement of Net Position are different because of the following:		
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in Governmental Funds. The cost of assets is $437,080 and the accumulated depreciation is $205,081.		231,999
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		575,500
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		(2,463,925)
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		(627,482)
Net position (deficit) of Governmental Activities	$	(1,673,754)

The notes to the financial statements are an integral part of this statement.

Exhibit E

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Special Revenue	Total Governmental Funds
REVENUES			
Local property taxes	$ 674,074	$ -	$ 674,074
Other local	262,684	-	262,684
Total local	936,758	-	936,758
State	446,994	148	447,142
Total revenues all sources	1,383,752	148	1,383,900
EXPENDITURES			
Current:			
Support services	1,062,353	-	1,062,353
Intergovernmental	-	148	148
Debt services	30,602	-	30,602
Total expenditures	1,092,955	148	1,093,103
EXCESS OF REVENUES OVER EXPENDITURES	290,797	-	290,797
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(38,666)	-	(38,666)
Total other financing sources (uses)	(38,666)	-0-	(38,666)
Net changes in fund balance	252,131	-0-	252,131
FUND BALANCE, July 1, 2024	358,023	-0-	358,023
FUND BALANCE, June 30, 2025	$ 610,154	$ -0-	$ 610,154

The notes to the financial statements are an integral part of this statement.

Exhibit F

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Total net changes in fund balance - Governmental Funds	$ 252,131
Amounts reported for Governmental Activities in the Statement of Activities are different because of the following:	
Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays are less than depreciation expense in the period.	(26,778)
Repayment of debt obligations is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	22,539
In the Statement of Activities, certain operating expenses - compensated absences (accrued sick leave) and special termination benefits (early retirement) - are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid, an immaterial amount not recorded under the modified accrual basis of accounting).	5,852
Governmental Funds report certain non-employer OPEB contributions as revenue. However, in the Statement of Activities, such contributions are not recorded as revenue.	(148)
Governmental Funds report pension and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and OPEB benefits earned net of employer contributions is reported as pension and OPEB expense. This is the amount by which employer contributions ($177,902) exceeds the costs of benefits earned ($64,812).	113,090
Change in net assets of Governmental Activities	$ 366,686

The notes to the financial statements are an integral part of this statement.

Exhibit G

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Statement of Net Position
Proprietary Fund
June 30, 2025

		Enterprise Fund Food Services
ASSETS		
Current assets:		
Cash and cash equivalents	$	17,893
Total current assets		17,893
Noncurrent assets:		
Building		38,747
Equipment		50,928
		89,675
Less accumulated depreciation		(89,675)
Total noncurrent assets		-
Total assets		17,893
LIABILITIES		
Current liabilities:		
Accounts payable		-
Total current liabilities		-0-
Total liabilities		-0-
NET POSITION		
Net investment in capital assets		-
Unrestricted		17,893
Total net position	$	17,893

The notes to the financial statements are an integral part of this statement.

Exhibit H

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

		Enterprise Fund Food Services
OPERATING EXPENSES		
Salaries	$	74,965
Employee benefits		38,760
Purchased services		11,608
Suppiles and materials		147
Total operating expenses		125,480
Operating income (loss)		(125,480)
NONOPERATING REVENUES		
Other		83,893
Total nonoperating revenues		83,893
Income (loss) before operating transfers		(41,587)
TRANSFERS IN (OUT)		
Transfers from General Fund		38,666
Change in net position		(2,921)
Total net position - July 1, 2024		20,814
Total net position - June 30, 2025	$	17,893

The notes to the financial statements are an integral part of this statement.

Exhibit I

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Statement of Cash Flows
Proprietary Fund
For the Fiscal Year Ended June 30, 2025

		Enterprise Fund Food Services
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers for goods and services	$	(10,980)
Payments to employees for services		(113,725)
Net cash received from (used by) operating activities		(124,705)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Other non-operating revenue		83,893
Operating transfers in		38,666
Net cash received from (used for) noncapital financing activities		122,559
Net increase (decrease) in cash and cash equivalents		(2,146)
Cash and cash equivalents - July 1, 2024		20,039
Cash and cash equivalents - June 30, 2025	$	17,893
Reconciliation of operating income (loss) to net cash received from (used by) operating activities:		
Operating income (loss) - Exhibit H	$	(125,480)
Adjustments to reconcile operating income (loss) to net cash received from (used by) operating activities:		
Depreciation		775
Net cash received from (used by) operating activities	$	(124,705)

The notes to the financial statements are an integral part of this statement.

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Notes to the Financial Statements
Year Ended June 30, 2025

The Anderson County Department of Education ("the Department") was organized on May 1, 1950. It is governed by a nine-member board ("the Board") elected by general election. It is managed by an executive director that is hired by the Board. It is treated as a local government unit that is a sub-division of the South Carolina Department of Education.

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Board of the Department controls the Department and has oversight responsibility and control over all activities related to its operation.

The Department's financial statements include the operations of all organizations for which the Board exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. The Department does not exercise oversight responsibility over any additional organizations.

b) Government-Wide and Fund Financial Statements

The Government-Wide Financial Statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the financial activities of the Department. For the most part, the effect of interfund activity has been removed from these statements.

Governmental Activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from Business-Type Activities, which rely to a significant extent on fees and charges for support.

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

Fund Financial Statements report detailed information about the Department. The focus of Governmental and Enterprise Fund Financial Statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

c) Measurement Focus, Basis of Accounting and Basis of Presentation

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

The Government-Wide Statements are prepared using a different measurement focus from the manner in which Governmental Funds Financial Statements are prepared. Governmental Funds Financial Statements, therefore, include reconciliations with brief explanations to better identify the relationship between the Government-Wide Statements and the statements for Governmental Funds.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

c) Measurement Focus, Basis of Accounting and Basis of Presentation, continued

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

Governmental fund-types are those through which most governmental functions of the Department are financed. The Department's expendable financial resources and related assets and liabilities (except for those accounted for in the proprietary fund) are accounted for through Governmental Funds. Governmental Funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. The following are the Department's major governmental fund-types:

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

Special Revenue Funds - are funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Department has two Special Revenue Funds, the Special Projects Fund, and the Education Improvement Act ("EIA") Fund. The EIA Fund, a major fund, is used to account for the revenue from the South Carolina Education Improvement Act of 1984 which is legally required by the state to be accounted for as a specific revenue source.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

c) Measurement Focus, Basis of Accounting and Basis of Presentation, continued

Proprietary fund-types are accounted for based on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Department applies all applicable GASB pronouncements. In addition, the Department applies all Financial Accounting Standards Board ("FASB") Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements, in accounting and reporting for its operations. Proprietary fund-types include the following fund:

The Enterprise Fund - is a fund used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the Department has decided that periodic determination of revenues earned, expenses incurred, and/or net income is necessary for management accountability. The Food Service Fund is the only Enterprise Fund and is used to account for the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

d) Cash, Cash Equivalents, and Investments

Custodial credit risk for cash deposits and investments is the risk that, in the event of a bank failure, the Department's deposits or investments might not be recovered. The Department does not have a formal deposit policy for credit risk but follows the investment policy statutes of the state of South Carolina.

The Department's bank cash, cash equivalents, and investments balance of $379,375 at June 30, 2025, was insured or fully collateralized.

Cash and savings accounts and certificates of deposit are placed with a banking institution and are protected by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000 and collateral pledged by the bank for 100% of the amount in excess of $250,000. The collateral generally consists of obligations of the United States and its agencies or general obligations of the State of South Carolina or any of its political units. The collateral consists of investments that are insured or registered in the Department's name or held by the Department or its agents in the Department's name.

The Department is authorized to invest in securities as allowed by South Carolina statute. Those investments are restricted to:

1) Obligations of the United States and agencies thereof;
2) General obligations of the State of South Carolina or any of its political units;
3) Banks and savings and loan associations to the extent that the same are secured by the FDIC;
4) Deposits in certificates of deposit, where the certificates are collaterally secured by securities of the type described in (1) and (2) above, held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest;
5) The State Treasurer's Local Government Investment Pool (monitored by the State Treasurer for investments invested in government guaranteed securities in accordance with South Carolina State law); and
6) Repurchase agreements.

The Department does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

d) Cash, Cash Equivalents, and Investments, continued

The Department places no limit on the amount it may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. government and investments in mutual funds are exempt from concentration of credit risk disclosures.

For purposes of the Statement of Cash Flows, the Department's proprietary fund-type considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Department's investments consist of State Treasurer's Local Government Investment Pool ("LGIP") accounts with a total carrying value and fair market value of $368,406 at June 30, 2025. The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission as an investment company but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina Treasurer oversees the pool. In accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value determined annually based upon quoted market prices. The fair value of the position in the pool is the same as the value of the pool shares. Financial statements for the LGIP may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

e) Receivables and Payables

On Fund Financial Statements, receivables and payables resulting from short-term interfund loans are classified as "due from other funds" or "due to other funds". These amounts are eliminated in the Governmental and Business-Type Activities columns of the statement of net assets, except for the net residual amounts due between Governmental and Business-Type Activities, which are presented as "internal balances".

Taxes receivable are recorded net of an allowance for uncollectible taxes. The net amount is equal to taxes collected within 60 days of the fiscal year end as is appropriate in governmental accounting.

Amounts payable to other governments consist of amounts claimed and received by the Department as of June 30, 2025 but not yet paid to the school districts and alternative school as of that date.

f) Capital Assets

General capital assets are those assets not specifically related to activities reported in the Proprietary Funds. These assets generally result from expenditures in the Governmental Funds. These assets are reported in the Governmental Activities column of the Government-Wide Statement of Net Position but are not reported in the Fund Financial Statements. Capital assets utilized by the Proprietary Funds are reported both in the Business-type Activities column of the Government-Wide Statement of Net Position and in the respective Fund Financial Statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Department maintains a capitalization threshold of $1,000. The Department does not possess any infrastructure assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of capital assets is capitalized.

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are complete, at which time the complete costs of the project are transferred to the appropriate fixed asset category. Improvements are depreciated over the remaining useful lives of the related capital assets.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

f) Capital Assets, continued

Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Buildings	40 years	50 years
Furniture and Equipment	4 - 12 years	7 years

g) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the Government-Wide Financial Statements, and all payables, accrued liabilities and long-term obligations payable from Proprietary Funds are reported on the Proprietary Fund Financial Statements. In general, payables and accrued liabilities that will be paid from Governmental Funds are reported on the Governmental Fund Financial Statements regardless of whether they will be liquidated with current resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Long-term obligations that will be paid from Governmental Funds are not recognized as a liability in the Fund Financial Statements until due.

h) Pension Plan

In Government-Wide Financial Statements, pensions are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as pension expenditures on the modified accrual basis of accounting. The Department recognizes a net pension liability ("NPL"), which represents the Department's proportionate share of the excess of the total pension liability ("TPL") over the fiduciary net position of the qualified pension plan, measured as of the Department's fiscal year-end. Changes in the NPL during the period are recorded as pension expense, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in NPL that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

i) Postemployment Benefits Other Than Pensions

In Government-Wide Financial Statements, postemployment benefits other than pensions ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting, regardless of the amount recognized as OPEB expenditures on the modified accrual basis of accounting. For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, the plans recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

j) Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Department contributions to the pension and OPEB plans subsequent to the measurement date and the net difference between expected and actual experience in the pension and OPEB plans are included as deferred outflows of resources. These deferred charges are either (a) recognized in the subsequent period as a reduction of the net pension and OPEB liabilities (which includes pension and OPEB contributions made after the measurement date) or (b) amortized in a systematic and rational way to pension and OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The net difference between projected and actual earnings on pension and OPEB plan investments are included as deferred inflows of resources. These deferred credits are amortized in a systematic and rational way as a reduction to pension and OPEB expense in future periods in accordance with GAAP.

k) Compensated Absences

Employees are allowed to accumulate up to 90 days of unused sick pay and up to 10 days of unused vacation pay. After six months of employment employees accrue one and one-fourth day of sick pay per month and one day of vacation per month. Upon termination, an employee will be paid for the unused vacation pay up to 10 days but will not be paid for the unused sick pay. As of June 30, 2025, the liability for accrued vacation pay is $13,920, which is accounted for in the Government-Wide Financial Statements.

l) Fund Equity

In the Fund Financial Statements, fund balance classifications depict the nature of the net resources reported in the Governmental Funds. Individual governmental funds may include nonspendable resources and amounts that are restricted, committed, or assigned, or any combination of these classifications. The General Fund also includes unassigned amounts. The Department considers that committed amounts are reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used. The Department’s policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any, are determined. Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. Committed fund balance amounts are established by the Department’s Board through motions passed at Department’s Board meetings. The Department has no committed fund balance amounts. Assigned fund balance amounts are established by the Department’s administration. The Department has no assigned fund balance amounts.

Nonspendable Fund Balance - includes amounts which cannot be spent. This includes items that may not be in spendable form or that may be legally or contractually required to be maintained intact. The Department’s nonspendable fund balance represents amounts not in spendable form.

Restricted Fund Balance - includes amounts that have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed Fund Balance - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by a formal action of the Department’s Board.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

l) Fund Equity, continued

Assigned Fund Balance - includes amounts that are constrained by the Department's intent to be used for a specific purpose but are neither restricted nor committed. Assignments of fund balance are established by the Department's administration.

Unassigned Fund Balance - is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other Governmental Funds, it may be necessary to report a negative unassigned fund balance.

m) Net Position

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

n) Fair Value

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

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Department can access at the measurement date.

Level 2 – Inputs to the valuation methodology, other than quoted prices included in Level 1 that are observable for an asset or liability either directly or indirectly and include:

- Quoted prices for similar assets and liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted market prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology that are unobservable for an asset or liability and include:

- Fair value is often based on developed models in which there are few, if any, observable inputs.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

n) Fair Value, continued

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

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

o) Use of Estimates

The preparation of the general-purpose financial statements in conformity with generally accepted accounting principles as applicable to governmental units requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue, expenditures or expenses during the reporting period. Actual results could differ from those estimates.

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Practices – Budgets are prepared annually for the General Fund and the Food Service Fund.

Each budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. The budget includes proposed expenditures and the means of financing the expenditures.

The following procedures are followed in establishing the budgetary data as reflected in the financial statements:

1) In the fall of the preceding year, the Department begins its budget process for the next succeeding fiscal year beginning on July 1.
2) After the Department's Board reviews all requests and allocation requirements and related revenue, it approves a proposed budget.
3) The Department then presents the proposed budget to the Anderson County Legislative Delegation of the South Carolina General Assembly for final approval.
4) Prior to July 1, the budget is approved by the Delegation, which then sets the millage for assessing property taxes for financing the Department.

3) CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2025, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets being depreciated:				
Building	$ 10,000	$ -	$ -	$ 10,000
Equipment	91,971	-	-	91,971
	101,971	-0-	-0-	101,971
Less accumulated depreciation for:				
Building	9,000	1,000	-	10,000
Equipment	91,971	-	-	91,971
	100,971	1,000	-0-	101,971
Total capital assets being depreciated, net	1,000	(1,000)	-0-	-0-
Lease assets:				
Right of Use Asset - Building	335,109	-	-	335,109
	335,109	-0-	-0-	335,109
Less accumulated amortization for:				
Right of Use Asset - Building	77,332	25,778	-	103,110
	77,332	25,778	-0-	103,110
Total lease assets being amortized, net	257,777	(25,778)	-0-	231,999
Total capital assets, net	$ 258,777	$ (26,778)	$ -0-	$ 231,999
Business-Type Activities:				
Building	$ 38,747	$ -	$ -	$ 38,747
Furniture and equipment	50,928	-	-	50,928
	89,675	-0-	-0-	89,675
Less accumulated depreciation for:				
Building	38,747	-	-	38,747
Equipment	50,928	-	-	50,928
	89,675	-0-	-0-	89,675
Business-Type Activities capital assets, net	$ -0-	$ -0-	$ -0-	$ -0-

As discussed at Note 4 below, the Department follows the guidance of GASB Statement 87 *Leases*. The Department has recognized an intangible Right of Use Asset - Building in the amount of $335,109. This asset is being amortized over the remaining term of the related building lease.

4) LONG-TERM DEBT

The following is a summary of Governmental Activities' general long-term liability transactions of the Department for the fiscal year ended June 30, 2025:

	July 1, 2024	Additions	Deletions	June 30, 2025
Compensated absences	$ 19,771	$ 13,920	$ 19,771	$ 13,920

The Department follows the guidance of GASB Statement #87 *Leases*. The Department has analyzed its leases and recognized a Right of Use Asset - Building in the amount of $335,109. This asset is being amortized over the remaining term of the related lease, which is thirteen years. The Department also recognized a lease liability in the amount of $335,109. This lease requires monthly payments of $2,749 through June 2034.

Maturities of the lease liabilities outstanding at June 30, 2025, are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 23,457	$ 9,533	$ 32,990
2027	24,413	8,577	32,990
2028	25,369	7,621	32,990
2029	26,325	6,665	32,990
2030	27,821	5,169	32,990
2031 - 2034	121,612	9,352	130,964
Total	$ 248,997	$ 46,917	$ 295,914

Interest expense for the year ended June 30, 2025, was $10,451.

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The Department participates in the State of South Carolina's retirement plans, which are administered by the South Carolina Public Employee Benefit Authority ("PEBA"), which was created July 1, 2012, and administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors ("the PEBA Board"), appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the systems and the trust funds. The Retirement System Investment Commission, 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.

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS, Continued

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

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

Plan Descriptions – 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 first-term individuals elected to the South Carolina General Assembly.

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 first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third-party service providers.

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

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

State ORP – As an alternative to membership in SCRS, newly hired state, public higher education institution, and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly 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%). 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.

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS, Continued

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

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

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

Funding Policy – Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. The Retirement Funding and Administration Act of 2017 increased but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017, for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the one percent increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. In accordance with the legislative funding schedule, employer contribution rates will continue to rise by 1 percentage point each year until reaching 18.56% for SCRS and 21.24% for PORS but may be increased further if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in the statute.

Pension reform legislation modified the 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% funded.

As noted above, both employees and the Department are required to contribute to the plans at rates established and as amended by the PEBA. The Department's contributions are actuarially determined but are communicated to and paid by the Department as a percentage of the employees' annual eligible compensation.

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS, Continued

Contribution Summary – Required employer and employee contribution rates for the past three years are as follows:

	SCRS and State ORP Rates		
	2025	**2024**	**2023**
Employer Contribution Rate:^			
Retirement*	18.41%	18.41%	17.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
	18.56%	18.56%	17.56%
Employee Contribution Rate	9.00%	9.00%	9.00%

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

* Of the rate for the State ORP Plan, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member's account with the remainder of the employer contribution remitted to the S

The required contributions and percentages of amounts contributed by the Department to the plans for the past three years were as follows:

Year Ended	SCRS Contributions			State ORP Contributions		
June 30,		**Required**	**% Contributed**		**Required**	**% Contributed**
2025	$	118,835	100%	$	11,624	100%
2024		119,293	100%		10,578	100%
2023		96,215	100%		11,348	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1% of the SCRS contribution increases for the year ended June 30, 2024. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund. The amount of funds appropriated by the State (non-employer contributing entity) for the year ended June 30, 2024 (measurement date) to the Department were approximately $612 for the SCRS.

The Department recognized contributions (on-behalf benefits) from the State of approximately $612 for the year ended June 30, 2025. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the Department's governmental fund financial statements.

Eligible payrolls of the Department covered under the plans for the past three years were as follows:

Year Ended June 30,		SCRS Payroll		State ORP Payroll		Total Payroll
2025	$	645,663	$	85,722	$	731,385
2024		642,745		78,007		720,752
2023		547,923		90,343		638,266

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS, Continued

Actuarial Assumptions – 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 ne used for future valuations.

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

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

	SCRS
Actuarial Cost Method	Entry age normal
Actuarial assumptions:	
Investment rate of return*	7.00%
Projected salary increases*	3.0% to 11.0% (varies by service)
Benefit adjustments	lesser of 1% or $500 annually

*Includes inflation at 2.25%

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2020 Public Retirees of South Carolina Mortality table ("2020 PRSC"), 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%

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS, Continued

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

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

Allocation / Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0%	2.60%	0.68%
Private Equity	9.0%	9.60%	0.86%
Private Debt	7.0%	6.90%	0.48%
Real Assets:			
Real Estate	9.0%	4.60%	0.39%
Infrastructure	3.0%	7.30%	0.22%
Total Expected Return	100.0%		5.49%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.74%

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that system's fiduciary net position. NPL totals, as of June 30, 2024, for SCRS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 61,369,806,968	$ 37,919,492,371	$ 23,450,314,597	61.8%

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 requirement of GASB No. 67 in the Systems' notes to the financial statements and required supplementary information. Liability calculations performed by the Systems' actuary for the purpose of satisfying the requirements of GASB Nos. 67 and 68 are not applicable for other purposes, such as determining the plans' funding requirements.

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS, Continued

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

At June 30, 2025, the Department reported a liability of $1,194,040 for its proportionate share of the PEBA's NPL. The NPL was measured as of June 30, 2024, and the TPL used to calculate the NPL was determined based on the most recent actuarial valuation report as of July 1, 2023 that was projected forward to the measurement date. The Department's proportion of the NPL was based on a projection of the Department's long-term share of contributions to the plans relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2024 measurement date, the Department's proportion was 0.005092%, which was an increase of 0.00024% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Department recognized pension expense of $56,264 for its proportionate share of the PEBA's pension expense. At June 30, 2025, the Department reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ 39,242	$ 1,482
Assumption changes	21,052	-
Net difference between projected and actual earnings on pension plan investments	64,380	110,389
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	159,811
Department contributions subsequent to the measurement date	131,459	-
	$ 256,133	$ 271,682

$131,459 reported as deferred outflows of resources related to pensions resulting from Department contributions to the PEBA 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 and inflows of resources related to the PEBA will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2026	$ (56,736)
2027	(76,587)
2028	7,631
2029	(686)
	$ (126,378)

5) EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS, Continued

Discount Rate – The discount rate used to measure the TPL was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on 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.

Pension Liability Sensitivity - The following table presents the Department's proportionate share of the NPL, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Department's proportionate share of the NPL would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

Asset Class	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Department's proportionate share of the Net Pension Liability:	$ 1,547,341	$ 1,194,040	$ 868,676

Pension Plan Fiduciary Net Position - Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS. The ACFR is publicly available through the PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts, and retirement systems.

The laws of the State and the policies and procedures specified by the State for State agencies are applicable to all activities of the PEBA. By law, the SFAA also reviews certain PEBA Board decisions in administering the State Health Plan and other postemployment benefits ("OPEB"). See Note 6 for more details on the PEBA and the SFAA.

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, 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.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, 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"), which 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 PEBA Board 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.

Plan 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. Since the employer contribution/premium paid and the proportionate share of the net OPEB liability ("NOL") and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the Department, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

Funding Policy – 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 6.35%. 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 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.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

Funding Policy, continued

The covered payroll surcharge rates for the past three years were as follows:

	Year Ended June 30,		
	2025	**2024**	**2023**
Employer Contribution Rate:^	6.35%	6.35%	6.25%

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

The required payroll surcharge, percentages of amounts contributed, and eligible payroll by the Department covered by the SCRHITF for the past three years were as follows:

Year Ended	Contributions		
June 30,	**Required**	**% Contributed**	**Eligible Payroll**
2025	$ 46,443	100%	$ 731,385
2024	45,767	100%	720,752
2023	39,891	100%	638,266

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the Department approximately $148 for the year ended June 30, 2024 (measurement period). The contributions from these non-employer contributing entities are recognized as state revenues and intergovernmental expenditures in the Department's governmental funds financial statements.

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 NOL 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.

For purposes of measuring the NOL, 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. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

Actuarial Assumptions – 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. The Schedule of the Department's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the Department's NOL, funded status of the OPEB Plan, and the Department's contributions to the OPEB Plan.

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.

The total OPEB liability ("TOL"), NOL, and sensitivity information were determined by the consulting actuary and are based on an actuarial valuation performed as of June 30, 2023. The TOL was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2024, using generally accepted actuarial principles.

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; 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 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 15 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

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, 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:

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

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The NOL is calculated separately for each system and represents that particular system's TOL determined in accordance with GASB No. 74 less its fiduciary net position.

The following table represents the components of the NOL as of the June 30, 2024 measurement date, as well as the five prior years:

SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND

Fiscal Year Ending	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
June 30, 2024	$ 17,894,389,610	$ 1,772,587,512	$ 16,121,802,098	9.91%
June 30, 2023	$ 14,749,639,155	$ 1,658,152,923	$ 13,091,486,232	11.24%
June 30, 2022	$ 16,835,502,593	$ 1,623,661,403	$ 15,211,841,190	9.64%
June 30, 2021	$ 22,506,597,989	$ 1,683,416,992	$ 20,823,180,997	7.48%
June 30, 2020	$ 19,703,745,672	$ 1,652,299,185	$ 18,051,446,487	8.39%
June 30, 2019	$ 16,516,264,617	$ 1,394,740,049	$ 15,121,524,568	8.44%

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.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

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

At June 30, 2025, the Department reported a liability of $1,006,968 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2024, and the TOL for the SCRHITF used to calculate NOL was determined by an actuarial valuation as of June 30, 2023 that was projected forward to the measurement date. The Department's proportion of the NOL was based on a projection of the Department's long-term share of contributions to the SCRHITF relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2024 measurement date, the Department's proportion was 0.006246%, which was an increase of 0.000158% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the Department recognized OPEB expense of $52,809 for its proportionate share of the PEBA's OPEB expense for SCRHITF. At June 30, 2025, the Department reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to SCRHITF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between expected and actual experience	$ 52,345	$ 149,038
Assumption changes	215,667	206,762
Net difference between projected and actual earnings on OPEB plan investments	4,912	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	-
Department contributions subsequent to the measurement date	46,443	-
	$ 319,367	$ 355,800

$46,443 reported as deferred outflows of resources related to the Department's contributions subsequent to the measurement date to the SCRHITF will be recognized as a reduction of the NOL in the year ended June 30, 2025. Other amounts reported as deferred outflows and inflows of resources related to the SCRHITF will be recognized in OPEB expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2026	$ (64,438)
2027	(68,212)
2028	(100,171)
2029	(107,998)
Thereafter	257,943
	$ (82,876)

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

Discount Rate – The discount rate of 3.97% was used to measure the TOL 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).

OPEB Liability Sensitivity – The following table presents the Department's proportionate share of the SCRHITF's NOL calculated using a single discount rate of 3.97%, as well as what the Department's NOL would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	1% Decrease (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Department's proportionate share of the SCRHITF net OPEB liability	$ 1,195,347	$ 1,006,968	$ 856,172

Regarding the sensitivity of the SCRHITF's NOL to changes in the healthcare cost trend rates, the following table presents the Department's proportionate share of the SCRHITF's NOL, calculated using the assumed trend rates as well as what the Department's NOL would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Department's proportionate share of the SCRHITF net OPEB liability	$ 828,042	$ 1,006,968	$ 1,239,045

OPEB Plan Fiduciary Net Position – Detailed information regarding the fiduciary net position of the OPEB Plans administered by PEBA is available in the separately issued financial statements and required supplementary information for the South Carolina Public Employee Benefit Authority, Insurance Benefits and Other Post-Employment Benefits Trust Funds. This information is publicly available through the Insurance Benefits' link on the PEBA's website at 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.

7) POSTEMPLOYMENT BENEFITS

The Department provides death benefits to employees through the group life insurance program for members of the South Carolina Retirement System ("System") which is explained further in Note 6. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the budgeted salary of the deceased member. The Department has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The Department does not determine the number of eligible participants. For the year ended June 30, 2025, the Department made contributions to the State for death benefits representing 0.15% of covered payroll.

Upon death of a retiree, a benefit will be paid to the designated beneficiary of an amount based on years of credit services as follows:

10 to 19 years of service credits	$2,000
20 to 27 years of service credits	4,000
28 or more years of service credits	6,000

The Department also provides its retired employees health care benefits through the State health insurance program for members of the System. The Department has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The Department does not determine the number of eligible participants. The Department's contributions are financed on an advance funded actuarially-determined basis.

8) RISK MANAGEMENT

The Department carries commercial insurance for certain risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

9) SUBSEQUENT EVENTS

In preparing the financial statements, the Department has evaluated events and transactions for potential recognition or disclosure through November 28, 2025, the date the financial statements were available to be issued. There were no such events requiring recording or disclosure for the year ended June 30, 2025.

Schedule 1

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2025

Year	Department's proportion of the net pension liability	Department's proportionate share of the net pension liability	Department's covered-employee payroll	Department's proportionate share of the net pension liability as a percentage of the covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.005092%	$ 1,194,040	$ 638,266	187.08%	61.80%
2024	0.004845%	$ 1,171,347	$ 636,497	184.03%	58.60%
2023	0.005468%	$ 1,325,474	$ 686,695	193.02%	57.10%
2022	0.005789%	$ 1,252,764	$ 691,225	181.24%	60.70%
2021	0.006135%	$ 1,567,476	$ 721,245	217.33%	50.70%
2020	0.005751%	$ 1,313,162	$ 636,755	206.23%	54.40%
2019	0.005739%	$ 1,285,947	$ 635,732	202.28%	54.10%
2018	0.005673%	$ 1,277,084	$ 616,412	207.18%	53.30%
2017	0.005506%	$ 1,176,073	$ 565,348	208.03%	52.90%
2016	0.005880%	$ 1,115,170	$ 583,478	191.12%	57.00%

Note to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Schedule of Department Contributions - Pension Plan
June 30, 2025

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Department's covered-employee payroll	Contributions as percentage of covered-employee payroll
2025	$ 131,459	$ 131,459	$ -0-	$ 731,385	17.97%
2024	$ 129,871	$ 129,871	$ -0-	$ 720,752	18.02%
2023	$ 107,563	$ 107,563	$ -0-	$ 638,266	16.85%
2022	$ 107,817	$ 107,817	$ -0-	$ 686,695	15.70%
2021	$ 101,819	$ 101,819	$ -0-	$ 691,225	14.73%
2020	$ 106,491	$ 106,491	$ -0-	$ 721,245	14.76%
2019	$ 87,517	$ 87,517	$ -0-	$ 636,755	13.74%
2018	$ 80,646	$ 80,646	$ -0-	$ 635,732	12.69%
2017	$ 66,727	$ 66,727	$ -0-	$ 616,412	10.83%
2016	$ 58,968	$ 58,968	$ -0-	$ 565,348	10.43%

Schedule 3

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2025

SCRHITF Year	Department's proportion of the net OPEB liability	Department's proportionate share of the net OPEB liability	Department's covered-employee payroll	Department's proportionate share of the net OPEB liability as a percentage of the covered-employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2025	0.006246%	$ 1,006,968	$ 720,752	139.71%	9.91%
2024	0.006088%	$ 797,010	$ 638,266	124.87%	11.24%
2023	0.006986%	$ 1,062,699	$ 686,695	154.76%	9.64%
2022	0.007412%	$ 1,543,414	$ 691,225	223.29%	7.48%
2021	0.007824%	$ 1,412,345	$ 721,245	195.82%	8.39%
2020	0.007281%	$ 1,100,998	$ 636,755	172.91%	8.44%
2019	0.007372%	$ 1,044,656	$ 635,732	164.32%	7.91%
2018	0.007310%	$ 990,128	$ 616,412	160.63%	7.60%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year (measurement date).

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the Department will present information for those years which information is available.

Schedule 4

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Schedule of Department Contributions - OPEB Plan
June 30, 2025

SCRHITF Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Department's covered-employee payroll	Contributions as percentage of covered-employee payroll
2025	$ 46,443	$ 46,443	$ -0-	$ 731,385	6.35%
2024	$ 45,767	$ 45,767	$ -0-	$ 720,752	6.35%
2023	$ 39,891	$ 39,891	$ -0-	$ 638,266	6.25%
2022	$ 42,918	$ 42,918	$ -0-	$ 686,695	6.25%
2021	$ 43,202	$ 43,202	$ -0-	$ 691,225	6.25%
2020	$ 45,078	$ 45,078	$ -0-	$ 721,245	6.25%
2019	$ 38,524	$ 38,524	$ -0-	$ 636,755	6.05%
2018	$ 34,965	$ 34,965	$ -0-	$ 635,732	5.50%

Note to Schedule:

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, the Department will present information for those years which information is available.

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Fiscal Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
1000 Revenue from local sources			
1200 Revenue from local governmental units other than LEAs			
1210 Ad valorem taxes-including delinquent (dependent)	$ 523,100	$ 623,054	$ 99,954
1280 Revenue in lieu of taxes (independent and dependent)	35,000	51,020	16,020
1500 Earnings on investments			
1510 Interest on investments	4,000	10,797	6,797
1900 Other revenue from local sources			
1920 Contributions and donations from private sources	-	827	827
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	265,500	251,060	(14,440)
Total local sources	827,600	936,758	109,158
3000 Revenue from state sources			
3100 Restricted state funding			
3181 Retiree insurance (no carryover provision)	95,360	99,365	4,005
3800 State revenue in lieu of taxes			
3810 Reimburse for local residential prop tax relief (Tier 1)	61,500	75,510	14,010
3820 Homestead exemption (Tier 2)	8,750	26,235	17,485
3825 Reimbursement for property tax relief (Tier 3)	185,910	196,348	10,438
3830 Merchant's inventory tax	2,850	4,261	1,411
3840 Manufacturer's depreciation reimbursement	27,500	34,419	6,919
3890 Other state prop tax rev (incl motor veh tax)	1,500	10,244	8,744
3900 Other state revenue			
3994 PEBA nonemployer contributions	-	612	612
Total state sources	383,370	446,994	63,624
Total revenues all sources	1,210,970	1,383,752	172,782

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Fiscal Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
200 Support services			
210 Pupil services			
211 Attendance and social work services			
100 Salaries	$ 132,900	$ 132,524	$ 376
200 Employee benefits	60,982	90,821	(29,839)
300 Purchased services	1,550	608	942
600 Other objects	-	225	(225)
214 Psychological services			
100 Salaries	417,250	264,748	152,502
200 Employee benefits	189,183	217,579	(28,396)
300 Purchased services	33,500	15,665	17,835
230 General administrative services			
231 Board of education			
300 Purchased services	11,825	42,549	(30,724)
318 Audit services	6,000	6,000	-
600 Other objects	1,500	1,459	41
232 Office of the Superintendent			
100 Salaries	98,100	95,235	2,865
200 Employee benefits	45,109	58,566	(13,457)
300 Purchased services	6,300	6,000	300
500 Capital outlay	1,500	-	1,500
600 Other objects	-	285	(285)
250 Finance and operations services			
252 Fiscal services			
500 Capital outlay	-	6,626	(6,626)
600 Other objects	9,500	18,745	(9,245)
254 Operation and maintenance of plant			
200 Employee benefits	-	2,100	(2,100)
300 Purchased services	5,000	22,926	(17,926)
400 Supplies and materials	4,500	8,499	(3,999)
600 Other objects	500	732	(232)

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Fiscal Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
260 Central support services			
263 Information services			
300 Purchased services	$ 6,250	$ 189	$ 6,061
264 Staff services			
100 Salaries	41,975	46,258	(4,283)
200 Employee benefits	19,668	23,900	(4,232)
300 Purchased services	450	114	336
Total support services	1,093,542	1,062,353	31,189
500 Debt services			
610 Redemption of principal	21,656	22,539	(883)
620 Interest	11,334	8,063	3,271
Total debt services	32,990	30,602	2,388
Total expenditures	1,126,532	1,092,955	33,577
OTHER FINANCING SOURCES (USES)			
Interfund transfers from (to) other funds			
425-710 Transfer to Food Service Fund	(84,438)	(38,666)	45,772
Total other financing sources (uses)	(84,438)	(38,666)	45,772
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	$ -0-	252,131	$ 252,131
FUND BALANCE, July 1, 2024		358,023	
FUND BALANCE, June 30, 2025		$ 610,154	

Schedule 6

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For the Fiscal Year Ended June 30, 2022

REVENUES	
3000 Revenue from state sources	
3900 Other state revenue	
3994 PEBA nonemployer contributions	$ 148
Total state sources	148
Total revenues all sources	148
EXPENDITURES	
400 Other charges	
410 Intergovernmental expenditures	
419 Payments to PEBA nonemployer contrib	
720 Transits	148
Total intergovernmental expenditures	148
Total expenditures	148
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-
FUND BALANCE, July 1, 2024	-0-
FUND BALANCE, June 30, 2025	$ -0-

Schedule 7

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Food Service Fund
Schedule of Revenues, Expenses, and Changes in Retained Earnings
For the Fiscal Year Ended June 30, 2025

REVENUES	
1000 Revenue from local sources	
1900 Other revenue from local sources	
1990 Miscellaneous local revenue	
1999 Revenue from other local sources	$ 83,893
Total revenue from local sources	83,893
Total revenues all sources	83,893
EXPENDITURES	
250 Finance and operations services	
256 Food services	
100 Salaries	74,965
200 Employee benefits	38,760
300 Purchased services	11,608
400 Supplies and materials	147
Total support services	125,480
Total expenditures	125,480
OTHER FINANCING SOURCES (USES)	
Interfund transfers, from (to) other funds	
5210 Transfer from General Fund (excludes indirect costs)	38,666
Total other financing sources (uses)	38,666
EXCESS/DEFICIENCY OF REVENUES OVER EXPENSES	(2,921)
RETAINED EARNINGS, July 1, 2024	20,814
RETAINED EARNINGS, June 30, 2025	$ 17,893

Schedule 8

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Schedule of Due to State Department of Education/Federal Government
June 30, 2025

Program	Grant/ Project Number	Revenue & Subfund Codes	Description	Amount Due to SCDOE/Federal Government	Status of Amounts Due to Grantors
None				$ -0-	

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Location Reconciliation Schedule
For the Fiscal Year Ended June 30, 2025

Location ID	Location Description	Education Level	Cost Type		Total Expenditures
001	General	Non-school	Central	$	1,092,955
002	Food Service	Non-school	Central		112,162
003	Special Projects	Non-school	Central		148
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				$	1,205,265

The above expenditures are reconciled to Anderson County Department of Education's financial statements as follows:

General	$	1,092,955
Food Service		112,162
Special Projects		148
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	$	1,205,265

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Schedule of Findings and Responses
For Fiscal Year Ended June 30, 2025

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified.

Internal control over financial reporting:

• Material weakness(es) identified?	X Yes	___ No
• Deficiency(ies) identified?	___ Yes	X No
Noncompliance material to financial statements noted?	___ Yes	X No

Section II - Financial Statement Findings

2025-01 **<u>Bank Reconciliation Process</u>**

Condition: Reconciliations of bank accounts were performed and reviewed on a timely basis. However, in some instances, as reconciling items were identified, no adjustments were made to the Department's accounting records to fully reconcile the accounts.

Criteria: Complete, accurate, and timely bank reconciliations are a key component of the Department's internal control system. Monthly bank statement reconciliations should be performed on a timely basis. Additionally, procedures should be in place to ensure any reconciling items are investigated and resolved on a monthly basis.

Effect: In certain cases, the Department did not fully employ the important internal control provided by complete, accurate, and timely bank reconciliations, coupled with any needed adjustments to the accounting records.

Recommendation: The bank statements should be reconciled each month in a complete, accurate, and timely manner and carefully reviewed for accuracy. Any adjustments needed should be recorded on a timely basis.

Response: The Department agrees and has assigned responsibility for recording adjustments needed, as identified during the monthly bank reconciliation process.

ANDERSON COUNTY DEPARTMENT OF EDUCATION
ANDERSON, SOUTH CAROLINA
Schedule of Prior Year Findings and Responses
For Fiscal Year Ended June 30, 2025

Financial Statement Findings

2024-01 **Internal Control over Financial Reporting - Adjustments**

Condition: During the audit process, significant adjustments were made to the Department's financial records, so as to appropriately include all financial activity and accurately present the financial statements in accordance with governmental accounting requirements.

The Department's independent auditors may assist in the preparation of accurate financial statements but are not considered a part of the Department's internal control process under audit standards.

Criteria: Professional standards issued by the Auditing Standards Board.

Cause: The Department did not post all of the adjusting entries from the previous year's audit and did not record all of the financial activity during the year.

Effect: As a result of this condition, it was necessary for the external auditors to make numerous, significant adjustments to the Department's accounting records so that the financial statements would be presented in accordance with governmental accounting standards.

Recommendation: The Department should ensure that all financial transactions are recorded on a timely basis. Management should regularly monitor the financial reporting on such accounts.

Status: The Department hired an experienced individual to ensure that all financial activity is included in its records and its financial statements are fairly presented. The finding is not repeated in the current year.

MARTIN·SMITH

& COMPANY CPAs

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

The Board of Trustees
Anderson County Department of Education
Anderson, South Carolina

We have audited the financial statements of Anderson County Department of Education ("the Department") as of and for the year ended June 30, 2025, and have issued our report thereon dated November 28, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of internal control over financial reporting.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did identify a deficiency in internal control that we consider to be a material weakness. That matter is disclosed on the Schedule of Findings and Responses as Finding 2025-01.

Department's Response to Finding

The Department's response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. The Department's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Member: American Institute of Certified Public Accountants • South Carolina Association of Certified Public Accountants
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Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
November 28, 2025