RENAISSANCE ACADEMY

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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INDEPENDENT AUDITORS' REPORT
ON FINANCIAL STATEMENTS

The Board of Directors
Renaissance Academy
Anderson, South Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities and each major fund of Renaissance Academy ("the School"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the School'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 and each major fund of Renaissance Academy 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 Renaissance Academy 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Renaissance Academy'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 School'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 School'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 postemployment 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, 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 Renaissance Academy. 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 14, 2025, on our consideration of the School'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 solely 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 in considering Renaissance Academy's internal control over financial reporting and compliance.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
November 14, 2025

RENAISSANCE ACADEMY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED June 30, 2025

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

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

In the Statement of Net Position, the liabilities and deferred inflows of the School exceeded its assets and deferred outflows at the close of the 2025 fiscal year by $1,740,597 (net deficit). The School has invested $477,906 in capital assets and has restricted funds of $70,309. Therefore, the School reported a deficit balance in unrestricted net position of $2,288,812.

Included in liabilities is the net pension obligation of $1,909,081 and the other post-employment benefit obligation of $1,581,226.

The School's total capital assets, net of accumulated depreciation, decreased by $36,025 during the current fiscal year, as depreciation expense exceeded capital additions.

The School's total net position increased by $400,929 during its most recent fiscal year.

Fund Financial Statements

As of the close of the current fiscal year, the School's Governmental Funds reported combined ending fund balances of $1,699,151. This is an increase in fund balances of $289,989.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was $1,628,842.

During the 2025 fiscal year, the School's governmental fund-type revenues were $2,691,203, an increase of $907 from the previous year.

During the current fiscal year, the School's governmental fund-type expenditures were $2,401,214.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis serves as an introduction to the School's financial statements. The School'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 School.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

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

The Statement of Net Position presents information on all of the School'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 School 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.

The Government-Wide Financial Statements distinguish functions of the School 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 School are Governmental Activities, which include instruction, supporting services, and debt service. The School's operations do not include any Business-Type Activities.

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 School, reporting the School'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 School, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the School are Governmental Funds, one of three types of funds (governmental, proprietary, and fiduciary).

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 School maintains four 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, Special Projects Fund and EIA Fund, both of which are considered major funds.

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

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.

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.

Major Features of Renaissance Academy
Government-Wide and Fund Financial Statements

	Government-Wide Statements	**Fund Financial Statements**
		Government Funds Only
Scope	Entire school unit	The activities of the School that are not proprietary or fiduciary
Required financial statements	Statement of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of 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
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

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 School, liabilities and deferred inflows exceeded assets and deferred outflows by $1,736,367 at the close of the most recent fiscal year.

The following table provides a summary of the School's net assets for 2025 compared to 2024:

Net Position

	Governmental Activities	
	2025	**2024**
Assets		
Current and Other Assets	$ 1,699,151	$ 1,409,162
Capital Assets	477,906	513,931
Total Assets	2,177,057	1,923,093
Deferred Outflows of Resources	921,913	896,315
Liabilities		
Current Liabilities	-	-
Long-term Liabilities	3,514,944	3,501,157
Total Liabilities	3,514,944	3,501,157
Deferred Inflows of Resources	1,324,623	1,459,777
Net Position (Deficit)		
Invested in Capital Assets,		
Net of Debt	477,906	513,931
Restricted	70,309	84,456
Unrestricted (deficit)	(2,288,812)	(2,739,913)
Total Net Position (Deficit)	$ (1,740,597)	$ (2,141,526)

During the current fiscal year, net position of the School's activities increased by $400,929. 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 to a deficit balance of $2,288,812 at 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	
	2025	**2024**
Revenues		
Program Revenues:		
Charges for Services	$ 29,969	$ 16,854
Operating Grants	977,913	991,791
General Revenues:		
Property Taxes	1,320,512	1,240,175
Other	361,511	399,814
Total Revenues	2,689,905	2,648,634
Program Expenses		
Instruction	1,382,121	1,186,404
Support Services	889,205	702,552
Community Services	-	-
Intergovernmental	17,650	17,650
Interest and Fiscal Charges	-	-
Total Expenses	2,288,976	1,906,606
Changes in Net Position	$ 400,929	$ 742,028

Governmental Activities
Governmental Activities increased the School's net assets from 2024 to 2025 by $289,989.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS

As noted earlier, the School 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 School's Governmental Funds reported a combined fund balance of $1,699,151, as compared to a balance of $1,409,162 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, $1,628,842 of the School's fund balance was unassigned.

FINANCIAL ANALYSIS OF THE SCHOOL'S FUNDS, Continued

The School's major funds include General Fund, as described above, Special Revenue, and Special Revenue-EIA Fund.

The School's Special Revenue Funds are used to account for revenues derived from the State of South Carolina and other pupil activities. Special Revenue Funds do not have fund balances as revenues should be expended, deferred, or returned to the grantor.

General Fund Budgetary Highlights

The School'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, no substantial amendments to the School's General Fund revenue budget were made.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the School had $477,906 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	
	2025	2024
Building improvements	$ 477,906	$ 513,931
Equipment	-	-
Furniture and fixtures	-	-
Totals	$ 477,906	$ 513,931

Long-term Debt

At fiscal year-end, the School had compensated absences of $24,637. These long-term liabilities remained static during the fiscal year ended June 30, 2025.

As noted earlier, other obligations include accounts payable and other accrued expenses. More detailed information about the School's debt and other long-term liabilities, including its net pension liability, is presented in the Notes to Financial Statements.

Economic Factors

The following key economic indicators reflect the operations of the School:

- The School continues to see community support as evidenced by the volunteerism, local organizations donating classroom and office supplies, private donations, and support through fundraising.
- The School has a returning staff of professionals that are committed to the School.
- The School will continue to seek both federal and private grant funds to supplement its Education Finance Act ("EFA") funding.

Exhibit A

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	$ 1,592,665
Taxes receivable	57,623
Due from Anderson County Department of Education	48,863
Capital assets:	
Building improvements	1,402,244
Equipment	677,961
Furniture and fixtures	64,911
Less accumulated depreciation	(1,667,210)
Total capital assets, net of depreciation	477,906
Total assets	2,177,057
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions and OPEB	921,913
Total deferred outflows of resources	921,913
LIABILITIES	
Net pension liability	1,909,081
Net OPEB liability	1,581,226
Long-term liabilities:	
Due in more than one year:	
Compensated absences	24,637
Total liabilities	3,514,944
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions and OPEB	1,324,623
Total deferred inflows of resources	1,324,623
NET POSITION (DEFICIT)	
Net investment in capital assets	477,906
Restricted	70,309
Unrestricted (deficit)	(2,288,812)
Total net position (deficit)	$ (1,740,597)

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

Exhibit B

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2025

Functions / Programs	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Change in Net Position
Governmental activities:					
Instruction	$ 1,382,121	$ -	$ 568,359	$ -	$ (813,762)
Support services	889,206	29,969	391,904	-	(467,333)
Community services	-	-	-	-	-
Intergovernmental	17,650	-	17,650	-	-
Interest and other charges	-	-	-	-	-
Total governmental activities	$ 2,288,976	$ 29,969	$ 977,913	$ -0-	$ (1,281,094)
General revenues:					
Property taxes levied for:					
General purposes					$ 1,320,512
Miscellaneous					349,637
Unrestricted investment earnings					11,874
Total general revenues					1,682,023
Change in net assets					400,929
Net position (deficit), beginning of year					(2,141,526)
Net position (deficit), end of year					$ (1,740,597)

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

Exhibit C

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2025

	General	Special Revenue	Special Revenue EIA	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 1,592,665	$ -	$ -	$ 1,592,665
Taxes receivable	57,623	-	-	57,623
Due from Anderson County Department of Education	48,863	-	-	48,863
Total assets	$ 1,699,151	$ -0-	$ -0-	$ 1,699,151
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other governmental units	$ -	$ -	$ -	$ -
Total liabilities	-0-	-0-	-0-	-0-
Fund balances:				
Restricted	70,309	-	-	70,309
Unassigned	1,628,842	-	-	1,628,842
Total fund balances	1,699,151	-0-	-0-	1,699,151
Total liabilities and fund balances	$ 1,699,151	$ -0-	$ -0-	$ 1,699,151

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

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balance - Governmental Funds	$	1,699,151
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 $2,145,116 and the accumulated depreciation is $1,667,210.		477,906
Long-term liabilities, including compensated absences are not due and payable in the current period and, therefore, are not reported in the funds.		(24,637)
Long-term liabilities, including pension and OPEB obligations, are not due and payable in the current period and, therefore, are not reported in the funds.		(3,490,307)
Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		921,913
Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.		(1,324,623)
Net position (deficit) of Governmental Activities	$	(1,740,597)

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

Exhibit E

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2025

	General	Special Revenue	Special Revenue EIA	Total Governmental Funds
REVENUES				
Local property taxes	$ 1,320,513	$ -	$ -	$ 1,320,513
Other local	233,641	29,969	-	263,610
Total local	1,554,154	29,969	-0-	1,584,123
State	989,430	117,650	-	1,107,080
Federal	-	-	-	-
Intergovernmental	-	-	-	-
Total revenues all sources	2,543,584	147,619	-0-	2,691,203
EXPENDITURES				
Current:				
Instruction	1,512,371	-	-	1,512,371
Support services	636,730	125,316	-	762,046
Community services	-	-	-	-
Intergovernmental	-	17,650	-	17,650
Capital outlay	109,147	-	-	109,147
Total expenditures	2,258,248	142,966	-0-	2,401,214
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	285,336	4,653	-	289,989
OTHER FINANCING SOURCES (USES)				
Operating transfers in	4,653	-	-	4,653
Operating transfers out	-	(4,653)	-	(4,653)
Total other financing sources (uses)	4,653	(4,653)	-0-	-0-
Net changes in fund balance	289,989	-0-	-0-	289,989
FUND BALANCE, July 1, 2023	1,409,162	-0-	-0-	1,409,162
FUND BALANCE, June 30, 2024	$ 1,699,151	$ -0-	$ -0-	$ 1,699,151

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

Exhibit F

RENAISSANCE ACADEMY
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	$	289,989
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 depreciation expense exceeds capital outlays in the period.		(36,025)
In the Statement of Activities, certain operating expenses--compensated absences (accrued leave)--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).		(4,430)
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 ($294,012) exceeds the costs of benefits earned ($154,073).		151,144
Governmental Funds report certain non-employer OPEB contributions as revenue. However, in the Statement of Activities, such contributions are not recorded as revenue.		251
Change in net position of Governmental Activities	$	400,929

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

1) <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

a) Reporting Entity

Renaissance Academy ("the School") was organized on October 1, 1995. It is governed by a seven-member board ("the Board") which is appointed. Five members are appointed (one each) by the five Anderson County school districts. The sixth member is appointed by the Anderson County Board of Education ("the Board of Education"). The seventh member is appointed by the Office of the Solicitor, 10th Judicial Circuit. It is managed by a director 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 School receives funding from local, state, and federal government sources and must comply with the related requirements of these funding source entities.

The School's financial statements include the operations of all organizations for which the School's 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 School 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 of the School as a whole. For the most part, the effect of interfund activity has been removed from these statements.

Governmental Activities are supported by taxes and intergovernmental revenues.

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 School.

Fund Financial Statements report detailed information about the School. The focus of Governmental Fund Financial Statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The School has no nonmajor funds.

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. 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 Fund Financial Statements are prepared (see further detail below). Governmental Fund Financial Statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the Government-Wide 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.

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 are maintained consistent with legal and managerial requirements. The following major funds and fund types are used by the School.

Governmental fund-types are those through which most governmental functions of the School are financed. The School's expendable financial resources and related assets and liabilities are accounted for through Governmental Funds. The following are the School's major governmental fund-types:

The General Fund, a major fund, is the general operating fund of the School and accounts for all revenues and expenditures of the School 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 used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The School has two Special Revenue Funds:

i) The Special Projects Fund, a major fund, is used to account for financial resources provided by the Education Accountability Act and revenue derived from vending machines, school lunches, etc.

ii) The Education Improvement Act ("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.

d) Cash, Cash Equivalents, and Investments

The School's cash, cash equivalents, and investments balance (which was different from the School's book balances of $1,592,665 because of outstanding checks, deposits in transit, and other reconciling items) of $1,599,565 at June 30, 2025, was insured or fully collateralized.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

d) Cash, Cash Equivalents, and Investment, continued

Cash, savings accounts, and certificates of deposit are placed with banking institutions 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 School's name or held by the School or its agents in the School's name.

The School is authorized to invest in securities as allowed by South Carolina statute, with investments 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.

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 Statement of Net Position.

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.

The School is owed $57,623 by the Anderson County Treasurer at June 30, 2025 for taxes and other revenue collected by the Treasurer but not yet remitted to the School.

The Board of Education may advance the School for EFA and EAA funding. The School repaid those advances, and the School is owed $48,863 by the Board of Education at June 30, 2025 for other funding not yet remitted to the School.

f) Capital Assets

Capital assets, which include buildings, equipment, and infrastructure assets, are reported in the applicable Governmental Activities columns in the Government-Wide Financial Statements but are not reported in the 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 School maintains a capitalization threshold of $1,000. The School 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

f) Capital Assets, continued

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.

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

Description	Governmental Activities Estimated Lives
Buildings/ Improvements	15-40 years
Equipment	5-10 years
Furniture and Fixtures	5-10 years

g) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the Government-Wide 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. Bonds and other 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 School recognizes a net pension liability ("NPL"), which represents the School'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 School'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) <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued</u>

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. School 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 liability (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) 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 School 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 School'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. Committed fund balance amounts are established by the School's Board through motions passed at the School's Board meetings. Assigned fund balance amounts are established by the School's administration. The School 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 School'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. The School has $70,309 in funds restricted for technology and other purposes at June 30, 2025.

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

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

k) Fund Equity, continued

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.

l) Net Position

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

m) 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 School can access at the measurement date.

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

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

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used 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 School 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

n) Vacation and Sick Leave

Employees are allowed to accumulate up to 120 days of unused sick pay and up to 30 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 pay per month. Upon termination, an employee will be paid for the unused vacation pay up to 30 days but will not be paid for the unused sick leave. As of June 30, 2025, the liability for accrued vacation pay is $20,407, which is accounted for in the Government-Wide Financial Statements.

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 Information:

Budgetary Practices – Budgets are presented in the financial statements section for the General Fund and all major Special Revenue Funds.

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.

Each budget is prepared by function and object as dictated by the State of South Carolina adopted Program Oriented Budgeting and Accounting System and for management control purposes. This School's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without approval of the Board in supplementary action. The legal level of control is at the fund level.

In June of each year the governing Board of the School and the Anderson County Board of Education prepares the budget for the fiscal year and submits it to the Anderson County Legislative Delegation for approval. The Anderson County Legislative Delegation, after approving the budget, sets the millage for assessing the property taxes for financing the organization. The annual appropriations lapse at fiscal year-end.

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:				
Buildings	$ 1,402,244	$ -	$ -	$ 1,402,244
Equipment	677,961	-	-	677,961
Furniture and fixtures	64,911	-	-	64,911
	2,145,116	-0-	-0-	2,145,116
Less accumulated depreciation for:				
Buildings	888,313	36,025	-	924,338
Equipment	677,961	-	-	677,961
Furniture and fixtures	64,911	-	-	64,911
	1,631,185	36,025	-0-	1,667,210
Governmental Activities capital assets, net	$ 513,931	$ (36,025)	$ -0-	$ 477,906

Depreciation was charged to functions/programs as follows:

Governmental Activities:	
Instruction	$ 18,013
Support	18,013
Total depreciation expense - Governmental Activities	$ 36,025

4) LONG-TERM DEBT

Long-term obligations consist of compensated absences of $24,637 as of June 30, 2025. This represents an increase of $4,230 over the previous year's balance.

5) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS

The School 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) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS, Continued

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

PEBA issues an Annual Comprehensive Annual 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, certain newly hired state, public school, and higher education 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) EMPLOYER 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 next.

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

5) EMPLOYER 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 School to the plans for the past three years were as follows:

Year Ended June 30,	SCRS Contributions Required	SCRS % Contributed	State ORP Contributions Required	State ORP % Contributed
2025	$ 211,760	100%	$ 6,676	100%
2024	200,995	100%	6,629	100%
2023	186,766	100%	5,376	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("the 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 School were approximately $12,265 for the SCRS.

The School recognized contributions (on-behalf benefits) from the State of approximately $12,265 for the year ended June 30, 2025. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the School's governmental fund financial statements.

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

Year Ended June 30,	SCRS Payroll	State ORP Payroll	Total Payroll
2025	$ 1,140,950	$ 49,229	$ 1,190,179
2024	1,082,951	48,886	1,131,837
2023	1,052,744	10,844	1,063,588

5) EMPLOYER 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 be used for future valuations.

The June 30, 2024, total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2024. The TPL was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2024, using generally accepted actuarial principles.

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

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) EMPLOYER 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%	4.30%	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) EMPLOYER 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 School reported a liability of $1,909,081 for its proportionate share of the PEBA's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined based on the most recent actuarial valuation report as of July 1, 2023 that was projected forward to the measurement date. The School's proportion of the net pension liability was based on a projection of the School'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 School's proportion was 0.008141%, which was a decrease of 0.000528% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School recognized pension expense of $71,147 for its proportionate share of the PEBA's pension expense. At June 30, 2025, the School 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	$ 62,739	$ 2,369
Assumption changes	33,657	-
Net difference between projected and actual earnings on pension plan investments	102,937	176,495
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	176,023
School contributions subsequent to the measurement date	218,436	-
	$ 417,769	$ 354,887

$218,436 reported as deferred outflows of resources related to pensions resulting from School contributions to the PEBA subsequent to the measurement date will be recognized as a reduction of the NPL in the year ended June 30, 2026. 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	$ (83,427)
2027	(84,406)
2028	52,860
2029	(1,229)
	$ (116,202)

5) EMPLOYER 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 School's proportionate share of the NPL, calculated using the discount rate disclosed in the preceding paragraph, as well as what the School'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%)
School's proportionate share of the Net Pension Liability:	$ 2,473,954	$ 1,909,081	$ 1,388,879

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 5 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.

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.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

Plan Descriptions, continued
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 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 School, 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.

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.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

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

Year Ended	Contributions		
June 30,	Required	% Contributed	Eligible Payroll
2025	$ 75,576	100%	$ 1,190,179
2024	71,871	100%	1,131,837
2023	69,248	100%	1,063,588

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 School approximately $233 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 School's governmental fund 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.

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 School's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the School's net OPEB liability, funded status of the OPEB Plan, and the School'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"), net OPEB liability ("NOL"), and sensitivity information were determined by the consulting actuary and are based on an actuarial valuation performed as of June 30, 2021. TOL was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2024 using generally accepted actuarial principles.

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

Actuarial Assumptions, continued
Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry - Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.97% as of June 30, 2024
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to ccount 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

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%**

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 – 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 previous five 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	$ 14,479,639,155	$ 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.

At June 30, 2025, the School reported a liability of $1,581,226 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 the NOL was determined by an actuarial valuation as of June 30, 2023 that was projected forward to the measurement date. The School's proportion of the NOL was based on a projection of the School'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 School's proportion was 0.009808%, which was a decrease of 0.000770% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School recognized OPEB expense of $82,926 for its proportionate share of the PEBA's OPEB expense for SCRHITF. At June 30, 2025, the School 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	$ 82,196	$ 234,032
Assumption changes	338,659	324,676
Net difference between projected and actual earnings on OPEB plan investments	7,713	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	-	-
School contributions subsequent to the measurement date	75,576	-
	$ 504,144	$ 558,708

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

$75,576 reported as deferred outflows of resources related to the School's contributions subsequent to the measurement date to the SCRHITF will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. 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	$ (115,486)
2027	(119,213)
2028	(163,174)
2029	(158,302)
Thereafter	426,034
	$ (130,141)

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 School's proportionate share of the SCRHITF's NOL calculated using a single discount rate of 3.97%, as well as what the School'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%)
School's proportionate share of the SCRHITF net OPEB liability	$ 1,877,036	$ 1,581,236	$ 1,344,434

Regarding the sensitivity of the SCRHITF's NOL to changes in the healthcare cost trend rates, the following table presents the School's proportionate share of the SCRHITF's NOL, calculated using the assumed trend rates as well as what the School'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
School's proportionate share of the SCRHITF net OPEB liability	$ 1,300,261	$ 1,581,226	$ 1,945,653

6) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

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) RISK MANAGEMENT

The School carries commercial insurance for certain risks of loss. There have been no significant reductions in insurance coverage. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

8) IN-KIND CONTRIBUTIONS

The School is provided free rent from the Anderson County Department of Education on the land and building at 805 East Whitner Street, Anderson, South Carolina 29624. The amount of free rent is estimated to be $85,590, calculated at 11,412 square feet at $7.50 per square foot.

9) SUBSEQUENT EVENTS

In preparing the financial statements, the School has evaluated events and transactions for potential recognition or disclosure through November 14, 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

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2025

Year	School's proportion of the net pension liability	School's proportionate share of the net pension liability	School's covered-employee payroll	School'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	0.008141%	$ 1,909,081	$ 1,063,588	179.49%	61.80%
2024	0.008669%	$ 2,095,933	$ 1,063,588	197.06%	58.60%
2023	0.008872%	$ 2,150,643	$ 1,067,751	201.42%	57.10%
2022	0.009556%	$ 2,067,995	$ 1,095,162	188.83%	60.70%
2021	0.010779%	$ 2,754,154	$ 1,219,995	225.75%	50.70%
2020	0.010488%	$ 2,394,903	$ 1,123,520	213.16%	54.40%
2019	0.010887%	$ 2,439,460	$ 1,122,489	217.33%	54.10%
2018	0.011235%	$ 2,529,179	$ 1,141,348	221.60%	53.30%
2017	0.012417%	$ 2,652,253	$ 1,202,377	220.58%	52.90%
2016	0.013058%	$ 2,476,513	$ 1,222,271	202.62%	57.00%

Note to Schedule:

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

Schedule 2

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Schedule of School Contributions - Pension Plan
June 30, 2025

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	School's covered-employee payroll	Contributions as percentage of covered-employee payroll
2025	$ 218,436	$ 218,436	$ -0-	$ 1,190,179	18.35%
2024	$ 207,624	$ 207,624	$ -0-	$ 1,131,837	18.35%
2023	$ 192,342	$ 192,342	$ -0-	$ 1,063,588	18.35%
2022	$ 175,273	$ 175,273	$ -0-	$ 1,067,751	17.35%
2021	$ 169,379	$ 169,379	$ -0-	$ 1,095,162	15.47%
2020	$ 187,111	$ 187,111	$ -0-	$ 1,219,995	15.34%
2019	$ 161,256	$ 161,256	$ -0-	$ 1,123,520	14.35%
2018	$ 150,057	$ 150,057	$ -0-	$ 1,122,489	13.37%
2017	$ 131,043	$ 131,043	$ -0-	$ 1,141,348	11.48%
2016	$ 132,983	$ 132,983	$ -0-	$ 1,202,377	11.06%
2015	$ 133,228	$ 133,228	$ -0-	$ 1,222,271	10.90%

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2025

SCRHITF Year	School's proportion of the net OPEB liability	School's proportionate share of the net OPEB liability	School's covered-employee payroll	School'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	0.009808%	$ 1,581,226	$ 1,131,837	139.70%	9.91%
2024	0.010578%	$ 1,384,817	$ 1,063,588	130.20%	11.24%
2023	0.010933%	$ 1,668,111	$ 1,067,751	156.23%	9.64%
2022	0.011743%	$ 2,445,266	$ 1,095,162	223.28%	7.48%
2021	0.013235%	$ 2,389,109	$ 1,219,995	195.83%	8.39%
2020	0.012846%	$ 1,942,511	$ 1,123,520	172.90%	8.44%
2019	0.013016%	$ 1,844,443	$ 1,122,489	164.32%	7.91%
2018	0.013535%	$ 1,833,294	$ 1,141,348	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 School will present information for those years which information is available.

Schedule 4

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Schedule of School Contributions - OPEB Plan
June 30, 2025

SCRHITF Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	School's covered-employee payroll	Contributions as percentage of covered-employee payroll
2025	$ 75,576	$ 75,576	$ -0-	$ 1,190,179	6.35%
2024	$ 71,871	$ 71,871	$ -0-	$ 1,131,837	6.35%
2023	$ 69,248	$ 69,248	$ -0-	$ 1,063,588	6.25%
2022	$ 66,734	$ 66,734	$ -0-	$ 1,067,751	6.25%
2021	$ 68,448	$ 68,448	$ -0-	$ 1,095,162	6.25%
2020	$ 76,250	$ 76,250	$ -0-	$ 1,219,995	6.25%
2019	$ 67,973	$ 67,973	$ -0-	$ 1,123,520	6.05%
2018	$ 61,737	$ 61,737	$ -0-	$ 1,122,489	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 School will present information for those years which information is available.

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) 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)	$ 1,130,000	$ 1,155,345	$ 25,345
1240 Penalties & interest on taxes (dependent)	48,000	61,473	13,473
1280 Revenue in lieu of taxes (independent and dependent)	95,000	103,695	8,695
1500 Earnings on investments			
1510 Interest on investments	1,800	11,641	9,841
1900 Other revenue from local sources			
1920 Contributions and donations from private sources	-	10,000	10,000
1990 Miscellaneous local revenue			
1999 Revenue from other local sources	180,590	212,000	31,410
Total local sources	1,455,390	1,554,154	98,764
3000 Revenue from state sources			
3100 Restricted state funding			
3186 State aid to classrooms - teacher salary increase	139,656	127,637	(12,019)
3300 State aid to classrooms - Education Finance Act (EFA)			
3310 Full-time programs			
3314 High school	240,000	164,190	(75,810)
3800 State revenue in lieu of taxes			
3810 Reimburse for local residential prop tax relief (Tier 1)	180,000	151,019	(28,981)
3820 Homestead exemption (Tier 2)	52,000	52,469	469
3825 Reimbursement for property tax relief (Tier 3)	383,762	392,697	8,935
3830 Merchant's inventory tax	-	1,530	1,530
3840 Manufacturer's depreciation reimbursement	35,000	68,837	33,837
3890 Other state prop tax rev (incl motor veh tax)	8,000	18,786	10,786
3900 Other state revenue			
3993 PEBA on-behalf	-	12,265	12,265
Total state sources	1,038,418	989,430	(48,988)
Total revenues all sources	2,493,808	2,543,584	49,776

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES			
100 Instruction			
140 Special programs			
149 Other special programs			
100 Salaries	$ 1,088,367	$ 916,227	$ 172,140
200 Employee benefits	623,842	585,040	38,802
300 Purchased services	10,520	5,333	5,187
400 Supplies and materials	10,000	4,755	5,245
600 Other objects	250	1,016	(766)
Total instruction	1,732,979	1,512,371	220,608
200 Support services			
210 Pupil services			
213 Health services			
100 Salaries	48,750	48,642	108
400 Supplies and materials	3,250	1,572	1,678
220 Instructional staff services			
221 Improvement of instruction curriculum development			
300 Purchased services	12,000	1,416	10,584
223 Supervision of special programs			
200 Employee benefits	70,254	19,659	50,595
230 General administrative services			
231 Board of education			
300 Purchased services	75,750	77,194	(1,444)
318 Audit services	4,000	4,000	-
600 Other objects	12,730	25,663	(12,933)
232 Office of the Superintendent			
500 Capital outlay	2,000	1,852	148
600 Other objects	9,000	10,145	(1,145)
250 Finance and operations services			
252 Fiscal services			
100 Salaries	17,500	17,500	-
253 Facilities acquisition and construction			
300 Purchased services	23,500	1,197	22,303

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

	Budget	Actual	Variance Favorable (Unfavorable)
254 Operation and maintenance of plant			
100 Salaries	$ 10,000	$ 5,158	$ 4,842
300 Purchased services	39,000	52,614	(13,614)
321 Public util (excl gas, oil, elect & oth heating fuels)	2,800	4,742	(1,942)
400 Supplies and materials	20,000	18,660	1,340
470 Energy (incl gas, oil, elect & oth heating fuels)	35,000	31,490	3,510
500 Capital outlay	95,000	109,147	(14,147)
600 Other objects	86,340	85,659	681
255 Student transportation (state mandated)			
100 Salaries	185,555	219,227	(33,672)
300 Purchased services	900	2,840	(1,940)
260 Central support services			
264 Staff services			
100 Salaries	7,500	7,500	-
Total support services	760,829	745,877	14,952
Total expenditures	2,493,808	2,258,248	235,560
OTHER FINANCING SOURCES (USES)			
Interfund transfers from (to) other funds			
5220 Transfer from Special Revenue Fund (excl indirect cost	-	4,653	4,653
Total other financing sources (uses)	-	4,653	4,653
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	$ -	289,989	$ 289,989
FUND BALANCE, July 1, 2023		1,409,162	
FUND BALANCE, June 30, 2024		$ 1,699,151	

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Special Revenue Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

	Budget	Actual	Variance
REVENUE			
1000 Revenue from local sources			
1700 Pupil activities			
1790 Other pupil activity income	$ -	$ 29,969	$ 29,969
Total local sources	-	29,969	29,969
3000 Revenue from state sources			
3900 Other state revenue			
3994 PEBA nonemployer contributions	-	17,650	17,650
3999 Revenue from other state sources	100,000	100,000	-
Total state sources	100,000	117,650	17,650
Total revenues all sources	100,000	147,619	47,619
EXPENDITURES			
200 Support services			
220 Instructional staff services			
223 Supervision of special programs			
100 Salaries	71,000	70,931	69
200 Employee benefits	29,000	29,069	(69)
270 Support services - pupil activity			
271 Pupil service activities			
660 Pupil activity	-	25,316	(25,316)
Total support services	100,000	125,316	(25,316)
410 Intergovernmental expenditures			
419 Payments to PEBA nonemployer contrib			
720 Transits	-	17,650	(17,650)
Total intergovernmental expenditures	-	17,650	(17,650)
Total expenditures	100,000	142,966	(42,966)

RENAISSANCE ACADEMY
ANDERSON, SOUTH CAROLINA
Special Revenue Fund
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
For the Fiscal Year Ended June 30, 2025

	Budget	Actual	Variance
OTHER FINANCING SOURCES (USES)			
Interfund transfers from (to) other funds			
422-710 Transfer to Special Revenue EIA Fund	$ -	$ (4,653)	$ (4,653)
Total other financing sources (uses)	-	(4,653)	(4,653)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-
FUND BALANCE, June 30, 2024	-0-	-0-	-0-
FUND BALANCE, June 30, 2025	$ -0-	$ -0-	$ -0-

Schedule 7

RENAISSANCE ACADEMY
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-	

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 Directors
Renaissance Academy
Anderson, South Carolina

We have audited the basic purpose financial statements of Renaissance Academy ("the School") as of and for the year ended June 30, 2025, and have issued our report thereon dated November 14, 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
As part of obtaining reasonable assurance about whether the School'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 School'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 School'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 School'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 School'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
November 14, 2025

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