

**ANDERSON COUNTY SCHOOL DISTRICT
NUMBER THREE**

IVA, SOUTH CAROLINA

**ANNUAL FINANCIAL REPORT
June 30, 2023**

(With Independent Auditors' Report Thereon)

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IVA, SOUTH CAROLINA
Annual Financial Report
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June 30, 2023**

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MARTIN · SMITH

& COMPANY CPAs

INDEPENDENT AUDITORS' REPORT **ON FINANCIAL STATEMENTS**

The Board of Trustees
Anderson County School District Number Three
Iva, South Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anderson County School District Number Three ("the District") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the remaining fund information of Anderson County School District Number Three at June 30, 2023, and the respective changes in financial position thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Anderson County School District Number Three'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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension liability and contribution schedules, and other post-employment benefits liability and contribution schedules as listed in the accompanying table of contents, be presented to supplement the financial statements. Such information, although not a required part of the basic financial statements, is supplementary information required by the Governmental Accounting Standards Board ("GASB"), who considers it to be an essential part of financial reporting for placing the financial statements in the appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the District's financial statements taken as a whole. The introductory section, combining and individual non-major fund financial statements and the Schedule of Expenditures of Federal Awards, as required by the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards ("Uniform Guidance"), are presented for purposes of additional analysis and are not a required part of the financial statements of Anderson County School District Number Three. 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, the supplementary information and the Schedule of Expenditures of Federal Awards are fairly stated 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 17, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Martin Smith and Company CPAs PA

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

This discussion and analysis of Anderson County School District Number Three's ("the District") financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the District'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 District's financial performance.

FINANCIAL HIGHLIGHTS

Government-Wide Financial Statements

In the Statement of Net Position, the liabilities and deferred inflows of the District exceeded its assets and deferred outflows at the close of the 2023 fiscal year by \$26,393,441. The District has invested \$13,686,760 in capital assets, net of related debt, and has restricted net position of \$7,363,626 relating to its custodial funds, debt obligations, and capital projects. Therefore, the District reported a deficit balance in unrestricted net position of \$47,443,827.

The District's total capital assets, net of accumulated depreciation, increased by \$2,305,906 during the current fiscal year, as capital additions exceeded depreciation expense.

The District's total long-term debt decreased by \$1,912,100 during the current fiscal year, as the District made its scheduled debt payments.

Included in liabilities is the net pension obligation of \$34,037,607 and the other post-employment benefit obligation of \$26,636,238.

In the Statement of Activities, the District's total net position increased by \$5,896,202 for the 2023 fiscal year, as compared to an increase of \$4,244,371 in the previous year.

The District had \$37,668,554 in expenses related to governmental activities; of these expenses \$24,552,058 was offset by program specific operating grants and contributions. General revenues (primarily taxes) of \$18,767,773 provided the remaining funding for these programs.

Fund Financial Statements

As of the close of the current fiscal year, the District's Governmental Funds reported combined ending fund balances of \$15,243,594. This is an increase in the fund balances of \$1,912,075 from the previous year.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$7,879,968.

During the 2023 fiscal year, the District's governmental fund-type revenues were \$43,014,100, an increase of \$4,329,006 from the previous year.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

The Statement of Net Position presents information on all of the District'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 District 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 District 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 District are Governmental Activities, which include instruction, supporting services, and debt service.

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 that focus on individual parts of the District, reporting the District'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 District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the District can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

Governmental Funds

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

Governmental Funds, continued

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 District maintains five 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, EIA Fund, Debt Service Fund, and the School Building Fund, all of which are considered major funds.

Proprietary Fund

The District maintains one type of Proprietary Fund. Enterprise Funds are used to report the same functions presented as Business-Type Activities in the Government-Wide Financial Statements. The District uses an Enterprise Fund to account for its food service operation. Proprietary Funds provide the same type of information as the Government-Wide Financial Statements, only in more detail; therefore, the Proprietary Fund Financial Statements provide more detailed information for the food service operation, which is considered a major fund of the District.

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.

Other information

In addition to the financial statements and accompanying notes, this report includes certain required supplementary information. A required budgetary comparison schedule has been provided for the General Fund which has a legally adopted budget to demonstrate its compliance with the budget. Required pension and OPEB plan schedules have been included which provide relevant information regarding the District's participation in the South Carolina Retirement System and the SCRHITF.

Budgets for the Special Revenue Funds-Special Projects Fund and Special Revenue Funds-EIA Fund are not legally adopted. Budgets for the School Building Fund and Debt Service Fund are legally adopted.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

OVERVIEW OF THE FINANCIAL STATEMENTS, Continued

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

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 District, liabilities and deferred inflows exceeded assets and deferred outflows by \$26,393,441 at the close of the most recent fiscal year.

The following table provides a summary of the District's net position for 2023 compared to 2022:

Net Position						
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and Other Assets	\$ 23,010,029	\$ 20,315,857	\$ 2,847,590	\$ 2,657,478	\$ 25,857,619	\$ 22,973,335
Capital Assets	30,097,732	27,856,840	466,842	401,528	30,564,574	28,258,368
Total Assets	53,107,761	48,172,697	3,314,432	3,059,006	56,422,193	51,231,703
Deferred Outflows	19,201,240	17,790,960	-	-	19,201,240	17,790,960
Liabilities						
Long-term Liabilities	21,600,128	23,512,228	-	-	21,600,128	23,512,228
Net Pension/OPEB Liability	60,673,845	66,142,332	-	-	60,673,845	66,142,332
Other Liabilities	3,191,391	2,315,464	13,886	3,385	3,205,277	2,318,849
Total Liabilities	85,465,364	91,970,024	13,886	3,385	85,479,250	91,973,409
Deferred Inflows	16,537,625	9,338,897	-	-	16,537,625	9,338,897
Net Position (Deficit)						
Net Investment in Capital						
Assets	13,219,918	9,013,486	466,842	401,828	13,686,760	9,415,314
Restricted	7,363,626	6,847,452	-	-	7,363,626	6,847,452
Unrestricted (deficit)	(50,277,531)	(51,206,202)	2,833,704	2,653,793	(47,443,827)	(48,552,409)
Total Net Position (deficit)	\$ (29,693,987)	\$ (35,345,264)	\$ 3,300,546	\$ 3,055,621	\$ (26,393,441)	\$ (32,289,643)

Government Activities - Net position of the District's Governmental Activities changed to (\$29,693,987) compared to (\$35,345,264). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements changed from (\$51,206,202) at June 2022 to (\$50,277,531) at June 2023.

Business-Type Activities - The net position of Business-Type Activities increased \$244,925 (\$3,300,546 compared to \$3,055,621) for the year ended June 30, 2023. This increase in net position is due to increased revenue and continued improved control of expenses.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The following table shows the changes in net position for fiscal year 2023 compared to 2022:

	Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues						
Program Revenues:						
Charges for Services	\$ -	\$ -	\$ 296,701	\$ 113,847	\$ 296,701	\$ 113,847
Operating Grants	24,552,147	22,188,920	1,941,340	2,368,885	26,493,487	24,557,805
General Revenues:						
Property Taxes	14,785,050	13,984,095	-	-	14,785,050	13,984,095
Other	3,872,723	2,447,606	193,972	2,635	4,066,695	2,450,241
Total Revenues	<u>43,209,920</u>	<u>38,620,621</u>	<u>2,432,013</u>	<u>2,485,367</u>	<u>45,641,933</u>	<u>41,105,988</u>
Program Expenses						
Instruction	20,456,424	19,819,622	-	-	20,456,424	19,819,622
Support Services	16,317,720	14,421,557	-	-	16,317,720	14,421,557
Community Services	56,992	49,588	-	-	56,992	49,588
Intergovernmental	14,651	25,228	-	-	14,651	25,228
Interest and Fiscal Charges	822,856	869,277	-	-	822,856	869,277
Food Service	-	-	2,077,088	1,676,345	2,077,088	1,676,345
Total Expenses	<u>37,668,643</u>	<u>35,185,272</u>	<u>2,077,088</u>	<u>1,676,345</u>	<u>39,745,731</u>	<u>36,861,617</u>
Transfer (Food Service)	<u>110,000</u>	<u>110,000</u>	<u>(110,000)</u>	<u>(110,000)</u>	<u>-</u>	<u>-</u>
Changes in Net Position	<u>\$ 5,651,277</u>	<u>\$ 3,545,349</u>	<u>\$ 244,925</u>	<u>\$ 699,022</u>	<u>\$ 5,896,202</u>	<u>\$ 4,244,371</u>

Changes in Net Position - Overall, the District's net position increased in 2023, as revenues exceeded expenses (including depreciation of \$2,329,635) by \$5,896,202. Total revenue increased by \$4,535,856. When comparing 2023 to 2022, Program Revenues, which included Federal and State revenues, increased by \$2,118,447 due to higher allocations from the State of South Carolina in the Education Finance Act area, and an increase in the District's student enrollment. In addition, property taxes increased.

Instruction expenses increased \$636,713 and support services expenses increased \$1,896,163. The increase in instruction expenses reflected a "Step" raise (additional year of experience) and increase for teachers, teacher certificate upgrades; an increase in State health insurance premiums; and a rate increase in the employer portion of the State Retirement System rates, among other factors. The net increase in support services expenses reflected a "Step" and increase for non-teachers; and the non-teacher portion of State health insurance and retirement premiums increases, among other factors.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District 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, 2023, the District's Governmental Funds reported a combined fund balance of \$15,243,594, as compared to \$13,331,519 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, 2023, the District's unassigned fund balance for all Governmental Funds was \$7,879,968 which solely represents the General Fund. The remainder includes funds restricted for custodial funds of \$574,075, restricted for capital projects of \$5,735,840 and restricted for debt service of \$1,053,711.

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,879,968.

The District's General Fund balance increased by \$1,395,901 during the current fiscal year, compared to an increase of \$545,946 in the previous year. The District had an increase in revenues of \$1,432,569 for the year, and was able to control its expenses. The District continues to focus on careful cost management so as to maximize increases in fund balance.

The District's major funds include General Fund, as described above, Special Revenue-Special Projects, Special Revenue-EIA, Debt Service, and School Building.

The District's Special Revenue Funds, Special Projects and EIA, are used to account for revenues derived from the State of South Carolina and the Federal Government. These funds were spent appropriately as mandated by the legislation that allowed for their distribution. The EIA funds that were received during the year were expended during the current fiscal year; therefore, there was no fund balance at the end of the previous or current year. Certain agency funds account for activities that are not considered fiduciary in nature and are now reported in the Special Revenue Fund. Therefore, this fund did have a fund balance as of June 30, 2023.

The District's Debt Service Fund balance has remained relatively stable, decreasing by \$274,682. The fiscal year ended 2023 Debt Service Fund balance is \$1,053,711, all of which is reserved for the payment of debt service. The District's debt millage rate continues to be static.

During the current fiscal year the District's School Building Fund increased from \$4,998,348 to \$5,735,840.

Proprietary Funds

The District's only Proprietary Fund is the Food Service Fund. This program had net income of \$244,925 for the fiscal year ended June 30, 2023.

General Fund Budgetary Highlights

The School District'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.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had \$30,564,574 invested in capital assets, net of depreciation. The total amount the District invested in capital asset additions during the 2023 fiscal year was \$4,701,242.

The following table shows fiscal 2023 balances compared to 2022:

**Capital Assets at June 30
(Net of Depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 1,157,341	\$ 1,157,341	\$ -	\$ -	\$ 1,157,341	\$ 1,157,341
Buildings	18,370,110	17,245,429	-	-	18,370,110	17,245,429
Improvements	7,051,264	5,871,970	-	-	7,051,264	5,871,970
Equipment	415,828	215,439	466,842	401,828	882,670	617,267
Construction in progress	3,103,189	3,366,661	-	-	3,103,189	3,366,661
Totals	<u>\$ 30,097,732</u>	<u>\$ 27,856,840</u>	<u>\$ 466,842</u>	<u>\$ 401,828</u>	<u>\$ 30,564,574</u>	<u>\$ 28,258,668</u>

The Anderson Institute of Technology ("the Institute") is a joint project governed by an affiliation agreement between the District, Anderson County School District Four, and Anderson County School District Five ("Member Districts"). The District has approximately 14% interest in the Institute. The District's share of the operating cost has been recorded as expenditures in the General Fund. The District's share of the construction cost has been recorded as capital outlay in the Capital Projects Fund. The District's interest in the Institute is shown as investment in Anderson Institute of Technology on the Statement of Net Position. At June 30, 2023, the District's investment in the Institute of \$4,575,044 was comprised of land, buildings and improvements, equipment, and vehicles of \$144,392; \$4,174,605; \$840,456; and \$14,753, respectively. Accumulated depreciation on these assets was \$600,162 at June 30, 2023.

Long-term Debt and Capital Lease Obligations

At fiscal year-end, the District had \$23,512,228 in bonds and related bond premiums outstanding versus \$26,360,553 in the prior year, as shown in the following table:

Outstanding Debt, at Year End

	Governmental Activities	
	2023	2022
General Obligation Bonds:		
2015 Series	\$ 8,090,000	\$ 8,855,000
2016 Series	7,845,000	8,610,000
2019 Series	664,000	1,190,000
2020 Series	356,000	728,000
2022 Series	1,013,162	-
Qualified Energy Conservation notes payable:		
2015 Issue	<u>2,542,551</u>	<u>2,889,468</u>
Total bonds and notes payable	20,510,713	22,272,468
Premium, net of amortization	<u>1,089,415</u>	<u>1,239,760</u>
Total long-term obligations	<u>\$ 21,600,128</u>	<u>\$ 23,512,228</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Economic Factors

The District is located in the southern part of Anderson County, South Carolina and contains the small towns of Iva and Starr. The District has a population of approximately 15,700 and operates one high school, one middle school, and three elementary schools.

Manufacturing is the largest employment sector in the District, followed by wholesale and retail. Wholesale and retail trade and services represent the fastest growing sectors of the District.

The District's tax base has shown slight growth over the past five years. The assessed value of taxable property within the District has increased 1% during that period, with manufacturing property showing a decline and real estate property increasing. Total property tax collections have historically been strong and increasing. Difficulties with manufacturing industries and textiles specifically, have been a drag on continued growth within the District.

In 2007, South Carolina enacted Act 388, which was effective for the District beginning July 1, 2007. Act 388 provides an exemption for one hundred percent of the fair market value of owner-occupied residential property, to the extent it is not already covered by other property tax relief exemptions, for all property taxes imposed for school operating purposes, but not including millage imposed for the repayment of general obligation debt for property tax years beginning after January 1, 2007. Act 388 also created a new Homestead Exemption Fund which is funded from an additional 1 cent sales tax imposed by Act 388.

Act 388 created three tiers of distribution to school districts. Tier one distributions equal the amounts that were received by the school districts for the fiscal year ended June 30, 2007, relating to an earlier property tax relief provision for owner occupied residential property. In the case of the District, that amount was \$539,881.

Tier two distributions equal the amounts received by school districts for the school operating portion of the homestead exemption for the elderly, disabled, and blind. In the case of the District, that amount was \$302,684. Tiers one and two distributions are fixed and do not change.

Tier three distributions are state funded payments to school districts to replace revenues formerly derived from taxation by school districts of owner-occupied residential property. For the fiscal year ended June 30, 2008, those distributions were expected to equal, dollar for dollar, the revenue that would have been collected by the school districts from property taxes for school operating purposes imposed by the school districts on owner occupied residential property for that fiscal year as if no reimbursed exemptions applied. Beginning with the 2008-2009 fiscal year, the tier three distributions will be the sum of the amount of the fiscal year 2007-2008 tier three distributions plus the tier three reimbursement increases. Act 388 requires the tier three reimbursements to be increased annually by (i) an inflation factor equal to the percentage increase in the previous year Consumer Price Index, Southeast Region, as published by the United States Department of Labor, Bureau of Labor Statistics, plus (ii) the percentage increase in the previous year in the population of the State as determined by the Office of Research and Statistics of the State Budget and Control Board. The tier three increases are aggregated for the entire state and the amount going to any particular school district is equal to an amount that is the district's proportionate share of the aggregated funds based on the school district's weighted pupil units as a percentage of the statewide weighted pupil units as determined annually pursuant to the EFA, with an adjustment for certain poverty factors to provide programs for the affected students. There are provisions in the tier three reimbursement that could, in any given year, result in a minimum increase of four percent to the extent funds are available in the Homestead Exemption Fund. There are also provisions that require the total tier three reimbursements to the school districts in a county to be not less than \$2,500,000. If the amount of tier three distributions other than those dependent upon balances in the Homestead Exemption Fund exceed amounts in the Homestead Exemption Fund, the excess is required to be paid from the general fund of the State. The District's reimbursement for fiscal 2023 for tier three was \$1,786,074.

Act 388 requires that, to the extent revenues in the Homestead Exemption Fund are insufficient to pay all required reimbursements to a school district; the State will pay the difference from its general fund. However, there can be no assurances that such funds will be appropriated in the event there is such an insufficiency or that the change in funding sources resulting from Act 388 will not have an adverse effect on the District's operations. The District recognizes that Act 388 places increased reliance on state funds to fund the general fund. This increased reliance at the state level is being funded by the additional one penny sales tax, which in the District's opinion is not as stable as property tax revenue which the sales tax replaced.

In addition, Act 388 removes the authority of governing bodies of school districts to increase operating millage in any year to meet the required local EFA inflation factor and the per pupil maintenance of effort requirement.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

REQUEST FOR INFORMATION

This financial report is designed to provide those interested with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Office of the Executive Director of Finance, at Anderson County School District Number Three, 335 West Front Street, Iva, South Carolina 29655. In addition, this Comprehensive Annual Financial Report may be found on the District's website at <http://www.acsd3.org>.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 8,409,146	\$ 2,974,311	\$ 11,383,457
Accounts receivable	96,307	-	96,307
Property taxes receivable, net	503,350	-	503,350
Due from other governmental units	9,130,832	5,709	9,136,541
Other receivables	104,763	17,710	122,473
Internal balances	190,587	(190,587)	-
Inventories and prepaid expenses	-	40,447	40,447
Investment in Anderson Institute of Technology	4,575,044	-	4,575,044
Capital assets:			
Land	1,157,341	-	1,157,341
Buildings	43,089,845	-	43,089,845
Improvements other than buildings	11,948,366	-	11,948,366
Equipment	3,782,077	921,888	4,703,965
Construction in progress	3,103,189	-	3,103,189
Less accumulated depreciation	(32,983,086)	(455,046)	(33,438,132)
Total capital assets, net of depreciation	<u>30,097,732</u>	<u>466,842</u>	<u>30,564,574</u>
Total assets	<u>53,107,761</u>	<u>3,314,432</u>	<u>56,422,193</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred refunding charges	147,270	-	147,270
Deferred amounts related to pensions and OPEB	<u>19,053,970</u>	<u>-</u>	<u>19,053,970</u>
Total deferred outflows of resources	<u>19,201,240</u>	<u>-0-</u>	<u>19,201,240</u>
<u>LIABILITIES</u>			
Accounts payable	2,456,982	9,838	2,466,820
Unearned income	710,372	4,048	714,420
Other liabilities	19,358	-	19,358
Due to state	4,678	-	4,678
Net pension liability	34,037,607	-	34,037,607
Net OPEB liability	26,636,238	-	26,636,238
Long-term liabilities:			
Due within one year	3,352,539	-	3,352,539
Due in more than one year	<u>18,247,589</u>	<u>-</u>	<u>18,247,589</u>
Total liabilities	<u>85,465,363</u>	<u>13,886</u>	<u>85,479,249</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred amounts related to pensions and OPEB	<u>16,537,625</u>	<u>-</u>	<u>16,537,625</u>
Total deferred inflows of resources	<u>16,537,625</u>	<u>-0-</u>	<u>16,537,625</u>
<u>NET POSITION (DEFICIT)</u>			
Net investment in capital assets	13,219,918	466,842	13,686,760
Restricted for:			
Custodial funds	574,075	-	574,075
Capital projects	5,735,840	-	5,735,840
Debt service	1,053,711	-	1,053,711
Unrestricted (deficit)	<u>(50,277,531)</u>	<u>2,833,704</u>	<u>(47,443,827)</u>
Total net position (deficit)	<u>\$ (29,693,987)</u>	<u>\$ 3,300,546</u>	<u>\$ (26,393,441)</u>

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Statement of Activities
For the Year Ended June 30, 2023**

Functions / Programs	Expenses	Program Revenues			Net Revenue (Expense) and Change in Net Position		
		Charges for Services and Sales	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business - Type Activities	Total
Governmental Activities:							
Instruction	\$ 20,456,335	\$ -	\$ 7,058,708	\$ -	\$ (13,397,627)		\$ (13,397,627)
Support services	16,317,720	-	17,477,148	-	1,159,428		1,159,428
Community services	56,992	-	11,895	-	(45,097)		(45,097)
Intergovernmental	14,651	-	4,307	-	(10,344)		(10,344)
Interest and other charges	822,856	-	-	-	(822,856)		(822,856)
Total Governmental Activities	<u>37,668,554</u>	<u>-0-</u>	<u>24,552,058</u>	<u>-0-</u>	<u>(13,116,496)</u>		<u>(13,116,496)</u>
Business-Type Activities:							
Food service	2,077,088	296,701	1,941,340	-		\$ 160,953	160,953
Total Business-Type Activities	<u>2,077,088</u>	<u>296,701</u>	<u>1,941,340</u>	<u>-0-</u>		<u>160,953</u>	<u>160,953</u>
Total	<u>\$ 39,745,642</u>	<u>\$ 296,701</u>	<u>\$ 26,493,398</u>	<u>\$ -0-</u>	<u>(13,116,496)</u>	<u>160,953</u>	<u>(12,955,543)</u>
General revenues:							
Property taxes levied for:							
General purposes					12,261,423	-	12,261,423
Debt service					2,523,627	-	2,523,627
Miscellaneous					3,473,611	144,809	3,618,420
Unrestricted investment earnings					399,112	49,163	448,275
Transfers - food service					110,000	(110,000)	-
Total general revenues					<u>18,767,773</u>	<u>83,972</u>	<u>18,851,745</u>
Change in net position					<u>5,651,277</u>	<u>244,925</u>	<u>5,896,202</u>
Net position (deficit), beginning of year					<u>(35,345,264)</u>	<u>3,055,621</u>	<u>(32,289,643)</u>
Net position (deficit), end of year					<u>\$ (29,693,987)</u>	<u>\$ 3,300,546</u>	<u>\$ (26,393,441)</u>

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

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Balance Sheet - Governmental Funds
June 30, 2023

	<u>General</u>	<u>Special Revenue</u>	<u>EIA</u>	<u>Debt Service</u>	<u>School Building</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>						
Cash and cash equivalents	\$ 7,909,152	\$ 499,479	\$ -	\$ -	\$ 515	\$ 8,409,146
Accounts receivable	96,307	-	-	-	-	96,307
Property taxes receivable, net	503,350	-	-	-	-	503,350
Due from governmental agencies	-	2,729,346	-	1,053,711	5,347,775	9,130,832
Due from other funds	2,163,378	-	182,449	-	387,550	2,733,377
Other receivables	104,763	-	-	-	-	104,763
Total assets	<u>\$ 10,776,950</u>	<u>\$ 3,228,825</u>	<u>\$ 182,449</u>	<u>\$ 1,053,711</u>	<u>\$ 5,735,840</u>	<u>\$ 20,977,775</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts payable	\$ 2,456,983	\$ -	\$ -	\$ -	\$ -	\$ 2,456,983
Unearned income	-	532,601	177,771	-	-	710,372
Other liabilities	-	19,358	-	-	-	19,358
Due to state	-	-	4,678	-	-	4,678
Due to other funds	439,999	2,102,791	-	-	-	2,542,790
Total liabilities	<u>2,896,982</u>	<u>2,654,750</u>	<u>182,449</u>	<u>-0-</u>	<u>-0-</u>	<u>5,734,181</u>
Fund balances:						
Nonspendable	-	-	-	-	-	-
Restricted	-	574,075	-	1,053,711	5,735,840	7,363,626
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	7,879,968	-	-	-	-	7,879,968
Total fund balances	<u>7,879,968</u>	<u>574,075</u>	<u>-</u>	<u>1,053,711</u>	<u>5,735,840</u>	<u>15,243,594</u>
Total liabilities and fund balances	<u>\$ 10,776,950</u>	<u>\$ 3,228,825</u>	<u>\$ 182,449</u>	<u>\$ 1,053,711</u>	<u>\$ 5,735,840</u>	<u>\$ 20,977,775</u>

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2023**

Total fund balance - Governmental Funds	\$ 15,243,594
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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 \$63,080,818 and the accumulated depreciation is \$32,983,085.	30,097,733
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The District's share of the investment in Anderson Institute of Technology is not recorded in the Governmental Funds but is recorded in the Statement of Activities.	4,575,044
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Deferred outflows of resources related to refunding charges are applicable to future periods and, therefore, are not reported in the funds.	147,270
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Deferred outflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	19,053,970
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Certain liabilities, including net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported in the funds.	(60,673,845)
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Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(21,600,128)
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Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.	<u>(16,537,625)</u>
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Net position (deficit) of governmental activities	<u><u>\$ (29,693,987)</u></u>
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The notes to the financial statements are an integral part of this statement.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2023**

	General	Special Revenue	EIA	Debt Service	School Building	Total Governmental Funds
REVENUES						
Local property taxes	\$ 8,073,098	\$ -	\$ -	\$ 2,181,227	\$ -	\$ 10,254,325
Other local	420,510	949,722	-	638,738	2,557,352	4,566,322
Total local	8,493,608	949,722	-0-	2,819,965	2,557,352	14,820,647
State	17,015,985	529,511	2,755,263	260,947	-	20,561,706
Federal	765	7,444,545	-	-	-	7,445,310
Intergovernmental	-	103,898	-	82,539	-	186,437
Total revenues all sources	25,510,358	9,027,676	2,755,263	3,163,451	2,557,352	43,014,100
EXPENDITURES						
Current:						
Instruction	15,324,825	3,014,291	492,813	-	-	18,831,929
Support services	11,200,740	3,351,134	155,209	-	456,925	15,164,008
Community services	28,981	27,778	-	-	-	56,759
Intergovernmental	10,492	31,029	-	-	-	41,521
Debt services:						
Principal	-	-	-	3,261,755	-	3,261,755
Interest and other charges	-	-	-	776,378	29,310	805,688
Capital outlay	-	2,167,542	60,422	-	2,363,625	4,591,589
Total expenditures	26,565,038	8,591,774	708,444	4,038,133	2,849,860	42,753,249
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,054,680)	435,902	2,046,819	(874,682)	(292,508)	260,851
OTHER FINANCING SOURCES (USES)						
Proceeds from long term debt	-	-	-	-	1,500,000	1,500,000
Other financing sources	-	41,224	-	-	-	41,224
Operating transfers in	2,046,819	54,920	-	600,000	130,000	2,831,739
Operating transfers out	(176,338)	(8,582)	(2,046,819)	-	(600,000)	(2,831,739)
Transfer of indirect costs	580,100	(470,100)	-	-	-	110,000
Total other financing sources (uses)	2,450,581	(382,538)	(2,046,819)	600,000	1,030,000	1,651,224
Net changes in fund balance	1,395,901	53,364	-0-	(274,682)	737,492	1,912,075
FUND BALANCE, July 1, 2022	6,484,067	520,711	-0-	1,328,393	4,998,348	13,331,519
FUND BALANCE, June 30, 2023	\$ 7,879,968	\$ 574,075	\$ -0-	\$ 1,053,711	\$ 5,735,840	\$ 15,243,594

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, 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, 2023**

Total net changes in fund balance - Governmental Funds	\$ 1,912,075
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 (\$2,329,635) is less than the capital outlays (\$4,570,526) in the period.	2,240,891
Capital outlays related to the Anderson Institute of Technology are reported in Governmental Funds as expenditures. However in the Statement of Activities, these costs are capitalized.	(93,830)
Governmental Funds report District 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 the costs of benefits earned (\$4,700,024) exceeds employer contributions (\$4,395,422).	(304,602)
Governmental Funds report certain non-employer OPEB contributions as revenue. However, in the Statement of Activities, such contributions are not recorded as revenue.	4,159
Bond premiums are revenues the year they are received in Governmental Funds, but are amortized over the lives of the bonds in the Statement of Activities.	150,437
Bond refunding charges are expenditures the year they are paid in Governmental Funds, but are amortized over the lives of the refunded bonds in the Statement of Activities.	(19,608)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position.	(1,500,000)
Repayment of bond principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	<u>3,261,755</u>
Change in net assets of governmental activities	<u><u>\$ 5,651,277</u></u>

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Statement of Net Position
Proprietary Funds
June 30, 2023**

	<u>Enterprise Fund Food Services</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,974,311
USDA receivables	5,709
Due from other funds	(190,587)
Other receivables	17,710
Inventories - supplies and materials	40,447
Total current assets	<u>2,847,590</u>
Noncurrent assets:	
Furniture and equipment	921,888
Less accumulated depreciation	(455,046)
Total noncurrent assets	<u>466,842</u>
Total assets	<u>3,314,432</u>
LIABILITIES	
Current liabilities:	
Accounts payable	9,838
Unearned income	4,048
Total current liabilities	<u>13,886</u>
Total liabilities	<u>13,886</u>
NET POSITION	
Net investment in capital assets	466,842
Unrestricted	<u>2,833,704</u>
Total net position	<u>\$ 3,300,546</u>

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2023**

	<u>Enterprise Fund Food Services</u>
OPERATING REVENUES	
Proceeds from sale of meals	\$ 296,701
Total operating revenues	<u>296,701</u>
OPERATING EXPENSES	
Food costs	794,915
Salaries and wages	987,482
Supplies and materials	126,310
Depreciation	65,702
Other operating costs	102,679
Total operating expenses	<u>2,077,088</u>
Operating income (loss)	<u>(1,780,387)</u>
NONOPERATING REVENUES	
Interest income	49,163
USDA reimbursements	1,783,737
USDA commodities received	157,603
Other income	144,809
Total nonoperating revenues	<u>2,135,312</u>
Income before operating transfers	354,925
Transfers in (out)	<u>(110,000)</u>
Changes in net position	244,925
Total net position - July 1, 2022	<u>3,055,621</u>
Total net position - June 30, 2023	<u>\$ 3,300,546</u>

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2023**

	Enterprise Fund Food Services
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from patrons	\$ 287,156
Payments to employees for services	(987,482)
Operating transfer to other funds	(110,000)
Payments to suppliers for goods and services	(400,312)
Net cash received from (used by) operating activities	<u>(1,210,638)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash received from USDA reimbursements	1,927,101
Transfer of funds from a governmental fund	-
Cash received from miscellaneous sources	2,985
Net cash received from (used for) noncapital financing activities	<u>1,930,086</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(130,717)
Net cash received from (used for) capital and related financing activities	<u>(130,717)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	49,163
Net cash received from investing activities	<u>49,163</u>
Net increase in cash and cash equivalents	637,894
Cash and cash equivalents - July 1, 2022	<u>2,336,417</u>
Cash and cash equivalents - June 30, 2023	<u>\$ 2,974,311</u>
Reconciliation of operating income (loss) to net cash received from (used by) operating activities:	
Operating income (loss) - Exhibit H	\$ (1,780,387)
Adjustments to reconcile operating income (loss) to net cash received from (used by) operating activities:	
Depreciation	65,702
USDA commodities received	157,603
Operating transfers out	(110,000)
Change in assets and liabilities:	
(Increase) decrease in other receivables	(10,672)
(Increase) decrease in inventories	(2,246)
Increase (decrease) in accounts payable	9,374
Increase (decrease) in due to other funds	458,861
Increase (decrease) in unearned income	1,127
Net cash received from (used by) operating activities	<u>\$ (1,210,638)</u>

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

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

Anderson County School District Number Three, South Carolina (“the District”) is a school district created by the South Carolina Legislature to provide public education services to students of a specified geographical district of Anderson County, South Carolina. The District receives funding from local, state, and federal sources and must comply with any requirements of the funding source entities. The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial accounting principles. The more significant of the District’s accounting policies are described below:

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Reporting Entity

The Board of Trustees (“the Board”) of the District controls the District and has oversight responsibility over all activities related to public school education in the District.

The District’s financial statements include the operations of all organizations for which the District’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 District does not exercise oversight responsibility over any additional organizations.

b) Government-Wide and Fund Financial Statements

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

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

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

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

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

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

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

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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 reconciliations with brief explanations to better identify the relationship between the Government-wide Statements and the Statements for Governmental Funds.

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

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

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

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

The General Fund - a major fund, is the general operating fund of the District and accounts for all revenues and expenditures of the District 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 District has two Special Revenue Funds:

- i) The Special Projects Fund, a major fund, is used to account for financial resources provided by federal, state, and local projects and grants.
- 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.

Debt Service Fund - a major fund, is used to account for the accumulation of resources for, and payment of, all long-term debt principal, interest and related costs for the District.

School Building Fund - a major fund, is used to account for financial resources to be used for site acquisitions, construction, equipment, and renovation of all major capital facilities except for those financed in the Enterprise Fund.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

d) Cash, Cash Equivalents, and Investments

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

The District's bank cash, cash equivalents and investments balance (which was different from the District's book balances of \$11,383,457 because of outstanding checks, deposits in transit, and other reconciling items) of \$12,710,451 at June 30, 2023, was insured or fully collateralized.

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

Insured and collateralized amounts at June 30, 2023 are as follows:

Insured	\$ 250,000
Collateralized	3,022,557
Uncollateralized	<u>-</u>
Total bank balance	<u>\$ 3,272,557</u>

The District's cash investment objectives are preservation of capital, liquidity, and yield. The District reports its cash and investments at fair value, which is normally determined by quoted market prices.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

d) Cash, Cash Equivalents, and Investments, Continued

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

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

Interest Rate Risk: Interest rate risk for investments is the risk that changes in interest rates will adversely affect the fair value of an investment. The District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Credit Risk for Investments: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District does not have an investment policy for credit risk.

Custodial Credit Risk for Investments: Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District does not have an investment policy for custodial credit risk. As of June 30, 2023, none of the District's investments were exposed to custodial credit risk.

Concentration of Credit Risk for Investments: The District places no limit on the amount it may invest in any one issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this disclosure requirement. None of the District's other security investments exceeded 5% of the total amount invested.

The District's investments consist of State Treasurer's Local Government Investment Pool ("LGIP") accounts with a total carrying value and fair market value of \$9,437,894 at June 30, 2023. The local government investment pool is a 2a7-like pool which is not registered with the Securities and Exchange Commission as an investment company but has a policy that it will operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The South Carolina Treasurer oversees the pool. In accordance with GASB Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value determined annually based upon quoted market prices. The fair value of the position in the pool is the same as the value of the pool shares. Financial statements for the LGIP may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O. Box 11778, Columbia, SC 29211-1960.

Amounts due from the county treasurer consist of funds held by the Anderson County Treasurer. The Treasurer receives monies from local, state, and federal sources on behalf of the District. The monies held by the Treasurer are uninsured but are collateralized with government investments held by the pledging institution's agent in the name of the Treasurer. The Treasurer invests these funds in investments authorized by state statute as described above. These monies are remitted to the District once a claim has been presented to the Treasurer.

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

e) Receivables and Payables

On Fund Financial Statements, receivables and payables resulting from short-term interfund loans are classified as “due from other funds” or “due to other funds”. These amounts are eliminated in the Governmental and Business-Type Activities columns of the Statement of Net Position, except for the net residual amounts due between Governmental and Business-Type Activities, which are presented as “internal balances”. All accounts and property tax receivables are shown net of an allowance for uncollectible accounts and are expected to be collected within one year.

f) Inventories and Prepaid Assets

With the exception of the Proprietary Fund, the District has elected to account for disbursements for inventory items as expenditures at the time of purchase. Accordingly, no inventories have been recorded in the financial statements of these funds. The Proprietary Fund inventories are recorded at cost using the first-in, first-out method as of June 30, 2023.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

g) Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$5,000. The District’s infrastructure assets are immaterial and have been reported with the buildings and improvements. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized. Interest incurred during the construction of capital assets is capitalized.

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

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

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Buildings	30 years	N/A
Buildings / Improvements	10-30 years	N/A
Furniture and Equipment	5-10 years	7 years
Vehicles	10 years	N/A

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

g) Capital Assets, continued

Investment in Anderson Institute of Technology: The Anderson Institute of Technology (“the Institute”) is a joint project governed by an affiliation agreement between the District, Anderson County School District Four, and Anderson County School District Five (“Member Districts”). The Institute serves as the career and technology center for the Member Districts. The accounting and finance function will be performed by the Anderson County School District Five which will be reimbursed by the other Member Districts for their share of the costs. The District has approximately 14% interest in the Institute with Anderson County School District Four and Anderson County School District Five having approximately 16% and approximately 70% respectively. The District’s share of the operating costs has been recorded as expenditures in the General Fund. The District’s interest in the Institute is shown as investment in Anderson Institute of Technology on the Statement of Net Position and is also included in the net investment in capital assets in the net position section of the Statement of Net Position.

At June 30, 2023, the District’s investment in the Institute of \$4,575,044 was comprised of land, buildings and improvements, equipment, and vehicles of \$144,392; \$4,174,605; \$840,456; and \$15,753, respectively. Accumulated depreciation on these assets was \$600,162 at June 30, 2023.

h) Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the Government-Wide Financial Statements, and all payables, accrued liabilities, and long-term obligations payable from Proprietary Funds are reported on the Proprietary Fund Financial Statements.

In general, payables and accrued liabilities that will be paid from Governmental Funds are reported on the Governmental Fund Financial Statements regardless of whether they will be liquidated with current resources. 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.

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position. Bond premiums, as well as bond issuance costs, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Amortization of premiums and bond issuance costs are included in interest expense. Bond premiums are included with bonds payable and other long-term obligations. Bond issuance costs are included with other assets and are amortized over the term of the related debt.

In the Fund Financial Statements, governmental fund-types recognized bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

i) 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 District recognizes an NPL, which represents the District's proportionate share of the excess of the TPL over the fiduciary net position of the qualified pension plan, measured as of the District'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.

j) 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.

k) 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. The District has deferred charges on refunding reported in the government-wide Statement of Net Position and outflows related to pensions and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. District 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 pension 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.

l) Compensated Absences

There is no vested or accumulated vacation or sick pay that is expected to be paid after year-end.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

m) 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 District 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 District's policy is to apply expenditures against nonspendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year by adjusting journal entries. First, nonspendable fund balances are determined. Then restricted fund balances for specific purposes, if any, are determined. Then any remaining fund balance amounts for the non-general funds are classified as restricted fund balance. Committed fund balance amounts are established by the District's Board through motions passed at the District's Board meetings. The District has no committed fund balance amounts. Assigned fund balance amounts are established by the District's administration.

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 District'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 District has fund balances restricted for custodial funds, capital projects, and debt service in the amounts of \$574,075, \$5,735,840, and \$1,053,711, respectively at June 30, 2023.

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

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

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

n) Net Position

Net position represents the difference between assets plus deferred outflows and liabilities plus deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Outstanding debt, which has not been spent, is included in the same net 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.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

o) 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 District 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 District 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.

p) Use of Estimates

The preparation of the 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.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

2) STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Practices – Formal budgetary accounting is employed as a management tool for the District. Budgets are presented in the basic 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. The budget includes proposed expenditures and the means of financing the expenditures.

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

- 1) In the fall of the preceding year, the District begins its budget process for the next succeeding fiscal year beginning on July 1.
- 2) After the District's budget committee reviews all requests and allocation requirements and related revenue, it presents a tentative proposed budget to the Superintendent for his review and adjustment.
- 3) The Superintendent then presents a proposed budget to the Board which reviews it in a series of workshops and makes any additions or deletions it deems necessary.
- 4) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.
- 5) The Board recommends the budget to the Anderson County Board of Education.

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 District's policies allow funds to be transferred between functions. However, the total budget cannot be increased beyond that level without the approval of the Board in supplementary action. The legal level of control is at the fund level. During the year, the Board revised the budget.

3) DUE FROM/DUE TO OTHER FUNDS

Interfund balances at June 30, 2023, consist of the following individual fund receivables and payables:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental Funds:		
General Fund	\$ 2,163,378	\$ 439,999
Special Projects Fund	-	2,102,791
Education Improvement Act Fund	182,449	-
School Building Fund	387,550	-
Proprietary Fund:		
Enterprise Fund	-	190,587
	<u>\$ 2,733,377</u>	<u>\$ 2,733,377</u>

The General Fund receivable is a result of Special Projects Fund owing the General Fund for claims that were filed but not yet received, the General Fund owing the Education Improvement Act Fund for amounts received for state claims on behalf of the Fund and owing the School Building Fund for amounts received on its behalf.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

3) DUE FROM/DUE TO OTHER FUNDS, Continued

Transfers from and to other funds for the year ended June 30, 2023, consisted of the following:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental Funds:		
General Fund	\$ 2,626,919	\$ 176,338
Special Projects Fund	54,920	478,682
Education Improvement Act Fund	-	2,046,819
School Building Fund	130,000	600,000
Debt Service Fund	600,000	-
Proprietary Fund:		
Enterprise Fund	<u>-</u>	<u>110,000</u>
Totals	<u>\$ 3,411,839</u>	<u>\$ 3,411,839</u>

The General Fund received transfers from Special Projects Fund for indirect costs on federal programs and from Education Improvement Act Fund to cover salaries and benefits, indirect costs on federal programs, and to supplement operations as part of funding flexibility. The General Fund received transfers from the Enterprise Fund for indirect costs. The General Fund transferred funds to the Special Projects Fund to help support program services. The School Building Fund transferred funds to the Debt Service Fund to assist in meeting debt service obligations.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

4) CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2023, is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,157,341	\$ -	\$ -	\$ 1,157,341
Construction in progress	3,366,661	4,231,414	(4,494,886)	3,103,189
	<u>4,524,002</u>	<u>4,231,414</u>	<u>(4,494,886)</u>	<u>4,260,530</u>
Capital assets, being depreciated:				
Buildings	40,570,821	2,519,024	-	43,089,845
Improvements other than buildings	9,972,514	1,975,852	-	11,948,366
Equipment	3,442,956	339,121	-	3,782,077
	<u>53,986,291</u>	<u>4,833,997</u>	<u>-0-</u>	<u>58,820,288</u>
Less accumulated depreciation for:				
Buildings	23,325,392	1,394,343	-	24,719,735
Improvements other than buildings	4,100,544	796,558	-	4,897,102
Equipment	3,227,517	138,732	-	3,366,249
	<u>30,653,453</u>	<u>2,329,633</u>	<u>-0-</u>	<u>32,983,086</u>
Total capital assets being depreciated, net	<u>23,332,838</u>	<u>2,504,364</u>	<u>-0-</u>	<u>25,837,202</u>
Governmental Activities capital assets, net	\$ <u>27,856,840</u>	\$ <u>6,735,778</u>	\$ <u>(4,494,886)</u>	\$ <u>30,097,732</u>
Business-Type Activities:				
Furniture and equipment	\$ 816,373	\$ 130,717	\$ (25,202)	\$ 921,888
Accumulated depreciation	<u>414,545</u>	<u>65,703</u>	<u>(25,202)</u>	<u>455,046</u>
Business-Type Activities capital assets, net	\$ <u>401,828</u>	\$ <u>65,014</u>	\$ <u>-0-</u>	\$ <u>466,842</u>
Depreciation was charged to functions/programs as follows:				
Governmental Activities:				
Instruction			\$ 1,490,965	
Support			<u>838,668</u>	
Total depreciation expense - Governmental Activities			\$ <u>2,329,633</u>	
Business-Type Activities:				
Food Service Fund			\$ <u>65,703</u>	
Total depreciation expense - Business-Type Activities			\$ <u>65,703</u>	

The District has multiple capital projects in progress across the District with a single vendor. As phases of the projects are completed, the related costs are moved to the appropriate capital asset categories. The amounts expended as of year-end for uncompleted phases are included as construction in progress. Total contracts for the capital projects total approximately \$7.2 million and the District has approximately \$1.4 million in costs remaining for the total contracts as of the report issuance date. The District is in dispute with the vendor as to the amount owed on one of these projects and the disputed amount is considered material. The District has engaged the appropriate parties to aid in the resolution of this dispute. The District has determined that this situation should not impact the continuity of its operations and does not expect it to impact its General Fund fund balance.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

5) LONG-TERM DEBT

The following is a summary of long-term debt transactions of the District for the year ended June 30, 2023:

General Obligation Bonds payable at beginning of year	\$ 19,383,000
Borrowings	1,500,000
Principal payments	<u>(2,914,838)</u>
General Obligation Bonds payable at end of year	<u>17,968,162</u>
Qualified Energy Conservation notes payable at beginning of year	2,889,468
Principal payments	<u>(346,917)</u>
Qualified Energy Conservation note payable at end of year	<u>2,542,551</u>
Premium on bonds issued	2,635,504
Amortization of premium	<u>(1,546,089)</u>
Total long-term obligations at end of year	<u><u>\$ 21,600,128</u></u>

General obligation bonds payable are comprised of the following issues:

\$9,780,000 General Obligation Bonds, issued 2015, due in annual installments of \$25,000 to \$1,100,000 beginning 2016 and continuing through 2029, interest payable semi-annually at rates from 2.00% to 5.00%	\$ 8,090,000
\$12,500,000 General Obligation Bonds, issued 2016, due in annual installments of \$600,000 to \$1,175,000 beginning 2017 and continuing through 2032, interest payable semi-annually at rates from 2.00% to 5.00%	7,845,000
\$4,029,000 General Obligation Bonds, issued 2019, due in annual installments of \$129,000 to \$1,164,000 beginning 2020 and continuing through 2025, interest payable semi-annually at 1.77%	664,000
\$1,500,000 General Obligation Bonds, issued 2020, due in annual installments of \$356,000 to \$390,000 beginning 2021 and continuing through 2024, interest payable semi-annually at 1.515%	356,000
\$1,500,000 General Obligation Bonds, issued 2022, due in annual installments of \$495,639 to \$517,523 beginning 2023 and continuing through 2025, interest payable semi-annually at 4.32%	<u>1,013,162</u>
	<u><u>\$ 17,968,162</u></u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

5) LONG-TERM DEBT, Continued

Qualified Energy Conservation notes payable are comprised of the following issue:

The District entered into an acquisition, use, and security agreement with US Bank in 2015 for a \$5,225,240 Qualified Energy Conservation Note Payable, due in annual installments of \$465,093 to \$497,292 beginning 2016 and continuing through 2030, interest at 4.31% subsidized 70% by the federal government.

\$ 2,542,000

\$ 2,542,000

The annual requirements to amortize all debt outstanding as of June 30, 2023, are as follows:

Year Ended June 30	Principal	Interest	Total
2024	\$ 3,352,539	\$ 710,553	\$ 4,063,092
2025	2,706,542	588,991	3,295,533
2026	2,304,005	474,668	2,778,673
2027	2,413,127	374,591	2,787,718
2028	2,517,296	279,718	2,797,014
Thereafter	<u>7,217,204</u>	<u>365,432</u>	<u>7,582,636</u>
	\$ <u>20,510,713</u>	\$ <u>2,793,953</u>	\$ <u>23,304,666</u>

Section 15 of Article X of the South Carolina state constitution allows school districts to incur a legal debt limit not to exceed 8% of the assessed value of all property within the school district (as of the date of debt issuance), unless approved by a majority vote in a referendum authorized by law. The District's computed debt limitation as of June 30, 2023, is \$4,148,710. The bond issue in 2009 was approved by majority vote in authorized referenda.

For the payment of principal and interest on the bonds as they mature, the full faith, credit, and taxing power of the District is irrevocably pledged.

The various bond indentures contain significant limitations and restrictions on annual debt service requirements, maintenance of and flow of moneys through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage. The District is in compliance with all such significant limitations and restrictions at June 30, 2023.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

6) CHANGE IN GENERAL LONG-TERM DEBT

The following is a summary of changes in long-term obligations for the year ended June 30, 2023:

	<u>2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>203</u>
Amount available in Debt Service Fund	\$ 1,328,393	\$ -	\$ (274,682)	\$ 1,053,711
Amount to be provided for retirement of long-term obligations	<u>20,944,075</u>	<u>-</u>	<u>(1,487,073)</u>	<u>19,457,002</u>
Total available and to be provided	<u>\$ 22,272,468</u>	<u>\$ -0-</u>	<u>\$ (1,487,073)</u>	<u>\$ 20,510,713</u>
Total long-term obligations	<u>\$ 22,272,468</u>	<u>\$ -0-</u>	<u>\$ (1,487,073)</u>	<u>\$ 20,510,713</u>

7) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS

The District 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.

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

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

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

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

7) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS, Continued

Plan Descriptions, continued

The State Optional Retirement Program (“State ORP”) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired state, public higher education institution and public school district employees, as well as first-term individuals elected to the South Carolina General Assembly. State ORP participants direct the investment of their funds into an account administered by one of four third-party service providers.

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

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

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

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

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

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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

7) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS, Continued

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

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

	SCRS and State ORP Rates		
	2023	2022	2021
Employer Contribution Rate: [^]			
Retirement*	17.41%	16.41%	15.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
	<u>17.56%</u>	<u>16.56%</u>	<u>15.56%</u>
Employee Contribution Rate	<u>9.00%</u>	<u>9.00%</u>	<u>9.00%</u>

[^] 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

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

7) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS, Continued

Contribution Summary, continued

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

Year Ended June 30,	SCRS Contributions		State ORP Contributions	
	Required	% Contributed	Required	% Contributed
2023	\$ 3,010,332	100%	\$ 209,430	100%
2022	2,579,575	100%	188,841	100%
2021	2,319,224	100%	118,049	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS contribution increases for the year ended June 30, 2022. 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, 2022 (measurement date) to the District were approximately \$141,140 for the SCRS.

The District recognized contributions (on-behalf benefits) from the State of approximately \$141,140 for the year ended June 30, 2023. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the District's governmental fund financial statements.

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

Year Ended June 30,	SCRS Payroll	State ORP Payroll	Total Payroll
2023	\$ 17,143,119	\$ 1,667,434	\$ 18,810,553
2022	15,577,145	1,633,575	17,210,720
2021	14,905,034	1,117,883	16,022,917

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

The June 30, 2022, TPL, NPL, and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2021. The TPL was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2022, using generally accepted actuarial principles. There was no legislation enacted during the 2022 legislative session that had a material change in the benefit provisions for any of the systems.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

7) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS, Continued

Actuarial Assumptions, continued

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2022:

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

*Includes inflation at 2.25%

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

Assumptions used in the determination of the June 30, 2022 TPL are as follows:

<u>Former Job Class</u>	<u>Males</u>	<u>Females</u>
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%

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 2022 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 TPL includes a 4.75% real rate of return and a 2.25% inflation component.

<u>Allocation / Exposure</u>	<u>Policy Target</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long Term Expected Portfolio Real Rate of Return</u>
Public Equity	46.0%	6.79%	3.12%
Bonds	26.0%	-0.35%	-0.09%
Private Equity	9.0%	8.75%	0.79%
Private Debt	7.0%	6.00%	0.42%
Real Assets:			
Real Estate	9.0%	4.12%	0.37%
Infrastructure	3.0%	5.88%	0.18%
Total Expected Return	<u>100.0%</u>		<u>4.79%</u>
Inflation for Actuarial Purposes			<u>2.25%</u>
Total Expected Nominal Return			<u>7.04%</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

7) EMPLOYER RETIREMENT SYSTEMS AND PENSION PLANS, Continued

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, 2022, for SCRS are presented below:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers' Net Pension Liability (Asset)</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS	\$ 56,454,779,872	\$ 32,212,626,932	\$ 24,242,152,940	57.1%

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.

At June 30, 2023, the District reported a liability of \$34,037,607 for its proportionate share of the PEBA's NPL. The NPL was measured as of June 30, 2022, and the TPL used to calculate the NPL was determined based on the most recent actuarial valuation report as of July 1, 2021 that was projected forward to the measurement date. The District's proportion of the NPL was based on a projection of the District'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, 2022 measurement date, the District's proportion was 0.140407%, which was an increase of 0.000095% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized pension expense of \$2,905,794 for its proportionate share of the PEBA's pension expense. At June 30, 2023, the District reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ 295,723	\$ 148,335
Assumption changes	1,091,666	-
Net difference between projected and actual earnings on pension plan investments	5,007,408	4,954,915
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	534,306	145,331
District contributions subsequent to the measurement date	<u>3,219,762</u>	<u>-</u>
	<u>\$ 10,148,865</u>	<u>\$ 5,248,581</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

7) 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

\$3,219,762 reported as deferred outflows of resources related to pensions resulting from District contributions to the PEBA subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to the PEBA will be recognized in pension expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ 888,292
2025	705,199
2026	(800,646)
2027	<u>887,677</u>
	<u>\$ 1,680,522</u>

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 District's proportionate share of the NPL, calculated using the discount rate disclosed in the preceding paragraph, as well as what the District'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:

<u>Asset Class</u>	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
District's proportionate share of the Net Pension Liability:	\$ 43,640,412	\$ 34,037,607	\$ 26,054,122

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.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
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Notes to Financial Statements
Year Ended June 30, 2023

8) 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 8 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.

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 District, 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.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
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Year Ended June 30, 2023

8) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

Funding Policy, continued

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, 2022, was 6.25%. 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,		
	2023	2022	2021
Employer Contribution Rate: [^]	6.25%	6.25%	6.25%

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

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

Year Ended June 30,	Contributions		Eligible Payroll
	Required	% Contributed	
2023	\$ 1,175,660	100%	\$ 18,810,553
2022	1,075,670	100%	17,210,720
2021	1,001,433	100%	16,022,917

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 District approximately \$4,159 for the year ended June 30, 2022 (measurement period). The contributions from these non-employer contributing entities are recognized as state revenues and intergovernmental expenditures in the District'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 net OPEB liability arising from contributions to the OPEB plan during the measurement period from non-employer contributing entities for purposes other than the separate financing of specific liabilities to the OPEB plan. Therefore, employers should classify this revenue in the same manner as it classifies grants from other entities.

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Trusts, and additions to and deductions from the OPEB Trusts fiduciary net position have been determined on the same basis as they were reported by the OPEB Trusts. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

8) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

Actuarial Assumptions – Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of the District’s Contributions, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about the District’s net OPEB liability, funded status of the OPEB Plan, and the District’s contributions to the OPEB Plan.

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

The total OPEB liability (“TOL”), NOL, and sensitivity information were determined by the consulting actuary and are based on an actuarial valuation performed as of June 30, 2021. The TOL was rolled-forward from the valuation date to the OPEB plan’s fiscal year ended June 30, 2022 using generally accepted actuarial principles.

Additional information as of the latest actuarial valuation for SCRHITF:

Valuation Date:	June 30, 2021
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:	3.69% as of June 30, 2022
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements
Health Care Trend Rate:	Initial trend starting at 6.00% 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 1.92% as of June 30, 2021 to 3.69% as of June 30, 2022

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

8) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

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

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

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

The following table represents the components of the NOL as of the June 30, 2022, measurement date, as well as the five prior years:

<u>SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND</u>				
<u>Fiscal Year Ending</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
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%
June 30, 2018	\$ 15,387,115,010	\$ 1,216,530,062	\$ 14,170,584,948	7.91%
June 30, 2017	\$ 14,659,610,970	\$ 1,114,774,760	\$ 13,544,836,210	7.60%

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.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

8) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

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

At June 30, 2023, the District reported a liability of \$26,636,238 its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2022, and the TOL for the SCRHITF used to calculate the NOL was determined by an actuarial valuation as of June 30, 2021 that was projected forward to the measurement date. The District's proportion of the NOL was based on a projection of the District'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, 2022 measurement date, the District's proportion was 0.175102%, which was an increase of 0.003299% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized OPEB expense of \$1,695,016 for its proportionate share of the PEBA's OPEB expense for SCRHITF. At June 30, 2023, the District reported its proportionate share of the PEBA's deferred outflows of resources and deferred inflows of resources related to SCRHITF from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between expected and actual experience	\$ 571,714	\$ 2,342,074
Assumption changes	6,005,785	8,562,104
Net difference between projected and actual earnings on OPEB plan investments	209,438	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	942,508	384,866
District contributions subsequent to the measurement date	<u>1,175,660</u>	<u>-</u>
	<u>\$ 8,905,105</u>	<u>\$ 11,289,044</u>

\$1,175,660 reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRHITF will be recognized as a reduction of the NOL in the year ended June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to the SCRHITF will be recognized in OPEB expense as follows:

<u>Year Ended June 30</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	\$ (233,053)
2025	(175,537)
2026	(310,341)
2027	(905,721)
Thereafter	<u>(1,934,947)</u>
	<u>\$ (3,559,599)</u>

Discount Rate – The discount rate of 3.69% 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).

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023**

8) OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS, Continued

OPEB Liability Sensitivity – The following table presents the District’s proportionate share of the NOL calculated using a single discount rate of 3.69%, as well as what the District’s NOL would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

	<u>1% Decrease (2.69%)</u>	<u>Discount Rate (3.69%)</u>	<u>1% Increase (4.69%)</u>
District's proportionate share of the SCRHITF net OPEB liability	\$ 31,491,237	\$ 26,636,238	\$ 22,734,586

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

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the SCRHITF net OPEB liability	\$ 21,905,702	\$ 26,636,238	\$ 32,159,396

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.

9) DEFERRED COMPENSATION PLAN

The District, through the South Carolina Deferred Compensation Commission, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all District employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, disability, death, or unforeseeable emergency. Investments are managed by the plan’s program administrator under a variety of investment options or a combination thereof. The participants make the choice of investment(s) option(s). Investments are carried at their market value. The District’s administrative involvement is limited to transmitting amounts withheld from payroll to the program administrator.

10) POSTEMPLOYMENT BENEFITS

The District provides death benefits to employees through the group life insurance program for members of the SCRS, which is explained further in Note 7. The beneficiaries of those employees who die in active service after one year of credited service are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the budgeted salary of the deceased member. The District has no liability beyond the payment of monthly contributions. Contributions are determined as a percentage of monthly covered payroll. The District does not determine the number of eligible participants. For the year ended June 30, 2023, the District made contributions to the State for death benefits representing 0.15% of covered payroll.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

10) POSTEMPLOYMENT BENEFITS, Continued

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

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

11) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees' and natural disasters. The District carries commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

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

12) COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal and state assisted grant programs. Although the District has been audited in accordance with provisions of the Uniform Guidance, these programs are still subject to financial and compliance audits by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the District's management believes such disallowances, if any, would not be significant.

In 2007, South Carolina enacted Act 388, which was effective for the District beginning July 1, 2007. Act 388 provides an exemption for one hundred percent of the fair market value of owner-occupied residential property, to the extent it is not already covered by other property tax relief exemptions, for all property taxes imposed for school operating purposes, but not including millage imposed for the repayment of general obligation debt for property tax years beginning after January 1, 2007. Act 388 also created a new Homestead Exemption Fund which is funded from an additional 1 cent sales tax imposed by Act 388.

Act 388 created three tiers of distribution to school districts. Tier one distributions equal the amounts that were received by the school districts for the fiscal year ended June 30, 2007, relating to an earlier property tax relief provision for owner occupied residential property. In the case of the District, that amount was \$539,881.

Tier two distributions equal the amounts received by school districts for the school operating portion of the homestead exemption for the elderly, disabled, and blind. In the case of the District, that amount was \$302,684. Tiers one and two distributions are fixed and do not change.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

12) COMMITMENTS AND CONTINGENCIES, Continued

Tier three distributions are state funded payments to school districts to replace revenues formerly derived from taxation by school districts of owner-occupied residential property. For the fiscal year ended June 30, 2008, those distributions were expected to equal, dollar for dollar, the revenue that would have been collected by the school districts from property taxes for school operating purposes imposed by the school districts on owner occupied residential property for that fiscal year as if no reimbursed exemptions applied. Beginning with the 2008-2009 fiscal year, the tier three distributions will be the sum of the amount of the fiscal year 2007-2008 tier three distributions plus the tier three reimbursement increases. Act 388 requires the tier three reimbursements to be increased annually by (i) an inflation factor equal to the percentage increase in the previous year Consumer Price Index, Southeast Region, as published by the United States Department of Labor, Bureau of Labor Statistics, plus (ii) the percentage increase in the previous year in the population of the State as determined by the Office of Research and Statistics of the State Budget and Control Board. The tier three increases are aggregated for the entire state and the amount going to any particular school district is equal to an amount that is the district's proportionate share of the aggregated funds based on the school district's weighted pupil units as a percentage of the statewide weighted pupil units as determined annually pursuant to the EFA, with an adjustment for certain poverty factors to provide programs for the affected students. There are provisions in the tier three reimbursement that could, in any given year, result in a minimum increase of four percent to the extent funds are available in the Homestead Exemption Fund. There are also provisions that require the total tier three reimbursements to the school districts in a county to be not less than \$2,500,000. If the amount of tier three distributions other than those dependent upon balances in the Homestead Exemption Fund exceed amounts in the Homestead Exemption Fund, the excess is required to be paid from the General Fund of the State. The District's reimbursement for fiscal year 2023 for tier three was \$1,786,074.

Act 388 requires that, to the extent revenues in the Homestead Exemption Fund are insufficient to pay all required reimbursements to a school district; the State will pay the difference from its general fund. However, there can be no assurances that such funds will be appropriated in the event there is such an insufficiency or that the change in funding sources resulting from Act 388 will not have an adverse effect on the District's operations. The District recognizes that Act 388 places increased reliance on state funds to fund the General Fund. This increased reliance at the state level is being funded by the additional one penny sales tax, which in the District's opinion is not as stable as property tax revenue which the sales tax replaced. In addition, Act 388 removes the authority of governing bodies of school districts to increase operating millage in any year to meet the required local EFA inflation factor and the per pupil maintenance of effort requirement.

13) PROPERTY TAXES

Anderson County, South Carolina ("the County") is responsible for levying and collecting sufficient property taxes to meet its funding obligation to the District. This obligation is established each year by the Anderson County Board of Education and does not necessarily represent taxes levied or collected. Property taxes are levied and billed by the County on real and personal properties on October 1 based on assessed values at established millage rates. These taxes are due without penalty through January 15. Penalties are added to taxes based on the date paid as follows:

January 16 through February 1	3% of tax
February 2 through March 15	10% of tax
After March 15	15% of tax, plus collection costs

Current year real and personal taxes become delinquent on March 16. Unpaid property taxes become a lien against the property as of June 1, of the calendar year following the levy date. The levy date for motor vehicles is the first day of the month in which the motor vehicle license expires. These taxes are due by the last day of the same month.

Taxes receivable includes an allowance for uncollectible taxes. An allowance for uncollectible amounts is not necessary for other receivable accounts.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to Financial Statements
Year Ended June 30, 2023

14) LEASES

The District has operating leases for copiers and printers used in its schools, with total lease expense under these agreements of \$115,152 for the year ended June 30, 2023. Future lease obligations under these operating lease agreements are \$114,757 annually for the next fiscal year.

The District follows the guidance of GASB Statement #87 *Leases*. The statement requires recognition of certain lease assets and liabilities that previously were classified as operating leases. A lessee entity is required to recognize a lease liability and an intangible asset representing the lessee's right to use the leased asset. The District has analyzed its leases and determined that, due to the remaining term of the leases, no intangible asset or lease liability should be recognized.

15) TAX ABATEMENTS

GASB Statement No. 77, *Tax Abatement Disclosures*, requires governments that forgo revenue in connection with tax abatements to disclose certain information relating to that fact. For purposes of this statement, a tax abatement is defined as a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which one or more governments promise to forgo tax revenues to which they are otherwise entitled in exchange for the individual or entity's promise to take a specific action that contributes to economic development or otherwise benefits the governments or citizens of the governments.

The District's property tax revenues were reduced under agreements entered into by Anderson County. These agreements are broadly described as fee in lieu of tax programs and infrastructure credit programs. For the year ended June 30, 2023, the District's property tax revenues were reduced by \$2,598,786 and \$53,691 for fee in lieu and infrastructure credit programs, respectively.

16) OTHER INFORMATION

In December 2019, an outbreak of novel coronavirus ("COVID-19") originated in China and spread to other countries, including the U.S. In March 2020, the World Health Organization characterized COVID-19 as a pandemic. In response to the pandemic, Congress passed the Coronavirus Aid, Relief, and Economic Security Act ("the CARES Act") which introduced aid to effected organizations. Follow-up legislation to the CARES Act provides funding to state schools and other entities for COVID-19 related expenditures. The District determined its eligibility for funding under various programs, applied for, and received additional funding through several programs.

17) SUBSEQUENT EVENTS

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through November 17, 2023, 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, 2023.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net Pension Liability
June 30, 2023**

<u>Year</u>	<u>District's proportion of the net pension liability</u>	<u>District's proportionate share of the net pension liability</u>	<u>District's covered- employee payroll</u>	<u>District's proportionate share of the net pension liability as a percentage of the covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total pension liability</u>
2022	0.140312%	\$ 30,365,400	\$ 16,022,917	189.51%	60.70%
2021	0.135760%	\$ 34,688,977	\$ 15,515,953	223.57%	50.70%
2020	0.138352%	\$ 31,591,501	\$ 15,024,701	210.26%	54.40%
2019	0.139971%	\$ 31,363,011	\$ 14,910,454	210.34%	54.10%
2018	0.139057%	\$ 31,303,967	\$ 14,458,571	216.51%	53.30%
2017	0.139114%	\$ 29,714,545	\$ 13,820,879	215.00%	52.90%
2016	0.140715%	\$ 26,687,278	\$ 13,573,205	196.62%	57.00%
2015	0.142579%	\$ 24,547,377	\$ 13,333,681	184.10%	59.90%

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 District will present information for those years which information is available.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of District Contributions - Pension Plan
June 30, 2023**

Year	Contractually required contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as percentage of covered- employee payroll
2022	\$ 2,768,416	\$ 2,768,416	\$ -0-	\$ 17,210,720	16.09%
2021	\$ 2,437,273	\$ 2,437,273	\$ -0-	\$ 16,022,917	15.21%
2020	\$ 2,356,691	\$ 2,356,691	\$ -0-	\$ 15,515,953	15.19%
2019	\$ 2,127,157	\$ 2,127,157	\$ -0-	\$ 15,024,701	14.16%
2018	\$ 1,966,876	\$ 1,966,876	\$ -0-	\$ 14,910,454	13.19%
2017	\$ 1,621,910	\$ 1,621,910	\$ -0-	\$ 14,458,571	11.22%
2016	\$ 1,488,140	\$ 1,488,140	\$ -0-	\$ 13,820,879	10.77%
2015	\$ 1,437,626	\$ 1,437,626	\$ -0-	\$ 13,573,205	10.59%

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 District will present information for those years which information is available.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of the Proportionate Share of the Net OPEB Liability
June 30, 2023**

<u>SCRHITF</u>	<u>District's proportion of the net OPEB liability</u>	<u>District's proportionate share of the net OPEB liability</u>	<u>District's covered- employee payroll</u>	<u>District's proportionate share of the net OPEB liability as a percentage of the covered- employee payroll</u>	<u>Plan fiduciary net position as a percentage of the total OPEB liability</u>
<u>Year</u>					
2022	0.171813%	\$ 35,776,932	\$ 16,022,917	223.29%	7.48%
2021	0.168325%	\$ 30,385,097	\$ 15,515,953	195.83%	8.39%
2020	0.171793%	\$ 25,977,721	\$ 15,024,701	172.90%	8.44%
2019	0.172901%	\$ 24,501,083	\$ 14,910,454	164.32%	7.91%
2018	0.171456%	\$ 23,223,434	\$ 14,458,571	160.62%	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 District will present information for those years which information is available.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of District Contributions - OPEB Plan
June 30, 2023**

<u>SCRHIF</u>		Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	District's covered- employee payroll	Contributions as percentage of covered- employee payroll
<u>Year</u>	<u>Contractually required contributions</u>				
2022	\$ 1,075,670	\$ 1,075,670	\$ -0-	\$ 17,210,720	6.25%
2021	\$ 1,001,433	\$ 1,001,433	\$ -0-	\$ 16,022,917	6.25%
2020	\$ 969,747	\$ 969,747	\$ -0-	\$ 15,515,953	6.25%
2019	\$ 908,994	\$ 908,994	\$ -0-	\$ 15,024,701	6.05%
2018	\$ 820,075	\$ 820,075	\$ -0-	\$ 14,910,454	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 District will present information for those years which information is available.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
REVENUES			
1000 Revenue from local sources			
1200 Revenue from local governmental units other than LEAs			
1210 Ad valorem taxes-including delinquent (dependent)	\$ 6,730,000	\$ 6,758,517	\$ 28,517
1280 Revenue in lieu of taxes (independent and dependent)	900,000	1,314,581	414,581
1500 Earnings on investments			
1510 Interest on investments	20,000	261,338	241,338
1900 Other revenue from local sources			
1990 Miscellaneous local revenue			
1993 Receipt of insurance proceeds	-	125,671	125,671
1994 Receipt of legal settlements	-	13,911	13,911
1999 Revenue from other local sources	15,000	19,590	4,590
Total local sources	<u>7,665,000</u>	<u>8,493,608</u>	<u>828,608</u>
3000 Revenue from state sources			
3100 Restricted state funding			
3103 State aid to classrooms	11,542,913	11,826,908	283,995
3130 Special programs			
3131 Handicapped transportation	-	675	675
3160 School bus driver salary (incl hazard condition trans)	372,375	381,549	9,174
3162 Transportation workers' compensation	18,250	17,546	(704)
3180 Fringe benefits employer contrib (no carryover)	815,500	808,993	(6,507)
3190 Miscellaneous restricted state grants			
3199 Other restricted state grants	-	19,238	19,238
3330 Miscellaneous EFA programs			
3392 NBC excess EFA formula	-	45,204	45,204
3800 State revenue in lieu of taxes			
3810 Reimburse for local residential prop tax relief (Tier 1)	539,500	539,881	381
3820 Homestead exemption (Tier 2)	302,500	302,684	184
3825 Reimbursement for property tax relief (Tier 3)	1,725,000	1,786,074	61,074
3830 Merchant's inventory tax	5,500	7,510	2,010
3840 Manufacturer's depreciation reimbursement	375,000	566,350	191,350
3890 Other state prop tax rev (incl motor veh tax)	27,000	71,293	44,293

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
3900 Other state revenue			
3993 PEBA on-behalf	\$ 141,000	\$ 141,140	\$ 140
3999 Revenue from other state sources	<u>1,000</u>	<u>500,940</u>	<u>499,940</u>
Total state sources	<u>15,865,538</u>	<u>17,015,985</u>	<u>1,150,447</u>
4000 Revenue from federal sources			
4900 Other federal sources			
4999 Revenue from other federal sources	<u>-</u>	<u>765</u>	<u>765</u>
Total state sources	<u>-</u>	<u>765</u>	<u>765</u>
Total revenues all sources	<u>23,530,538</u>	<u>25,510,358</u>	<u>1,979,820</u>

EXPENDITURES

100 Instruction			
110 General instruction			
111 Kindergarten programs			
100 Salaries	611,094	829,879	(218,785)
200 Employee benefits	322,885	438,499	(115,614)
300 Purchased services	9,332	7,712	1,620
400 Supplies and materials	4,110	3,761	349
112 Primary programs			
100 Salaries	1,720,117	1,728,905	(8,788)
200 Employee benefits	812,110	802,525	9,585
300 Purchased services	22,984	21,679	1,305
400 Supplies and materials	34,538	12,446	22,092
113 Elementary programs			
100 Salaries	3,606,582	3,389,227	217,355
200 Employee benefits	1,691,210	1,536,321	154,889
300 Purchased services	159,891	117,454	42,437
400 Supplies and materials	33,882	31,005	2,877
114 High school programs			
100 Salaries	1,959,120	2,023,712	(64,592)
200 Employee benefits	890,653	878,524	12,129
300 Purchased services	122,835	59,414	63,421
400 Supplies and materials	35,462	33,906	1,556
600 Other objects	13,000	11,872	1,128

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
115 Career and Technology Education programs			
100 Salaries	\$ 523,874	\$ 499,679	\$ 24,195
200 Employee benefits	254,266	223,861	30,405
300 Purchased services (other than tuition)	39,340	23,806	15,534
400 Supplies and materials	22,684	27,969	(5,285)
500 Capital outlay	174	180	(6)
116 Career and Technology Education (Voc) programs-mid school			
100 Salaries	67,358	67,908	(550)
200 Employee benefits	36,028	34,748	1,280
400 Supplies and materials	1,000	16	984
120 Exceptional programs			
121 Educable mentally handicapped			
100 Salaries	102,435	100,519	1,916
200 Employee benefits	52,683	52,120	563
122 Trainable mentally handicapped			
100 Salaries	45,260	84,373	(39,113)
200 Employee benefits	33,144	37,168	(4,024)
300 Purchased services	1,456	-	1,456
400 Supplies and materials	-	4,626	(4,626)
123 Orthopedically handicapped			
100 Salaries	23,253	21,429	1,824
200 Employee benefits	11,117	10,394	723
124 Visually handicapped			
100 Salaries	19,961	20,184	(223)
200 Employee benefits	10,699	10,047	652
300 Purchased services	-	6,073	(6,073)
125 Hearing handicapped			
100 Salaries	23,208	22,229	979
200 Employee benefits	12,817	11,372	1,445
300 Purchased services	-	28,086	(28,086)
126 Speech handicapped			
100 Salaries	142,031	146,981	(4,950)
200 Employee benefits	68,470	55,485	12,985
300 Purchased services	43,425	48,012	(4,587)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
127 Learning disabilities			
100 Salaries	\$ 566,354	\$ 556,133	\$ 10,221
200 Employee benefits	278,568	290,972	(12,404)
300 Purchased services	2,956	24,155	(21,199)
128 Emotionally handicapped			
100 Salaries	8,338	8,384	(46)
200 Employee benefits	4,528	4,452	76
300 Purchased services	631	-	631
130 Preschool programs			
131 Preschool handicapped speech (5-yr.-olds)			
100 Salaries	5,519	5,243	276
200 Employee benefits	2,680	2,380	300
135 Preschool handicapped speech (3- and 4-yr.-olds)			
100 Salaries	2,070	1,966	104
200 Employee benefits	1,005	892	113
137 Preschool handicapped self-contained (3- and 4-yr.-olds)			
100 Salaries	33,431	42,889	(9,458)
200 Employee benefits	18,846	21,221	(2,375)
139 Early childhood programs			
200 Employee benefits	-	11,123	(11,123)
400 Supplies and materials	-	730	(730)
140 Special programs			
141 Gifted and talented academic			
100 Salaries	77,763	63,557	14,206
200 Employee benefits	37,477	29,812	7,665
300 Purchased services	1,333	2,457	(1,124)
400 Supplies and materials	1,667	156	1,511
145 Homebound			
100 Salaries	18,000	10,975	7,025
200 Employee benefits	5,476	6,289	(813)
147 CERDEP			
100 Salaries	166,345	229,578	(63,233)
200 Employee benefits	84,745	110,080	(25,335)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
149 Other special programs			
100 Salaries	\$ 9,000	\$ 10,463	\$ (1,463)
200 Employee benefits	2,858	3,309	(451)
300 Purchased services	20,000	-	20,000
160 Other exceptional programs			
161 Autism			
100 Salaries	163,769	149,325	14,444
200 Employee benefits	92,649	76,773	15,876
162 Limited english proficiency			
100 Salaries	122,332	122,331	1
200 Employee benefits	63,678	63,097	581
300 Purchased services	339	207	132
400 Supplies and materials	1,140	-	1,140
170 Summer school programs			
171 Primary summer school			
100 Salaries	-	7,564	(7,564)
200 Employee benefits	-	1,394	(1,394)
300 Purchased services	-	46	(46)
400 Supplies and materials	12,500	-	12,500
190 Instructional pupil activity			
660 Other pupil activities	-	2,766	(2,766)
Total instruction	<u>15,390,485</u>	<u>15,324,825</u>	<u>65,660</u>
200 Support services			
210 Pupil services			
212 Guidance services			
100 Salaries	544,951	543,053	1,898
200 Employee benefits	234,173	234,498	(325)
300 Purchased services	3,250	12,127	(8,877)
400 Supplies and materials	8,069	8,344	(275)
600 Other objects	-	126	(126)
213 Health services			
100 Salaries	204,519	255,979	(51,460)
200 Employee benefits	111,467	135,769	(24,302)
300 Purchased services	69,085	56,093	12,992
400 Supplies and materials	10,589	12,428	(1,839)
600 Other objects	2,500	-	2,500

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
214 Psychological services			
300 Purchased services	\$ -	\$ 53,025	\$ (53,025)
400 Supplies and materials	-	1,328	(1,328)
217 Career specialist services			
100 Salaries	5,366	7,047	(1,681)
200 Employee benefits	3,102	3,824	(722)
400 Supplies and materials	145	141	4
220 Instructional staff services			
221 Improvement of instruction curriculum development			
100 Salaries	359,433	378,639	(19,206)
200 Employee benefits	168,702	174,680	(5,978)
300 Purchased services	35,057	15,285	19,772
400 Supplies and materials	22,777	16,219	6,558
600 Other objects	776	1,576	(800)
222 Library and media services			
100 Salaries	331,083	333,771	(2,688)
200 Employee benefits	144,150	138,788	5,362
300 Purchased services	7,996	8,605	(609)
400 Supplies and materials	27,227	26,363	864
223 Supervision of special programs			
100 Salaries	132,095	132,921	(826)
200 Employee benefits	56,876	56,347	529
300 Purchased services	11,811	5,793	6,018
400 Supplies and materials	5,460	211	5,249
600 Other objects	3,518	-	3,518
224 Improvement of instruction inserv and staff training			
300 Purchased services	25,000	15,804	9,196
400 Supplies and materials	-	805	(805)
600 Other objects	-	200	(200)
230 General administrative services			
231 Board of education			
100 Salaries	-	7,754	(7,754)
300 Purchased services	20,282	15,556	4,726
318 Audit services	34,000	29,000	5,000
400 Supplies and materials	543	816	(273)
600 Other objects	78,028	84,794	(6,766)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
232 Office of the Superintendent			
100 Salaries	\$ 165,724	\$ 197,213	\$ (31,489)
200 Employee benefits	62,923	78,772	(15,849)
300 Purchased services	4,947	10,127	(5,180)
400 Supplies and materials	18,569	10,794	7,775
500 Capital outlay	181	-	181
600 Other objects	15,601	23,710	(8,109)
233 School administration			
100 Salaries	1,559,980	1,497,570	62,410
140 Terminal leave	-	2,689	(2,689)
200 Employee benefits	736,040	711,560	24,480
300 Purchased services	28,285	43,644	(15,359)
400 Supplies and materials	13,596	21,848	(8,252)
600 Other objects	1,860	3,000	(1,140)
250 Finance and operations services			
251 Student transportation (federal/district mandated)			
600 Other objects	5,000	-	5,000
252 Fiscal services			
100 Salaries	201,757	203,675	(1,918)
200 Employee benefits	90,639	88,050	2,589
300 Purchased services	42,197	85,095	(42,898)
400 Supplies and materials	22,900	3,558	19,342
500 Capital outlay	2,000	-	2,000
600 Other objects	850	813	37
253 Facilities acquisition and construction			
500 Capital outlay			
520 Construction services	-	500,000	(500,000)
254 Operation and maintenance of plant			
100 Salaries	692,513	689,496	3,017
200 Employee benefits	372,994	360,450	12,544
300 Purchased services	454,659	531,241	(76,582)
321 Public util (excl gas, oil, elect & oth heating fuels)	44,450	49,811	(5,361)
400 Supplies and materials	241,216	325,421	(84,205)
470 Energy (incl gas, oil, elect & oth heating fuels)	550,878	579,052	(28,174)
500 Capital outlay	5,375	142,161	(136,786)

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
255 Student transportation (state mandated)			
100 Salaries	\$ 499,851	\$ 733,456	\$ (233,605)
200 Employee benefits	346,105	384,337	(38,232)
300 Purchased services	22,415	21,969	446
400 Supplies and materials	5,350	3,838	1,512
256 Food services			
100 Salaries	68,259	-	68,259
200 Employee benefits	368,335	-	368,335
258 Security			
300 Purchased services	246,273	243,808	2,465
400 Supplies and materials	21,211	24,864	(3,653)
600 Other objects	-	304	(304)
260 Central support services			
263 Information services			
300 Purchased services	18,348	20,997	(2,649)
400 Supplies and materials	15,335	9,740	5,595
500 Capital outlay	295	-	295
600 Other objects	206	525	(319)
264 Staff services			
100 Salaries	43,459	43,459	-
200 Employee benefits	19,710	19,078	632
300 Purchased services	20,874	26,261	(5,387)
400 Supplies and materials	3,163	828	2,335
600 Other objects	-	4,000	(4,000)
266 Technology and data processing services			
100 Salaries	251,212	244,827	6,385
200 Employee benefits	104,425	97,899	6,526
300 Purchased services	84,271	61,251	23,020
400 Supplies and materials	13,965	28,179	(14,214)
500 Capital outlay	10,545	-	10,545
600 Other objects	351	400	(49)
270 Support services - pupil activity			
271 Pupil service activities			
100 Salaries	189,500	196,661	(7,161)
200 Employee benefits	60,312	58,648	1,664
400 Supplies and materials	-	3,658	(3,658)
600 Other objects	15,000	44,294	(29,294)
Total support services	<u>10,425,934</u>	<u>11,200,740</u>	<u>(774,806)</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For Fiscal Year Ended June 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
300 Community services			
360 Welfare services			
400 Supplies and materials	\$ -	\$ 216	\$ (216)
390 Other community services			
300 Purchased services	353	620	(267)
400 Supplies and materials	-	158	(158)
600 Other objects	<u>27,707</u>	<u>27,987</u>	<u>(280)</u>
Total community services	<u>28,060</u>	<u>28,981</u>	<u>(921)</u>
400 Other charges			
410 Intergovernmental expenditures			
412 Payments to other governmental units			
720 Transits	6,695	-	6,695
417 Payments to nonprofit entities (other than for First Steps)			
720 Transits	<u>6,348</u>	<u>10,492</u>	<u>(4,144)</u>
Total intergovernmental expenditures	<u>13,043</u>	<u>10,492</u>	<u>2,551</u>
Total expenditures	<u>25,857,522</u>	<u>26,565,038</u>	<u>(707,516)</u>
OTHER FINANCING SOURCES (USES)			
Interfund transfers, from (to) other funds			
5230 Transfer from Special Revenue EIA Fund	2,036,984	2,046,819	9,835
5260 Transfer from Food Service Fund (excl indirect cost)	141,000	-	(141,000)
5280 Transfer from other funds indirect cost	395,000	580,100	185,100
421-710 Transfer to Special Revenue Fund	(46,000)	(3,978)	42,022
424-710 Transfer to Capital Projects Fund	-	(130,000)	(130,000)
426-710 Transfer to Pupil Activity Fund	<u>-</u>	<u>(42,360)</u>	<u>(42,360)</u>
Total other financing sources (uses)	<u>2,526,984</u>	<u>2,450,581</u>	<u>(76,403)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>\$ 200,000</u>	1,395,901	<u>\$ 1,195,901</u>
FUND BALANCE, July 1, 2022		<u>6,484,067</u>	
FUND BALANCE, June 30, 2023		<u>\$ 7,879,968</u>	

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Total
REVENUES									
1000 Revenue from local sources									
1500 Earnings on investments									
1510 Interest on investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,946	\$ 15,946
1700 Pupil activities									
1710 Admissions	-	-	-	-	-	-	-	112,331	112,331
1720 Bookstore sales	-	-	-	-	-	-	-	44,408	44,408
1730 Pupil org membership dues and fees	-	-	-	-	-	-	-	59,042	59,042
1740 Student fees	-	-	-	-	-	-	42,950	88,983	131,933
1790 Other pupil activity income	-	-	-	-	-	-	-	394,841	394,841
1900 Other revenue from local sources									
1920 Contrib and donations from private sources	-	-	-	-	-	-	17,628	828	18,456
1930 Special needs transportation-Medicaid	-	-	-	-	-	-	87,860	-	87,860
1990 Miscellaneous local revenue									
1999 Revenue from other local sources	-	-	-	-	-	-	84,905	-	84,905
Total local sources	-	-	-	-	-	-	233,343	716,379	949,722
2000 Intergovernmental revenue									
2300 Paymts from nonprofits(for First Steps)									
2310 Paymts from nonprofits (not First Steps)	-	-	-	-	-	-	103,898	-	103,898
Total integovernmental revenue	-	-	-	-	-	-	103,898	-	103,898
3000 Revenue from state sources									
3100 Restricted state funding									
3110 Occupational education									
3118 EEDA career specialists	-	-	-	-	-	64,487	-	-	64,487

* See Schedule 7 for a listing of LEA subfund codes for each program.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Total
3120 General education									
3127 Student health/fitness-PE teachers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,102	\$ -	\$ -	\$ 9,102
3130 Special programs									
3134 CERDEP - full day 4K	-	-	-	-	-	190,361	-	-	190,361
3135 Reading coaches	-	-	-	-	-	117,175	-	-	117,175
3136 Student health/fitness - nurses	-	-	-	-	-	50,049	-	-	50,049
3190 Miscellaneous restricted state grants									
3193 Education license plates	-	-	-	-	-	175	-	-	175
3199 Other restricted state grants	-	-	-	-	-	11,939	-	-	11,939
3900 Other state revenue									
3994 PEBA nonemployer contributions	-	-	-	-	-	4,159	-	-	4,159
3999 Revenue from other state sources	-	-	-	-	-	82,064	-	-	82,064
Total state sources	-	-	-	-	-	529,511	-	-	529,511
4000 Revenue from federal sources									
4200 Occupational education									
4210 Perkins, Title I-CATE-basic state grants	-	-	-	56,291	-	-	-	-	56,291
4300 Elementary and Secondary Educ Act of 1965 (ESEA)									
4310 Title I, Basic State Grant (carryover prov)	999,538	-	-	-	-	-	98,084	-	1,097,622
4312 Rural and low-inc school prog, Title V	-	-	-	-	-	-	59,172	-	59,172
4341 Lang instr ltd english prof/immig, Title III	-	-	-	-	-	-	8,783	-	8,783
4343 McKinney-Vento educ for homeless	-	-	-	-	-	-	43,328	-	43,328
4351 Supporting effective instruction	-	-	-	-	-	-	135,384	-	135,384
4500 Programs for children with disabilities									
4510 Individ with Disabil Educ Act (IDEA)	-	806,996	-	-	-	-	-	-	806,996
4520 Presch grants children w/disabil (IDEA)	-	-	28,467	-	-	-	-	-	28,467

* See Schedule 7 for a listing of LEA subfund codes for each program.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants* (900s)	Other Special Revenue Programs* (200s/800s)	Student Activity Funds (700s)	Total
4900 Other federal sources									
4931 ARP IDEA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 90,811	\$ -	\$ 90,811
4974 ESSER III	-	-	-	-	-	-	3,427,144	-	3,427,144
4977 ESSER II	-	-	-	-	-	-	1,598,280	-	1,598,280
4990 Other federal revenue									
4997 Title IV - SSAE	-	-	-	-	-	-	75,396	-	75,396
4999 Revenue from other federal sources	-	-	-	-	-	-	16,871	-	16,871
Total federal sources	<u>999,538</u>	<u>806,996</u>	<u>28,467</u>	<u>56,291</u>	<u>-</u>	<u>-</u>	<u>5,553,253</u>	<u>-</u>	<u>7,444,545</u>
Total revenues all sources	<u>999,538</u>	<u>806,996</u>	<u>28,467</u>	<u>56,291</u>	<u>-</u>	<u>529,511</u>	<u>5,890,494</u>	<u>716,379</u>	<u>9,027,676</u>

EXPENDITURES

100 Instruction									
110 General instruction									
111 Kindergarten programs									
100 Salaries	-	-	-	-	-	6,504	-	-	6,504
200 Employee benefits	643	-	-	-	-	2,598	-	-	3,241
112 Primary programs									
100 Salaries	246,588	-	-	-	-	-	178,269	-	424,857
200 Employee benefits	102,628	-	-	-	-	-	78,002	-	180,630
113 Elementary programs									
100 Salaries	44,403	-	-	-	-	-	272,372	-	316,775
200 Employee benefits	19,530	-	-	-	-	-	120,766	-	140,296
300 Purchased services	33,792	-	-	-	-	-	28,101	-	61,893
400 Supplies and materials	198,046	-	-	-	-	3,175	151,078	-	352,299

* See Schedule 7 for a listing of LEA subfund codes for each program.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
114 High school programs									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,937	\$ -	\$ 185,937
200 Employee benefits	-	-	-	-	-	-	89,151	-	89,151
300 Purchased services	-	-	-	-	-	-	8,659	-	8,659
400 Supplies and materials	-	-	-	-	-	-	11,346	-	11,346
600 Other objects	-	-	-	-	-	-	181	-	181
115 Career and Technology Educ programs									
400 Supplies and materials	-	-	-	13,265	-	-	-	-	13,265
600 Other objects	-	-	-	3,898	-	-	-	-	3,898
116 CATE (vocational) prog-mid school									
300 Purchased services	-	-	-	950	-	-	-	-	950
400 Supplies and materials	-	-	-	11,825	-	-	-	-	11,825
120 Exceptional programs									
121 Educable mentally handicapped									
100 Salaries	-	18,718	-	-	-	-	41	-	18,759
200 Employee benefits	-	10,366	-	-	-	-	80	-	10,446
122 Trainable mentally handicapped									
100 Salaries	-	2,775	-	-	-	-	-	-	2,775
200 Employee benefits	-	1,361	-	-	-	-	-	-	1,361
123 Orthopedically handicapped									
100 Salaries	-	8,615	-	-	-	-	-	-	8,615
200 Employee benefits	-	4,709	-	-	-	-	-	-	4,709
400 Supplies and materials	-	17,272	-	-	-	-	282	-	17,554
124 Visually handicapped									
200 Employee benefits	-	10,448	-	-	-	-	-	-	10,448
300 Purchased services	-	2,394	-	-	-	-	2,717	-	5,111
400 Supplies and materials	-	-	-	-	-	-	61	-	61

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
125 Hearing handicapped									
100 Salaries	\$ -	\$ 20,546	\$ -	\$ -	\$ -	\$ -	\$ 28,739	\$ -	\$ 49,285
200 Employee benefits	-	10,296	-	-	-	-	13,164	-	23,460
300 Purchased services	-	16,293	-	-	-	-	-	-	16,293
126 Speech handicapped									
100 Salaries	-	2,076	-	-	-	-	-	-	2,076
200 Employee benefits	-	1,126	-	-	-	-	-	-	1,126
300 Purchased services	-	42,484	-	-	-	-	5,857	-	48,341
400 Supplies and materials	-	-	-	-	-	-	623	-	623
127 Learning disabilities									
100 Salaries	-	170,320	-	-	-	-	85,365	-	255,685
200 Employee benefits	-	79,652	-	-	-	-	45,802	-	125,454
300 Purchased services	-	6,927	-	-	-	-	1,319	-	8,246
400 Supplies and materials	-	8,554	-	-	-	-	6,947	-	15,501
130 Preschool programs									
137 Preschool hndicap self-cont (3-4-yr-olds)									
100 Salaries	-	-	20,536	-	-	-	-	-	20,536
200 Employee benefits	-	-	7,815	-	-	-	-	-	7,815
139 Early childhood programs									
100 Salaries	-	-	-	-	-	51,821	-	-	51,821
200 Employee benefits	-	-	-	-	-	13,484	-	-	13,484
300 Purchased services	-	-	-	-	-	622	-	-	622
400 Supplies and materials	-	-	-	-	-	17,382	-	-	17,382
140 Special programs									
141 Gifted and talented academic									
400 Supplies and materials	-	-	-	-	-	-	59	-	59

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
147 CERDEP									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,874	\$ -	\$ -	\$ 120,874
200 Employee benefits	-	-	-	-	-	47,844	-	-	47,844
400 Supplies and materials	-	-	-	-	-	21,643	-	-	21,643
160 Other exceptional programs									
161 Autism									
100 Salaries	-	34,064	-	-	-	-	-	-	34,064
200 Employee benefits	-	16,103	-	-	-	-	-	-	16,103
400 Supplies and materials	-	45	-	-	-	-	-	-	45
162 Limited english proficiency									
100 Salaries	-	-	-	-	-	-	2,580	-	2,580
200 Employee benefits	-	-	-	-	-	-	205	-	205
300 Purchased services	-	-	-	-	-	-	2,422	-	2,422
400 Supplies and materials	-	-	-	-	-	-	4,961	-	4,961
170 Summer school programs									
172 Elementary summer school									
100 Salaries	-	-	-	-	-	-	10,020	-	10,020
200 Employee benefits	-	-	-	-	-	-	3,181	-	3,181
400 Supplies and materials	-	-	-	-	-	-	5,552	-	5,552
175 Instruct prog beyond regular school day									
100 Salaries	-	-	-	-	-	-	23,903	-	23,903
200 Employee benefits	-	-	-	-	-	-	7,198	-	7,198
180 Adult/continuing education programs									
188 Parenting/family literacy									
100 Salaries	11,452	-	-	-	-	-	-	-	11,452
200 Employee benefits	7,705	-	-	-	-	-	-	-	7,705
300 Purchased services	-	-	-	-	-	2,590	-	-	2,590
400 Supplies and materials	6,489	-	-	-	-	-	695	-	7,184

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
190 Instructional pupil activity									
660 Pupil activity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,004	\$ 128,406	\$ 135,410
Total instruction	<u>671,276</u>	<u>485,144</u>	<u>28,351</u>	<u>29,938</u>	<u>-</u>	<u>288,537</u>	<u>1,382,639</u>	<u>128,406</u>	<u>3,014,291</u>
200 Support services									
210 Pupil services									
212 Guidance services									
100 Salaries	-	-	-	-	-	44,775	-	-	44,775
200 Employee benefits	-	-	-	-	-	19,712	-	-	19,712
400 Supplies and materials	-	-	-	-	-	-	41	-	41
213 Health services									
100 Salaries	-	28,708	-	-	-	32,109	115,201	-	176,018
200 Employee benefits	-	9,200	-	-	-	17,940	39,989	-	67,129
300 Purchased services	-	6,680	-	-	-	-	6,913	-	13,593
400 Supplies and materials	-	-	-	-	-	4,613	2,840	-	7,453
214 Psychological services									
300 Purchased services	-	45,000	-	-	-	-	-	-	45,000
220 Instructional staff services									
221 Improvement of instr curriculum develop									
100 Salaries	172,093	-	-	15,435	-	82,350	454,078	-	723,956
200 Employee benefits	84,148	-	-	6,065	-	34,825	201,368	-	326,406
300 Purchased services	-	-	-	-	-	181	16,860	-	17,041
400 Supplies and materials	-	-	-	-	-	310	4,216	-	4,526
222 Library and media services									
400 Supplies and materials	-	-	-	-	-	-	2,743	-	2,743

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
223 Supervision of special programs									
100 Salaries	\$ 23,244	\$ 92,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,032
200 Employee benefits	12,637	40,950	-	-	-	-	-	-	53,587
300 Purchased services	2,163	703	-	-	-	-	18,044	-	20,910
400 Supplies and materials	226	-	-	-	-	-	-	-	226
224 Improvement of instruction inserv and staff training									
100 Salaries	-	-	-	-	-	-	17,000	-	17,000
200 Employee benefits	-	-	-	-	-	-	5,342	-	5,342
300 Purchased services	2,283	-	-	4,853	-	-	55,620	-	62,756
400 Supplies and materials	-	-	-	-	-	-	2,743	-	2,743
230 General administrative services									
231 Board of education									
100 Salaries	-	-	-	-	-	-	569,000	-	569,000
200 Employee benefits	-	-	-	-	-	-	48,498	-	48,498
232 Office of the Superintendent									
400 Supplies and materials	-	-	-	-	-	-	8,389	-	8,389
600 Other objects	-	-	-	-	-	-	100	-	100
233 School administration									
300 Purchased services	-	-	-	-	-	-	396	-	396
250 Finance and operations services									
251 Student transport (fed/district mandated)									
100 Salaries	-	39,319	-	-	-	-	5,694	-	45,013
200 Employee benefits	-	25,737	-	-	-	-	2,018	-	27,755
300 Purchased services	-	438	-	-	-	-	-	-	438
253 Facilities acquisition and construction									
500 Capital outlay	-	-	-	-	-	-	2,029,720	-	2,029,720

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
254 Operation and maintenance of plant									
100 Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 40,008	\$ -	\$ 40,008
200 Employee benefits	-	-	-	-	-	-	20,829	-	20,829
300 Purchased services	-	-	-	-	-	-	4,972	-	4,972
400 Supplies and materials	-	-	-	-	-	-	57,492	-	57,492
500 Capital outlay	-	-	-	-	-	-	575	-	575
255 Student transportation (state mandated)									
100 Salaries	-	-	-	-	-	-	7,936	-	7,936
200 Employee benefits	-	-	-	-	-	-	4,097	-	4,097
400 Supplies and materials	-	-	-	-	-	-	61	-	61
258 Security									
400 Supplies and materials	-	-	-	-	-	-	42,284	-	42,284
500 Capital outlay	-	-	-	-	-	-	137,589	-	137,589
260 Central support services									
263 Information services									
100 Salaries	-	-	-	-	-	-	6,000	-	6,000
200 Employee benefits	-	-	-	-	-	-	500	-	500
300 Purchased services	-	-	-	-	-	-	26,534	-	26,534
400 Supplies and materials	-	-	-	-	-	-	349	-	349
264 Staff services									
300 Purchased services	-	-	-	-	-	-	100	-	100
400 Supplies and materials	-	-	-	-	-	-	1,713	-	1,713
600 Other objects	-	-	-	-	-	-	852	-	852
266 Technology/data processing services									
100 Salaries	-	-	-	-	-	-	43,315	-	43,315
200 Employee benefits	-	-	-	-	-	-	7,111	-	7,111
300 Purchased services	-	-	-	-	-	-	15,209	-	15,209
400 Supplies and materials	-	-	-	-	-	-	18,896	-	18,896

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
270 Support services - pupil activity									
271 Pupil service activities									
660 Pupil activity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,637	\$ 605,426	\$ 616,063
272 Enterprise activities									
660 Pupil activity	-	-	-	-	-	-	588	-	588
273 Trust and agency activities									
660 Pupil activity	-	-	-	-	-	-	9,071	-	9,071
Total support services	296,794	289,523	-	26,353	-	236,815	4,063,531	605,426	5,518,442
300 Community services									
360 Welfare services									
100 Salaries	381	-	-	-	-	-	-	-	381
300 Purchased services	109	-	-	-	-	-	262	-	371
400 Supplies and materials	2,588	-	-	-	-	-	4,232	-	6,820
500 Capital outlay	-	-	-	-	-	-	234	-	234
600 Other objects	-	-	-	-	-	-	206	-	206
390 Other community services									
600 Other objects	-	-	-	-	-	-	20,000	-	20,000
Total community services	3,078	-	-	-	-	-	24,934	-	28,012

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

	Title I (201/202)	IDEA (203/204)	Preschool Handicapped (205/206)	CATE (207/208)	Adult Education (243)	Other Designated Restricted State Grants (900s)	Other Special Revenue Programs (200s/800s)	Student Activity Funds (700s)	Total
400 Other charges									
410 Intergovernmental expenditures									
414 Medicaid payments to SCDE									
720 Transits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,870	\$ -	\$ 26,870
419 Payments to PEBA nonemployer contrib									
720 Transits	-	-	-	-	-	4,159	-	-	4,159
Total intergovernmental expenditures	-	-	-	-	-	4,159	26,870	-	31,029
Total expenditures	971,148	774,667	28,351	56,291	-	529,511	5,497,974	733,832	8,591,774
OTHER FINANCING SOURCES (USES)									
5300 Sale of fixed assets									
5900 Miscellaneous sources									
5999 Other financing sources	-	-	-	-	-	-	41,224	-	41,224
Interfund transfers, from (to) other funds									
5210 Transfer from General Fund (excludes IC)	-	-	-	-	-	-	3,978	42,360	46,338
5220 Transfer from Spec Rev Fund (excl IC)	-	-	-	-	-	-	2,257	6,325	8,582
421-710 Transfer to Special Revenue Fund	-	-	-	-	-	-	-	(2,257)	(2,257)
426-710 Transfer to Pupil Activity Fund	-	-	-	-	-	-	(6,325)	-	(6,325)
431-791 Special Revenue Fund indirect costs	(28,390)	(32,329)	(116)	-	-	-	(409,265)	-	(470,100)
Total other financing sources (uses)	(28,390)	(32,329)	(116)	-	-	-	(368,131)	46,428	(382,538)
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	-0-	-0-	-0-	-0-	-0-	-0-	24,389	28,975	53,364
FUND BALANCE, July 1, 2022	-0-	-0-	-0-	-0-	-0-	-0-	80,726	439,985	520,711
FUND BALANCE, June 30, 2023	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 105,115	\$ 468,960	\$ 574,075

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Schedule of Program Classifications
For Fiscal Year Ended June 30, 2023**

LEA Subfund Code	Program	Revenue	Revenue Code
<u>OTHER RESTRICTED STATE GRANTS</u>			
928	EEDA career specialists	\$ 64,487	3118
937	Student health/fitness-PE teachers	9,102	3127
924	CERDEP - full day 4K	190,361	3134
935	Reading coaches	117,175	3135
936	Student health/fitness - nurses	50,049	3136
919	Education license plates	175	3193
821	MUSC wellness grant	4,613	3199
823	DSS child care providers	7,326	3199
994	PEBA nonemployer contributions	4,159	3994
821	CU-TLP grant	3,000	3999
982	School-based family services	79,064	3999
		<u>\$ 529,511</u>	
<u>OTHER SPECIAL REVENUE PROGRAMS</u>			
828	Technology insurance	\$ 42,950	1740
876	Santee Cooper scholarship	20,000	1999
270	Special needs transportation-Medicaid	87,860	1930
807	E-Rate	19,310	1999
822	AG Arena	575	1999
824	Donations for needy students	17,628	1999
826	STEM Activities	59	1999
812	SHARE Headstart	9,128	1999
815	Bosch grant	18,904	1999
821	Miscellaneous local donations	16,929	1999
829	Paymts from nonprofits(for First Steps)	103,898	2300
237	Title I - Targeted school improvement	98,084	4310
251	Rural and low-inc school prog, Title V	59,172	4312
232	McKinney-Vento educ for homeless	43,328	4343
264	Lang instr ltd english prof/immig, Title III	8,783	4341
230	ARP IDEA	90,811	4931
267	Supporting effective instruction	135,384	4351
218	ESSER III	3,427,144	4974
225	ESSER II	1,598,280	4977
250	Title IV - SSAE	75,396	4997
206	Public health crisis response - nurse retention	16,871	4999
		<u>\$ 5,890,494</u>	

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Special Revenue Fund
Summary Schedule for Designated State Restricted Grants
For Fiscal Year Ended June 30, 2023**

<u>Subfund</u>	<u>Revenue Code</u>	<u>Programs</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Special Revenue</u>		<u>Special Revenue Fund Unearned</u>
					<u>Interfund Transfers In/(Out)</u>	<u>Other Fund Transfers In/(Out)</u>	
928	3118	EEDA career specialists	\$ 64,487	\$ 64,487	\$ -	\$ -	\$ 77,174
937	3127	Student health/fitness-PE teachers	9,102	9,102	-	-	10,482
924	3134	CERDEP - full day 4K	190,361	190,361	-	-	101,506
935	3135	Reading coaches	117,175	117,175	-	-	92,429
936	3136	Student health/fitness - nurses	50,049	50,049	-	-	62,699
919	3193	Education license plates	175	175	-	-	-
821	3199	MUSC wellness grant	4,613	4,613	-	-	-
823	3199	DSS child care provides	7,326	7,326	-	-	-
994	3994	PEBA nonemployer contributions	4,159	4,159	-	-	-
821	3999	CU-TLP grant	3,000	3,000	-	-	-
982	3999	School-based family services	79,064	79,064	-	-	-
TOTALS			\$ 529,511	\$ 529,511	\$ -0-	\$ -0-	\$ 344,290

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2023**

REVENUES

3000 Revenue from state sources	
3500 Education improvement act	
3502 ADEPT	\$ 1,841
3503 State aid to classrooms	2,046,819
3518 Adoption list of formative assessment	12,091
3519 Grade 10 assessments	3,419
3526 Refurbishment of science kits	48,071
3528 Industry certifications/credentials	13,483
3529 Career and Technology Education	21,493
3532 National Board salary supplement	112,818
3536 Student health & fitness	16,279
3538 Students at risk of school failure	29,357
3541 Child Early Read Dev/Educ Prog(CERDEP)-4K	217,190
3557 Summer reading program	9,825
3577 Teacher supplies (no carryover provision)	59,400
3595 EEDA - supplies and materials	5,443
3597 Aid to districts	110,551
3599 Other EIA	47,183
	<hr/>
Total state sources	2,755,263
	<hr/>
Total revenues all sources	2,755,263
	<hr/>

EXPENDITURES

100 Instruction	
110 General instruction	
111 Kindergarten programs	
400 Supplies and materials	5,100
112 Primary programs	
100 Salaries	7,500
200 Employee benefits	2,352
400 Supplies and materials	24,900
113 Elementary programs	
100 Salaries	28,499
200 Employee benefits	10,229
300 Purchased services	12,091
400 Supplies and materials	38,896
114 High school programs	
100 Salaries	22,442
200 Employee benefits	7,151
300 Purchased services	14,825
400 Supplies and materials	32,708

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2023**

115 Career and Technology Education programs	
300 Purchased services	\$ 1,505
400 Supplies and materials	13,114
500 Capital outlay	7,198
120 Exceptional programs	
127 Learning disabilities	
100 Salaries	7,500
200 Employee benefits	2,344
128 Emotionally handicapped	
400 Supplies and materials	3,300
140 Special programs	
147 CERDEP	
100 Salaries	140,155
200 Employee benefits	83,111
149 Other special programs	
300 Purchased services	18,420
170 Summer school programs	
171 Primary summer school	
100 Salaries	6,031
200 Employee benefits	2,923
400 Supplies and materials	519
Total instruction	<u>492,813</u>
200 Support services	
210 Pupil services	
212 Guidance services	
300 Purchased services	4,414
400 Supplies and materials	1,500
213 Health services	
100 Salaries	11,904
200 Employee benefits	4,375
220 Instructional staff services	
221 Improvement of instruction curriculum development	
100 Salaries	25,524
200 Employee benefits	8,845
222 Library and media services	
100 Salaries	5,000
200 Employee benefits	1,562
400 Supplies and materials	900

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Education Improvement Act
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance - All Programs
For Fiscal Year Ended June 30, 2023**

224 Improvement of instruction inserv and staff training	
400 Supplies and materials	\$ 1,841
250 Finance and operations services	
253 Facilities acquisition and construction	
500 Capital outlays	14,739
255 Student transportation (state mandated)	
100 Salaries	2,376
200 Employee benefits	850
400 Supplies and materials	603
260 Central support services	
263 Information services	
100 Salaries	58,929
200 Employee benefits	24,058
266 Technology and data processing services	
300 Purchased services	1,500
500 Capital outlay	45,683
270 Support services - pupil activity	
271 Pupil service activities	
660 Pupil activity	1,028
Total support services	<u>215,631</u>
400 Other charges	
410 Intergovernmental expenditures	
412 Payments to other governmental units	
720 Transits	-
Total intergovernmental expenditures	<u>-</u>
Total expenditures	<u>708,444</u>
OTHER FINANCING SOURCES (USES)	
Interfund transfers, from (to) other funds	
420-710 Transfer to General Fund (excludes indirect costs)	<u>(2,046,819)</u>
Total other financing sources (uses)	<u>(2,046,819)</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	<u>-0-</u>
FUND BALANCE, July 1, 2022	<u>-0-</u>
FUND BALANCE, June 30, 2023	<u><u>\$ -0-</u></u>

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Education Improvement Act
Summary Schedule by Program
For Fiscal Year Ended June 30, 2023

PROGRAM	Revenues	Expenditures	EIA Intefund Transfers In/(Out)	Other Fund Transfers In/(Out)	EIA Fund Unearned
3500 Education Improvement Act					
3502 ADEPT	\$ 1,841	\$ 1,841	\$ -	\$ -	\$ 2,102
3503 State aid to classrooms	2,046,819	-	-	(2,046,819)	-
3518 Adoption list of formative assessment	12,091	12,091	-	-	-
3519 Grade 10 assessments	3,419	3,419	-	-	4,367
3526 Refurbishment of science kits	48,071	48,071	-	-	55,868
3528 Industry certifications/credentials	13,483	13,483	-	-	10,603
3529 Career and Technology Education	21,493	21,493	-	-	53,793
3532 National Board salary supplement	112,818	112,818	-	-	-
3536 Student health & fitness	16,279	16,279	-	-	-
3538 Students at risk of school failure	29,357	29,357	-	-	-
3541 Child Early Read Dev/Educ Prog(CERDEP)-	217,190	217,190	-	-	50,000
3557 Summer reading program	9,825	9,825	-	-	-
3577 Teacher supplies (no carryover provision)	59,400	59,400	-	-	-
3595 EEDA - supplies and materials	5,443	5,443	-	-	-
3597 Aid to districts	110,551	110,551	-	-	-
3599 Other EIA	47,183	47,183	-	-	1,038
TOTALS	\$ 2,755,263	\$ 708,444	\$ -0-	\$ (2,046,819)	\$ 177,771

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

REVENUES

1000 Revenue from local sources	
1200 Revenue from local governmental units other than LEAs	
1210 Ad valorem taxes-including delinquent (dependent)	\$ 1,908,774
1280 Revenue in lieu of taxes (independent and dependent)	272,453
1500 Earnings on investments	
1510 Interest on investments	23,885
1900 Other revenue from local sources	
1990 Miscellaneous local revenue	
1999 Revenue from other local sources	614,853
Total local sources	<u>2,819,965</u>
2000 Intergovernmental revenue	
2100 Payments from other governmental units	82,539
Total intergovernmental revenue	<u>82,539</u>
3000 Revenue from state sources	
3800 State revenue in lieu of taxes	
3820 Homestead exemption (Tier 2)	121,536
3830 Merchant's inventory tax	867
3840 Manufacturer's depreciation reimbursement	122,819
3890 Other state propy tax rev (incl motor veh tax)	15,725
Total state sources	<u>260,947</u>
Total revenues all sources	<u>3,163,451</u>

EXPENDITURES

500 Debt services	
610 Redemption of principal	3,261,755
620 Interest	767,381
690 Other objects (includes fees for servicing bonds)	8,997
Total debt services	<u>4,038,133</u>
Total expenditures	<u>4,038,133</u>

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023

OTHER FINANCING SOURCES (USES)

Interfund transfers, from (to) other funds	
5250 Transfer from Capital Projects Fund	\$ <u>600,000</u>

Total other financing sources (uses)	<u>600,000</u>
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EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	(274,682)
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FUND BALANCE, July 1, 2022	<u>1,328,393</u>
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FUND BALANCE, June 30, 2023	\$ <u><u>1,053,711</u></u>
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**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
School Building Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023**

REVENUES

1000 Revenue from local sources	
1500 Earnings on investments	
1510 Interest on investments	\$ 97,942
1900 Other revenue from local sources	
1990 Miscellaneous local revenue	
1999 Revenue from other local sources	<u>2,459,410</u>
Total local sources	<u>2,557,352</u>
Total revenues all sources	<u>2,557,352</u>

EXPENDITURES

200 Support services	
250 Finance and operations services	
253 Facilities acquisition and construction	
300 Purchased services	190,473
400 Supplies and materials	18,862
500 Capital outlay	
520 Construction services	2,257,416
540 Equipment	43,455
550 Vehicles	62,754
600 Other objects	
690 Other objects	84,973
255 Student transportation (state mandated)	
500 Capital outlay	118,922
260 Central support services	
266 Technology and data processing services	
400 Supplies and materials	<u>43,695</u>
Total support services	<u>2,820,550</u>
500 Debt services	
690 Other objects	<u>29,310</u>
Total debt services	<u>29,310</u>
Total expenditures	<u>2,849,860</u>

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
School Building Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
For Fiscal Year Ended June 30, 2023

OTHER FINANCING SOURCES (USES)

5120 Proceeds of general obligation bonds	\$ 1,500,000
Interfund transfers, from (to) other funds	
5210 Transfer from General Fund (excludes indirect costs)	130,000
423-710 Transfer to Debt Service Fund	<u>(600,000)</u>
Total other financing sources (uses)	<u>1,030,000</u>
EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	737,492
FUND BALANCE, July 1, 2022	<u>4,998,348</u>
FUND BALANCE, June 30, 2023	<u><u>\$ 5,735,840</u></u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Food Service Fund
Schedule of Revenues, Expenses, and Changes in Retained Earnings
For Fiscal Year Ended June 30, 2023**

REVENUES

1000 Revenue from local sources	
1500 Earnings on investments	
1510 Interest on investments	\$ 49,163
1600 Food services	
1610 Lunch sales to pupils	159,283
1620 Breakfast sales to pupils	-
1630 Special sales to pupils	86,202
1640 Lunch sales to adults	42,583
1650 Breakfast sales to adults	1,235
1660 Special sales to adults	7,398
1900 Other revenue from local sources	
1990 Miscellaneous local revenue	
1999 Revenue from other local sources	2,985
Total revenue from local sources	<u>348,849</u>
4000 Revenue from federal sources	
4800 USDA reimbursement	
4810 School lunch, after school snacks, and spec milk progs	1,177,262
4820 Supply chain assistance funding	28,037
4830 School breakfast program (carryover provision)	590,786
4899 Miscellaneous food service	113,787
4900 Other federal sources	
4991 USDA commodities (food distrib prog) (carryover provision)	157,603
4999 Revenue from other federal sources	15,689
Total revenue from federal sources	<u>2,083,164</u>
Total revenues all sources	<u>2,432,013</u>

EXPENDITURES

250 Finance and operations services	
256 Food services	
100 Salaries	649,571
200 Employee benefits	337,911
300 Purchased services (excludes energy costs)	88,439
400 Supplies and materials (includes energy costs)	920,984
500 Capital outlay	76,898
600 Other objects	3,285
Total expenditures	<u>2,077,088</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Food Service Fund
Schedule of Revenues, Expenses, and Changes in Retained Earnings
For Fiscal Year Ended June 30, 2023**

OTHER FINANCING SOURCES (USES)

Interfund transfers, from (to) other funds	
5220 Transfer from Special Revenue Fund (excl indirect cost)	\$ -
432-791 Food Service Fund indirect costs	<u>(110,000)</u>
Total other financing sources (uses)	<u>(110,000)</u>

EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	244,925
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RETAINED EARNINGS, July 1, 2022	<u>3,055,621</u>
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RETAINED EARNINGS, June 30, 2023	<u><u>\$ 3,300,546</u></u>
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**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of Due to State Department of Education/Federal Government
June 30, 2023**

<u>Program</u>	<u>Grant/ Project Number</u>	<u>Revenue/ Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SCDOE/Federal Government</u>	<u>Status of Amounts Due to Grantors</u>
Grade 10 assessments	N/A	3519/319	Unspent allocation	\$ <u><u>4,677.86</u></u>	Unpaid as of 11/17/2023

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of Capital Assets Used in Governmental Operations by Function
For the Fiscal Year Ended June 30, 2023

Function	Land	Buildings	Improvements	Equipment	Construction In Progress	Totals
Crescent High School	\$ 651,890	\$ 18,551,278	\$ 6,124,847	\$ 1,281,967	\$ 2,083,373	\$ 28,693,355
Starr-Iva Middle School	23,477	4,225,615	1,871,896	507,506	-	6,628,494
Iva Elementary School	25,982	2,252,401	1,332,680	587,577	-	4,198,640
Starr Elementary School	224,746	3,705,149	1,402,399	381,752	-	5,714,046
Flat Rock Elementary School	225,915	14,118,682	693,854	208,734	-	15,247,185
Administration	5,331	236,720	522,690	814,541	1,019,816	2,599,098
Totals	<u>\$ 1,157,341</u>	<u>\$ 43,089,845</u>	<u>\$ 11,948,366</u>	<u>\$ 3,782,077</u>	<u>\$ 3,103,189</u>	<u>\$ 63,080,818</u>

Function	Capital Assets July 1, 2022	Additions	Disposals/ Transfers	Capital Assets June 30, 2023
Crescent High School	\$ 25,964,237	\$ 2,729,118	\$ -	\$ 28,693,355
Starr-Iva Middle School	6,107,080	521,414	-	6,628,494
Iva Elementary School	4,149,219	49,421	-	4,198,640
Starr Elementary School	5,639,012	75,034	-	5,714,046
Flat Rock Elementary School	15,227,865	19,320	-	15,247,185
Administration	1,422,880	1,176,218	-	2,599,098
Totals	<u>\$ 58,510,293</u>	<u>\$ 4,570,525</u>	<u>\$ -0-</u>	<u>\$ 63,080,818</u>

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Location Reconciliation Schedule
For the Fiscal Year Ended June 30, 2023**

Location ID	Location Description	Education Level	Cost Type	Total Expenditures
00	District Office	Non-school	Central	\$ 4,004,763
01	District Office	Non-school	Central	765,000
02	Iva Elementary	Elementary school	School	4,910,480
03	Starr Elementary	Elementary school	School	5,415,416
04	Starr-Iva Middle	Middle school	School	7,541,988
05	Crescent High	High school	School	11,931,212
06	District Office	Non-school	Central	5,780,271
08	Flat Rock Elementary	Elementary school	School	4,481,207
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS				\$ 44,830,337

The above expenditures are reconciled to the District's financial statements as follows:

General Fund	\$ 26,565,038
Special Revenue Funds (includes EIA)	9,300,218
Debt Service Fund	4,038,133
Capital Projects Fund	2,849,860
Proprietary Fund	2,077,088
TOTAL EXPENDITURES/DISBURSEMENTS FOR ALL FUNDS	\$ 44,830,337

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Highlights
For the Fiscal Year Ended June 30, 2023**

The table on this page presents pupil cost based on the average daily attendance of 2,600. This table may be compared with the District's objectives and with other state and national statistics on schools:

	Per Pupil Cost (General Fund Expenditures) Based on 2022-2023 Average Daily Attendance
Instruction	\$ 5,893.87
Pupil services	509.09
Instructional staff services	502.31
Administration	1,053.40
Finance and operations	1,911.96
Central support	214.40
Pupil activities	99.60
Community service	11.15
Intergovernmental	4.04
Debt service	-
	<hr/>
Total	\$ <u><u>10,199.82</u></u>

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For Fiscal Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant weakness(es) identified that are not considered to be material weakness(es)? _____ Yes X No

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant weakness(es) identified that are not considered to be material weakness(es)? _____ Yes X No

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes X No

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Cluster or Program</u>
84.425D, 84.425U	Education Stabilization Fund under the Coronavirus Aid, Relief, and Economic Security Act
84.010	Title I grant to LEAs

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? _____ Yes X No

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of Findings and Questioned Costs
For Fiscal Year Ended June 30, 2023**

Section II - Financial Statement Findings

None.

Section III - Federal Award Findings and Questioned Costs

None.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of Prior Year Findings
For Fiscal Year Ended June 30, 2023**

Section I - Financial Statement Findings

None.

Section II – Federal Award Findings and Questioned Costs

2022-001

Deadline Exceeded

Condition:	The District did not meet the deadline for submission of its data collection form and reporting package to the Federal Audit Clearinghouse for the fiscal year ended June 30, 2021. The data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period. Therefore, the deadline for submission of the required information for the fiscal year ended June 30, 2021, was December 22, 2021. The data collection form and reporting package was not submitted by that date.
Criteria:	2 CFR 200.512
Cause:	The District engaged its independent audit firm to assist in the preparation and submission of its data collection report and reporting package. The audit firm did not upload the required information, certify as auditors, and submit the certified information until subsequent to the deadline date.
Effect:	The District did not meet the deadline of 30 calendar days after receipt of the auditors' report.
Recommendation:	Establish procedures to verify that the data collection form and reporting package have been properly submitted on a timely basis.
Status:	The District has implemented procedures to monitor communications with its audit firm and the Federal Audit Clearinghouse to ensure timely submission of complete and accurate reports to federal entities. The comment is not repeated in the current year.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023**

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Total Expenditures
<u>U. S. DEPARTMENT OF EDUCATION</u>				
<u>Passed through SDE:</u>				
201	Title I grant to LEAs	84.010	21 Title I Reg	\$ 513
201	Title I grant to LEAs	84.010	22 Title I Reg	59,016
201	Title I grant to LEAs	84.010	23 Title I Reg	940,009
237	Title I grant to LEAs - Targeted school improvement	84.010	20 Title I TSI	9,122
237	Title I grant to LEAs - Targeted school improvement	84.010	21 Title I TSI	856
237	Title I grant to LEAs - Targeted school improvement	84.010	22 Title I TSI	88,106
Total 84.010				<u>1,097,622</u>
207	CATE (Subprogram 01)	84.048	23 CATE	3,898
207	CATE (Subprogram 02)	84.048	23 CATE	21,500
207	CATE (Subprogram 04)	84.048	23 CATE	4,853
207	CATE (Subprogram 06)	84.048	23 CATE	26,040
Total 84.048				<u>56,291</u>
<u>Special Education Cluster:</u>				
203	IDEA	84.027	22 IDEA	220,591
203	IDEA	84.027	23 IDEA	584,511
203	IDEA - Extended school year	84.027	23 ESY	1,894
230	IDEA ARP	84.027X	ARP IDEA	90,811
205	Handicapped preschool grants	84.173	22 PRESCH	2,652
205	Handicapped preschool grants	84.173	23 PRESCH	25,815
Total Special Education Cluster				<u>926,274</u>
210	Student Support and Academic Enrichment, Title IV SSAE	84.424	21 SSAE	572
210	Student Support and Academic Enrichment, Title IV SSAE	84.424	22 SSAE	535
210	Student Support and Academic Enrichment, Title IV SSAE	84.424	23 SSAE	74,289
Total 84.424				<u>75,396</u>
251	Rural and low-income school program, Title VI	84.358	22 REAP	3,250
251	Rural and low-income school program, Title VI	84.358	23 REAP	55,922
Total 84.358				<u>59,172</u>
225	ESSER II	84.425D	21 ESSER	3,427,144
218	ESSER III	84.425U	21 ESSER	1,598,280
Total 84.425				<u>5,025,424</u>
232	McKinney-Vento Education for Homeless Children and Youth Progr	84.196A	21 VENTO	<u>43,328</u>

None of the above amounts were passed through to subrecipients.
See accompanying notes to the Schedule of Expenditures of Federal Awards.

**ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023**

LEA Subfund Code	Federal Grantor/ Pass-Through Grantor Program Title	Federal Assistance Listing Number	Pass Through Grantor's Number	Total Expenditures
267	Supporting effective instruction	84.367A	21 SEI	\$ 5,343
267	Supporting effective instruction	84.367A	22 SEI	35,702
267	Supporting effective instruction	84.367A	23 SEI	94,339
	Total 84.367A			<u>135,384</u>
	<u>Passed through Anderson County School District 5:</u>			
264	Language instr for limited english proficient/immigrant students, Titl	84.365	21 Title III	1,138
264	Language instr for limited english proficient/immigrant students, Titl	84.365	22 Title III	4,296
264	Language instr for limited english proficient/immigrant students, Titl	84.365	23 Title III	3,349
	Total 84.365			<u>8,783</u>
	<u>Passed through South Carolina Arts Council</u>			
100	ESSER III - Arts Grow SC	84.425U	21 ESSER	<u>765</u>
	TOTAL U.S. DEPARTMENT OF EDUCATION			<u>7,428,439</u>
	<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
	<u>Passed through SC Department of Health and Environmental Control:</u>			
802	Public health crisis response - nurse retention	93.354	N/A	<u>16,871</u>
	TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>16,871</u>
	<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
	<u>Passed through SDE:</u>			
600's	School breakfast expansion program	10.579	N/A	15,689
	Child Nutrition Cluster:			
	Non-cash assistance (commodities):			
600's	National School Lunch Program	10.555	N/A	157,603
	Cash assistance:			
600's	National School Lunch Program	10.555	N/A	1,172,531
600's	Supply chain assistance	10.555	N/A	141,824
600's	Summer food service program for children	10.559	N/A	4,731
600's	School breakfast program	10.555	N/A	590,786
	Total Child Nutrition Cluster			<u>2,067,475</u>
	TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>2,083,164</u>
	TOTAL FEDERAL ASSISTANCE EXPENDED			<u>\$ 9,528,474</u>

None of the above amounts were passed through to subrecipients.
See accompanying notes to the Schedule of Expenditures of Federal Awards.

ANDERSON COUNTY SCHOOL DISTRICT NUMBER THREE
IVA, SOUTH CAROLINA
Notes to the Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

(1) **General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of Anderson County School District Number Three, for the year ended June 30, 2023. All federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

(2) **Summary of Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the District's financial statements.

(3) **Relationship to Financial Statements**

Federal expenditures are reported in the District's financial statements as expenditures in the Special Revenue Fund and Proprietary Fund.

(4) **Relationship to Federal Financial Reports**

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for timing differences relating to revenues and expenditures received or made subsequent to the filing of federal financial reports.

(5) **Indirect Cost Rate**

The District has elected not to use the 10% de minimus cost rate allowed under the Uniform Guidance.



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**

Board of Trustees
Anderson County School District Number Three
Iva, South Carolina

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Anderson County School District Number Three ("the District") as of and for the year ended June 30, 2023, which collectively comprise the District's financial statements and have issued our report thereon dated November 17, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 District'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 District'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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
November 17, 2023



MARTIN · SMITH

& COMPANY CPAs

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY
UNIFORM GUIDANCE**

Board of Trustees
Anderson County School District Number Three
Iva, South Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Anderson County School District Number Three (“the District”) with the types of compliance requirements described in the U.S. Office of Management and Budget Compliance Supplement that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023. Anderson County School District Number Three’s major federal programs are identified in the summary of auditors’ results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (“GAAS”); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (“Uniform Guidance”). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors’ Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District’s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the District’s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists.

The risk of not detecting material noncompliance resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Martin Smith and Company CPAs PA

Martin Smith & Company CPAs, PA
Greenville, South Carolina
November 17, 2023