

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2025

**MARION COUNTY SCHOOL DISTRICT
TABLE OF CONTENTS
JUNE 30, 2025**

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditors' Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
<i>Government-wide Financial Statements:</i>	
Statement of Net Position	11
Statement of Activities	12
<i>Fund Financial Statements:</i>	
Balance Sheet - Governmental Funds	13
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	14
Schedule of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	15
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
<i>Notes to the Financial Statements</i>	19
Required Supplementary Information:	
<i>Budgetary Comparison Schedule- General Fund</i>	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	42
<i>Pension Schedules:</i>	
Schedule of the Districts Proportionate Share of the Net Pension Liability - South Carolina Retirement System	43
Schedule of Contributions- South Carolina Retirement System	44
<i>Other Post Employment Benefit Plan Schedules:</i>	
Schedule of the School Districts Proportionate Share of the Net OPEB Liability- South Carolina Retiree Health Insurance Trust Fund	45
Schedule of the School Districts Contributions - South Carolina Retiree Health Insurance Trust Fund	46

TABLE OF CONTENTS (CONTINUED)

Supplementary Information

Combining and Individual Fund Financial Schedules

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Final Budget and Actual	47
---	----

Special Revenue Funds

Schedule of Revenues, Expenditures and Changes in Fund Balance	54
Supplemental Listing of LEA Subfund Codes and Titles	61
Summary Schedule for Other Designated Restricted State Grants	62

Education Improvement Act

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - All Programs	63
Summary Schedule by Program	66

Other Schedules

Detailed Schedule of Due to State Department of Education/ Federal	67
--	----

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance	68
--	----

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance	69
--	----

Food Service Fund

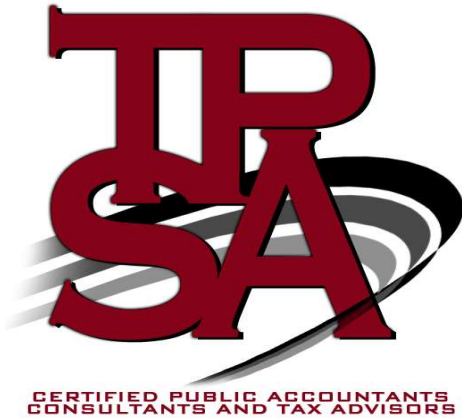
Schedule of Revenues, Expenditures and Changes in Fund Balance	70
--	----

Location Reconciliation Schedule	71
----------------------------------	----

TABLE OF CONTENTS (CONTINUED)

COMPLIANCE SECTION

Schedule of Expenditures of Federal Awards	72
Notes to the Schedule of Expenditures of Federal Awards	73
Independent Auditors' Report - Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	74
Independent Auditors' Report - Report on Internal Control Over Financial and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	77
Summary Schedule of Prior Audit Findings	79
Schedule of Findings and Questioned Costs	80
Corrective Action Plan	82



Thompson, Price, Scott, Adams & Co, P.A.

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

Independent Auditors' Report

Marion County Board of Education
Marion County School District
Marion, South Carolina

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Marion County School School District ("the District"), as of and for the year then ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Marion County School School District as of June 30, 2025, and the respective changes in financial position, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Marion County School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section ¹

Responsibilities of Management for the Audit of 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 financial statement 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 raises substantial doubt about Marion County School District's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintained 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 responsible 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 Marion County School 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, the budgetary comparison schedule, the pension plan schedules and the other postemployment benefit plan schedules be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Marion County School District's basic financial statements. The supplementary information, as listed in the table of contents, as well as the accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed in the table of contents and the accompanying schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, budgetary schedules, other schedules, and the accompanying schedule of expenditures of federal and State awards are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Thompson, Rice, Scott, Adams & Co., P.A.

Whiteville, NC
December 1, 2025

Management's Discussion and Analysis

The discussion and analysis of Marion County School District's (the "School District") financial performance provides an overview of the School District's financial activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review the notes to these financial statements and the financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for 2025 are as follows:

- On the government-wide basis, the assets and deferred outflows of resources of the School District were exceeded by its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$23 million. Unrestricted net position was a deficit of \$65.4 million. The deficit in net position is a result of pension accounting standards that were implemented in 2015 (net pension liability) and other postemployment benefit ("OPEB") plan accounting standards that were implemented in 2018 (net OPEB plan liability); the net pension liability at June 30, 2025 (including deferred outflows and inflows) was \$41.9 million and the net OPEB plan liability at June 30, 2025 (including deferred outflows and inflows) was \$44.6 million.
- As of the close of the current fiscal year, the School District's governmental funds reported combined ending fund balances at \$28.9 million. 73.6% of the total amount, or \$21.3 million, is available for spending at the government's discretion.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21.3 million, which was 49% of total General Fund expenditures for fiscal year 2025.
- The School District's fund balance for the General Fund increased by \$0.5 million.
- During the 2025 fiscal year, the School District's governmental fund revenues were \$65.4 million compared to \$74 million in the prior year, or a decrease of \$8.4 million.
- During the 2025 fiscal year, the School District's governmental fund expenditures were \$64.9 million compared to \$66.8 million in the prior year, or an decrease of \$1.9 million.
- On the government-wide basis, the School District's total net position increased by \$9.2 million, primarily due to revenues exceeding expenses.
- The School District's net capital assets increased by \$2.7 million during the current fiscal year due to current year additions of \$6 million exceeding depreciation and amortization expense of \$2.4 million.
- At June 30, 2025 the School District had a long term debt obligation of \$1.4 million, partially offset by a prepaid expense asset, for Lease and IT subscription liabilities. The School District had \$0.9 million in outstanding short-term debt, issued in May 2025 that matures in May 2026.

Overview of the Financial Statements

This annual report consists of three parts - Introductory Section, Financial Section (which includes the financial statements, required supplementary information which includes this management's discussion and analysis section, the combining and individual fund financial schedules and the location reconciliation) and the Compliance Section.

Government-wide Financial Statements. The financial statements include two kinds of statements that present different views of the School District. The first two statements are government-wide financial statements that provide a broad overview of the School 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 School District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the School District is improving or deteriorating.

The Statement of Activities presents information showing how the School District's net position changed during the most recent fiscal year. All changes in net position 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 result in cash flows in only future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the School 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).

The governmental activities of the School District include instruction, supporting services, community services and intergovernmental. The School District does not report any business-type activities.

The government-wide financial statements can be found as listed in the table of contents.

Fund Financial Statements. The remaining basic financial statements are fund financial statements that focus on individual parts of the School District, reporting the School 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 School 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 School District can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term uses of expendable 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.

Since 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. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation schedule following each governmental fund financial statement.

The School District maintains six major Governmental Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Special Revenue Fund, Special Revenue-EIA, Special Revenue Fund-Food Service, Debt Service Fund, and Capital Projects Fund, all of which are considered to be major funds. The governmental fund financial statements can be found as listed in the table of contents.

Fiduciary Fund. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs. The School District is the trustee, or fiduciary, for the Private-Purpose Trust Fund for individual scholarships and accounts for this activity in an agency fund. The Fiduciary Fund financial statement can be found listed in the table of contents.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents. More detailed information regarding long-term debt and capital asset activity can also be found in the notes to the financial statements.

Supplementary Information. The combining and individual fund statements and the location reconciliation schedule can be found as listed in the table of contents.

The School District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for this fund to demonstrate compliance with the budget. This schedule can be found as listed in the table of contents.

Major Features of the Marion County District's Government-Wide and Fund Financial Statements			
	Fund Financial Statements		
	Government-wide Statements	Governmental Funds	Fiduciary Funds
Scope	Entire School District (except fiduciary funds)	The activities of the School District that are not fiduciary	Instances in which the School District is the trustee/agent for someone else's resources, such as the Private-Purpose Trust Fund.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statements of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> •Statement of Fiduciary Net Position •Statement of Changes in Fiduciary Net Position
Accounting and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting
Type of Balance Sheet Information	All balance sheet elements, both financial and capital, and short-term and long term	All balance sheet elements that come due during the year or soon thereafter; no capital assets or long-term obligations included	All balance sheet elements, both 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 or services have been received and payment is due during the year or soon thereafter.	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the School District, assets and deferred outflows of resources were exceeded by its liabilities and deferred inflows of resources by \$23 million at the close of the most recent fiscal year. The following table provides a summary of the School District's net position at June 30, 2025 compared to June 30, 2024:

	June 30 2025	June 30 2024
Assets		
Current and Other Assets	\$ 32,963,614	\$ 32,434,594
Capital Assets (Net)	39,025,147	35,749,111
Total Assets	<u>71,988,761</u>	<u>68,183,705</u>
Deferred Outflows of Resources	18,239,308	14,395,931
Liabilities		
Other Liabilities	8,345,826	6,618,065
Net Pension Liability	39,983,320	47,469,085
Net Other Pension Benefit Plan Liability	33,035,830	31,351,622
Total liabilities	<u>81,364,976</u>	<u>85,438,772</u>
Deferred Inflows of Resources	31,894,604	27,772,899
Net Position		
Net Investment in Capital Assets	37,650,941	35,238,017
Restricted	4,753,020	4,067,098
Unrestricted	(65,435,472)	(69,937,150)
Total Net Position	<u>\$ (23,031,511)</u>	<u>\$ (30,632,035)</u>

Total assets increased by \$3.8 million primarily due to an increase in current and other assets of \$0.5 million primarily due to an increase in cash, primarily driven by revenues exceeding expenditures, and an increase in due from other governments, plus an increase in capital assets of \$3.3 million due to increases in CIP and additions exceeding depreciation. Total liabilities decreased \$4 million primarily due to a decrease in the net other pension benefit plan liability, a decrease in net pension liability offset by an increase in accrued payables, salaries, fringe and benefits.

Unrestricted net position, the part of the net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, was a deficit of \$65 million at June 30, 2025, due to the School District's proportionate share of the State of South Carolina's net position and net other postemployment benefit plan liabilities.

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

Changes in Net Position - Governmental Activities

	June 30, 2025	June 30, 2024
Revenues:		
Program revenues:		
Charges for Services	\$ 655,969	\$ 677,540
Operating Grants and Contributions	42,939,547	53,331,601
General revenues:		
Property Taxes and Revenue in Lieu of Taxes	19,804,970	18,526,554
Other	1,783,994	1,064,565
Total revenues	<u>65,184,480</u>	<u>73,600,260</u>
Program Activities:		
Instruction	28,923,029	26,525,625
Support Services	26,914,033	30,327,082
Community Services	36,315	53,123
Intergovernmental	78,671	105,398
Interest and Other Charges	33,604	28,315
Total Expenses	<u>55,985,652</u>	<u>57,039,543</u>
Changes in Net Position	9,198,828	16,560,717
Net position, beginning	(29,888,334)	(46,449,051)
Net position, ending	<u>\$ (20,689,506)</u>	<u>\$ (29,888,334)</u>

Overall, the School District's financial condition increased in fiscal year 2025, as revenue exceeded expenses by \$9.2 million, compared to a increase of \$16.6 million in the prior year. Total revenues decreased \$8.4 million from 2024 primarily due to an decrease in operating grants and contributions of \$10.4 million and an increase in property tax and revenue in lieu of taxes of \$2 million. Program expenses decreased \$1 million from 2024 primarily due to increases in instruction and support services.

FINANCIAL ANALYSIS OF THE SCHOOL DISTRICT'S FUNDS

As noted earlier, the School 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, 2025, the School District's governmental funds reported a combined fund balance of \$28.9 million as compared to \$27.1 million for the prior year.

Total governmental fund revenues were \$65.4 million, or \$8.5 million less than the prior year. This decrease is primarily due to an decrease in revenues from local, state and federal sources (primarily Other Federal Grants). Total governmental fund expenditures were \$64.9 million, or \$1.9 million less than the prior year. This decrease is due to decreases accross all functions due to rising salaries and costs of goods.

The General Fund is the chief operating fund of the School District. At the end of the current fiscal year, total fund balance for the General Fund was \$22 million, increasing by \$0.5 million during the current fiscal year. The unassigned fund balance of the General Fund was \$21.3 million.

The Special Revenue Fund and Special Revenue - EIA Fund, generally, are used to account for revenues derived from the State of South Carolina, the Federal government, and student activities. In general, Special Revenue Funds do not have fund balances as revenues should be expended, deferred, or returned to the grantor, except for balances associated with student activities. However, at the end of the fiscal year in the Special Revenue Fund, the School District had a fund balance of \$3 million, which consisted of fund balance restricted for student activities of \$.2 million and assigned for special revenue program expenditures of \$2.8 million. The Special Revenue Fund also had unearned revenue of \$0.9 million. Special Revenue - EIA Fund did not have a fund balance but had unearned revenue of \$0.3 million.

The Special Revenue - Food Service Fund had an increase in fund balance of \$0.1 million. At June 30, 2025, fund balance was of approximately \$1.6 million.

The School District's Debt Service Fund balance increased by \$0.9 million during the 2025 fiscal year to a positive fund balance of \$2 million at June 30, 2025.

The School District's Capital Projects Fund balance decreased by \$2.1 million during the 2025 fiscal year to \$0.3 million at June 30, 2025.

GENERAL FUND BUDGETARY HIGHLIGHTS

The School District's General Fund budget is prepared according to South Carolina law and is consistent with U.S. generally accepted accounting principles. The Board of Trustees adopted a budget that reflected total revenue sources and annual appropriations of \$44.6 million.

At June 30, 2025, the General Fund had a positive total budget vs. actual variance of \$0.4 million. This variance is primarily due to actual expenditures being less than budgeted expenditures by \$1 million, primarily due to instruction and support related expenditures coming in under budget by \$1 million. Additionally revenues exceeded budgeted amounts by \$1.4 million, primarily due to taxes and investment earnings exceeding appropriations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2025, the School District had \$37.9 million in capital assets, net of depreciation and amortization.

The net increase in the School District's capital assets was \$2.7 million. The increase was due to construction in process for an HVAC project additions and recognizing right to use assets under GASB 87 as well as other capital asset additions exceeding current year depreciation.

The table below compares fiscal year 2024 balances to those of fiscal year 2025.

**Capital Assets - Governmental Activities
(net of accumulated depreciation)**

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
Land	\$ 1,595,261	\$ 1,881,969
Construction in Process	2,664,679	1,592,198
Buildings and Improvements	27,010,601	26,883,350
Equipment and Vehicles	6,691,212	4,875,139
Right to Use assets	1,063,394	36,849
Total	<u>\$ 37,961,753</u>	<u>\$ 35,232,656</u>

Additional information on the School District's capital assets can be found in Note III. F. in the Notes to the Financial Statements.

Debt Administration

At June 30, 2025, the School District had two outstanding long-term debt instruments, one for Subscription Based IT Agreements that was offset by a prepaid expense asset, and one for a lease agreement. In May 2024, the School District issued a short-term General Obligation Bond in the amount of approximately \$0.8 million; the School District repaid this in February 2025 upon maturity, including interest of approximately \$23,000. In May 2025, the School District issued a short-term General Obligation Bond in the amount of approximately \$0.9 million. The proceeds will be used for various capital improvements for the School District's facilities. This indebtedness is scheduled to be repaid in full at its maturity in May 2026, with interest at 3.07%. The School District's total debt as of June 30, 2025 and 2024 was as follows:

Outstanding Debt - Governmental Activities

	<u>June 30, 2025</u>	<u>June 30, 2024</u>
General Obligation Bonds	\$ 865,000	\$ 796,000
IT Subscription liabilities	76,752	127,410
Total	<u>\$ 941,752</u>	<u>\$ 923,410</u>

The state limits the amount of general obligation debt that school districts can issue to 8% of the assessed value of all taxable property within the School District's corporate limits. The School District is authorized by state statute to exceed the legal debt margin of 8% if citizens of the School District approve such additional debt through district-wide referendum. The outstanding debt of \$0.9 million is subject to this limit as of June 30, 2025.

Additional detailed information about the School District's indebtedness is presented in Notes III. G. and H. in the Notes to the Financial Statements.

ECONOMIC FACTORS

Marion County School District is the largest single employer in the county with approximately 600 employees. The government sector, of which the School District is a part, is the largest employment sector within the County.

The economy in Marion County continues to be stagnant which will affect tax revenues in the future. The tax base increased this year due to reassessment. Additionally, the millage for FY25 was increased by 4 mills. Actual collections are adjusting at the rate needed to compensate for the rise in expenses in operation costs including but not limited to salaries, health insurance, retirement and energy costs which consume the majority of the School District expenditures.

FY 2026 GENERAL FUND BUDGET

The Board of Trustees adopted a General Fund budget for the fiscal year 2026 that reflected total revenues of \$45.5 million and total appropriations of \$45.5 million. The fiscal year 2026 General Fund original budget represents a 2% increase from the fiscal year 2025 General Fund budget of \$44.7 million.

For fiscal year 25 the calculation for Aid to Classroom used 11.23:1 as the ratio of students to teachers. The number of teachers needed is determined by dividing the state-wide pupils by 11.23. The number of teachers needed statewide is then multiplied by the state minimum teacher salary of Master's Degree +12 year of experience of \$57,904. Total for salary and fringe cost is \$76,700 for fiscal year 2025, to calculate the total state funds for education. The School District receives its share of the total State funds based upon its proportion of total weighted pupils and the School District's ability to pay, measured by the Index of Taxpaying Ability. The School District continues to experience a reduction in student membership for the past few years; as a result funding for FY24/25 was decreased \$445,387 compared to FY23/24.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, at Marion County School District, 719 N Main Street, Marion, South Carolina 29571. In addition, the Annual Financial Report may be found on the School District's website at <http://www.marionk12.sc.us>.

BASIC FINANCIAL STATEMENTS

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government Governmental Activities
ASSETS	
Cash and Investments	\$ 24,976,280
Cash and Investments, Restricted	272,259
Cash and Investments Held by County Treasurer	1,663,093
Property Taxes Receivable, Net	147,428
Accounts Receivable	106,067
Due from Other Governments	5,783,695
Inventories and Prepaid Items	14,792
Capital Assets:	
Non-Depreciable	4,259,940
Depreciable, Net	33,701,813
Right to Use Asset, net	1,063,394
TOTAL ASSETS	71,988,761
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Pension Charges	8,265,246
Deferred OPEB Charges	9,974,062
TOTAL DEFERRED OUTFLOWS OF RESOURCES	18,239,308
LIABILITIES	
Accounts Payable	414,283
Accrued Salaries, Fringe & Benefits	2,642,019
Due to Other Governments	-
Due to Other Funds	250
Unearned Revenue	935,538
Short-Term General Obligation Bond Payable	877,906
Current portion of long-term debt	804,687
Non-Current Liabilities:	
Net Pension Liability - due in more than one year	39,983,320
Net OPEB Liability - due in more than one year	33,035,830
Sick leave - due in more than one year	2,101,624
Lease Liability	531,143
IT Subscription Liability	38,376
TOTAL LIABILITIES	81,364,976
DEFERRED INFLOW OF RESOURCES	
Deferred Pension Credits	10,271,647
Deferred OPEB Credits	21,622,957
TOTAL DEFERRED INFLOWS OF RESOURCES	31,894,604
NET POSITION	
Net Investment in Capital Assets	37,650,941
Restricted for:	
Debt Service	1,987,000
Capital Projects	980,792
Food Service	1,592,295
Student Activities	192,933
Unrestricted	(65,435,472)
TOTAL NET POSITION (DEFICIT)	\$ (23,031,511)

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

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2025

Functions / Programs Primary Government	Program Revenues				Net (Expense) Revenue and Changes in Net Position
					Primary Government
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	Governmental Activities
Governmental Activities:					
Instruction	\$ 28,923,029	\$ 135,375	\$ 19,982,952	\$ -	\$ (8,804,702)
Support Services	26,914,033	520,594	22,650,513	-	(3,742,926)
Community Services	36,315	-	36,315	-	-
Intergovernmental	78,671	-	269,767	-	191,096
Interest and Other Charges	33,604	-	-	-	(33,604)
Total Governmental Activities	55,985,652	655,969	42,939,547	-	(12,390,136)
Total Primary Government	\$ 55,985,652	\$ 655,969	\$ 42,939,547	\$ -	
General revenues:					
Property taxes, levied for general purposes					10,570,314
Property taxes, levied for debt service					883,307
State Revenue in Lieu of Taxes					8,351,349
Investment Earnings					1,202,123
Miscellaneous					581,871
Loss on sale of capital assets					(36,545)
					Total General Revenues
					21,552,419
					Change in Net Position
					9,162,283
Net Position - Beginning, restated (see Note F)					(32,193,794)
Net Position - Ending					\$ (23,031,511)

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

FUND FINANCIAL STATEMENTS

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUNDS**

JUNE 30, 2025

	General	Special Revenue	Special Revenue - EIA	Special Revenue - Food Service	Debt Service	Capital Projects	Total Governmental Funds
ASSETS							
Cash and Investments	\$ 21,242,726	\$ -	\$ -	\$ -	\$ -	\$ 3,733,554	\$ 24,976,280
Cash and Investments, Restricted	-	4,050	-	-	268,209	-	272,259
Cash and Investments Held by County Treasurer	-	-	-	-	1,662,533	560	1,663,093
Receivables, Net							
Taxes	136,002	-	-	-	11,426	-	147,428
Accounts	27,305	78,762	-	-	-	-	106,067
Due from:							
County Treasurer	834,173	-	-	-	22,295	-	856,468
State Agencies	171,157	2,254	-	-	-	-	173,411
Federal Agencies	-	4,725,742	-	-	-	-	4,725,742
Other Funds	9,246,095	3,722,131	342,722	1,645,265	911,869	1,105,100	16,973,182
Other Governments	14,247	13,827	-	-	-	-	28,074
Prepaid Items	-	1,505	-	-	-	-	1,505
Inventories	7,952	-	-	5,335	-	-	13,287
TOTAL ASSETS	\$ 31,679,657	\$ 8,548,271	\$ 342,722	\$ 1,650,600	\$ 2,876,332	\$ 4,839,214	\$ 49,936,796
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 180,227	\$ 110,230	\$ 4,504	\$ 43,661	\$ -	\$ 75,661	\$ 414,283
Accrued Salaries, Fringe & Benefits	2,642,019	-	-	-	-	-	2,642,019
Due to:							
Other Funds	6,860,452	4,799,507	-	9,309	866,885	4,437,279	16,973,432
Unearned Revenue	2,785	594,535	338,218	-	-	-	935,538
Short-Term Debt - Accrued Payable	-	-	-	-	11,021	-	11,021
TOTAL LIABILITIES	9,685,483	5,504,272	342,722	52,970	877,906	4,512,940	20,976,293
Deferred Inflows of Resources:							
Unavailable Revenue - Property Taxes	32,881	-	-	-	11,426	-	44,307
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	9,718,364	5,504,272	342,722	52,970	889,332	4,512,940	21,020,600
Fund Balances:							
Nonspendable:							
Prepaid Items	-	1,505	-	-	-	-	1,505
Inventories	7,952	-	-	5,335	-	-	13,287
Restricted:							
Capital Projects	654,518	-	-	-	-	326,274	980,792
Food Service	-	-	-	1,592,295	-	-	1,592,295
Debt Service	-	-	-	-	1,987,000	-	1,987,000
Student Activities	-	192,933	-	-	-	-	192,933
Assigned							
Special Revenue Programs	-	2,849,561	-	-	-	-	2,849,561
Unassigned	21,298,823	-	-	-	-	-	21,298,823
TOTAL FUND BALANCES	21,961,293	3,043,999	-	1,597,630	1,987,000	326,274	28,916,196
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	\$ 31,679,657	\$ 8,548,271	\$ 342,722	\$ 1,650,600	\$ 2,876,332	\$ 4,839,214	\$ 49,936,796

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

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET
POSITION**

FOR YEAR ENDED JUNE 30, 2025

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS	\$ 28,916,196
---	---------------

Amounts Reported for the governmental activities in the Statement of Net Position are different because:

Property taxes and other revenues that will be collected in the future, but are not available soon enough to pay for current year's expenditures are therefore unavailable in the funds.	44,307
--	--------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of these capital assets was \$79,287,325 and the accumulated depreciation was \$48,358,778.	37,961,753
--	------------

Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of these assets was \$278,180 and the accumulated amortization was \$72,705.	1,063,394
--	-----------

The School District's liabilities relating to sick leave accrual under GASB 101 are not recorded in the governmental funds but are recorded in the Statement of Net Position	(2,658,914)
--	-------------

The School District's liabilities relating to Lease and IT subscription agreements are not recorded in the governmental funds but are recorded in the Statement of Net Position	(816,916)
---	-----------

The School District's liabilities relating to Bond agreements are not recorded in the governmental funds but are recorded in the Statement of Net Position	(866,885)
--	-----------

The School District's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(41,989,721)
--	--------------

The School District's proportionate shares of the net other postemployment benefit plan liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plans are not recorded in the governmental funds but are recorded in the Statement of Net Position.	(44,684,725)
--	--------------

NET POSITION - GOVERNMENTAL ACTIVITIES	\$ (23,031,511)
---	------------------------

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Special Revenue - EIA</u>	<u>Special Revenue - Food Service</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES							
Local:							
Taxes	\$ 10,545,597	\$ -	\$ -	\$ -	\$ 883,307	\$ -	\$ 11,428,904
Investment Earnings	1,156,919	-	-	-	40,914	4,290	1,202,123
Other Local Sources	460,682	1,836,973	-	60,081	-	-	2,357,736
State Sources	33,666,413	1,383,546	1,335,173	-	52,320	-	36,437,452
Federal Sources	-	10,714,373	-	3,003,292	-	-	13,717,665
Intergovernmental Sources	-	266,046	-	-	-	-	266,046
Total Revenues	<u>45,829,611</u>	<u>14,200,938</u>	<u>1,335,173</u>	<u>3,063,373</u>	<u>976,541</u>	<u>4,290</u>	<u>65,409,926</u>
EXPENDITURES							
Current:							
Instruction	22,578,000	6,593,842	1,020,410	-	-	-	30,192,252
Support Services	20,981,959	7,350,313	358,670	2,890,147	-	522,238	32,103,327
Community Services	-	35,855	460	-	-	-	36,315
Intergovernmental	15,498	63,173	-	-	-	-	78,671
Capital Outlay	-	-	-	-	-	1,676,881	1,676,881
Debt Service:							
Principal redemption	-	-	-	-	-	793,072	793,072
Interest and Fiscal Charges	-	-	-	-	33,604	-	33,604
Total Expenditures	<u>43,575,457</u>	<u>14,043,183</u>	<u>1,379,540</u>	<u>2,890,147</u>	<u>33,604</u>	<u>2,992,191</u>	<u>64,914,122</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,254,154</u>	<u>157,755</u>	<u>(44,367)</u>	<u>173,226</u>	<u>942,937</u>	<u>(2,987,901)</u>	<u>495,804</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	262,534	1,992,576	44,367	-	-	-	2,299,477
Transfers Out	(1,993,384)	(253,798)	-	(52,295)	-	-	(2,299,477)
Proceeds of General Obligation Bonds	-	-	-	-	-	866,885	866,885
Proceeds from IT agreements	-	452,400	-	-	-	-	452,400
Net Change in Fund Balances	<u>523,304</u>	<u>2,348,933</u>	<u>-</u>	<u>120,931</u>	<u>942,937</u>	<u>(2,121,016)</u>	<u>1,815,089</u>
Fund Balances - Beginning	21,437,989	695,066	-	1,476,699	1,044,063	2,447,290	27,101,107
Fund Balances - Ending	<u>\$ 21,961,293</u>	<u>\$ 3,043,999</u>	<u>\$ -</u>	<u>\$ 1,597,630</u>	<u>\$ 1,987,000</u>	<u>\$ 326,274</u>	<u>\$ 28,916,196</u>

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

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR YEAR ENDED JUNE 30, 2025**

Net change in fund balances - Governmental Funds: \$ 1,815,089

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. 24,717

Changes in the School District's proportionate share of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities. 4,211,220

Changes in the School District's proportionate share of the net other postemployment benefit plan liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities. 1,312,010

Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities the cost of those assets that are considered capital asset additions is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions (\$5,258,559) exceeded depreciation expense (\$2,242,754) in the current year. 3,015,805

Gain/(Loss) on disposal on capital asset (286,708)

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (379,634)

Change in accrued sick leave (1,097,155)

Governmental funds report right to use asset additions as expenditures. However, in the Statement of Activities the cost of those assets that are considered right to use asset additions is allocated over their estimated useful lives as amortization expense. This is the amount by which right to use asset additions (\$698,878) exceeded amortization expense (\$151,939) in the current year. 546,939

Change in net position of governmental activities on the Statement of Activities \$ 9,162,283

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
Statement of Fiduciary Net Position
JUNE 30, 2025

	Private-Purpose Trust Fund
ASSETS	
Cash and Investments	\$ 91,444
Due from Other Funds	250
TOTAL ASSETS	\$ 91,694
LIABILITIES	
Revenues collected in advance	\$ 643
TOTAL LIABILITIES	643
NET POSITION	
Held in Trust for Scholarships	
Nonexpendable	66,143
Expendable	26,194
TOTAL NET POSITION	\$ 92,337

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Private-Purpose Trust Fund
ADDITIONS	
Interest Earnings	\$ 409
Contributions and Donations	2,393
Total Additions	2,802
 DEDUCTIONS	
Scholarships Awarded	-
Total Deductions	-
 CHANGE IN NET POSITION	 2,802
 NET POSITION, Beginning of Year	 89,535
 NET POSITION, End of Year	 \$ 92,337

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

Marion County School District, South Carolina (the "School District") was established by legislation (R168, H4632) to consolidate Marion School Districts One, Two and Seven into one single school district on January 18, 2012, and introduced in the South Carolina State Senate on March 1, 2012. The Governor of South Carolina signed the bill into law on April 23, 2012. The consolidation of the three previously separate districts into Marion County School District became effective July 1, 2012. The School District is controlled by Marion County Board of Education (the "Board"), which has oversight responsibility over the public school educational activities in the School District. The School District receives funding from local, state and federal government sources and must comply with the related requirements of these funding source entities. The School District is governed by a seven-member Board.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the School 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 accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the School District's accounting principles are described below.

A. The Reporting Entity

The School District is controlled by the Marion County Board of Education (the "Board"), which has oversight responsibility over the public school education activities in the School District. The School District is not included in any other governmental "reporting entity" as defined in the GASB Sec. 2100.108 and thus is recognized as a primary government.

As required by GAAP, the financial statements must present the School District's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the School District both appoints a voting majority of the entity's governing body, and either 1) the School District is able to impose its will on the entity, or 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens on the School District. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the School District and there is a potential that the entity could either provide specific financial benefits to, or to impose specific financial burdens on the School District.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: (a) determine its budget without the School District having the authority to approve or modify the budget; (b) levy taxes or set rates or charges without approval by the School District; and (c) issue bonded debt without approval by the School District. An entity has a financial benefit or burden relationship with the School District if, for example, any one of the following conditions exists: (a) the School District is legally entitled to or can otherwise access the entity's resources, (b) the School District is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the entity, or (c) the School District is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above if excluding it would cause the School District's financial statements to be misleading.

Blended component units, although legally separate entities, are in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the School District. Based on the above criteria, the School District does not have any blended or discretely presented component units.

B. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the School District (the "primary government"). For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are normally supported by taxes and intergovernmental revenues, would be reported separately from *business-type activities*, which rely, to a significant extent, on fees and charges for support. The School District does not report any business-type activities.

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

The **government-wide financial statements** are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the Fiduciary Fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government generally considers revenues if they are collected within 60 days of the end of the current fiscal period (thirty days for property taxes). 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, federal and state grant programs 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 has been received by the government.

Fund financial statements report detailed information about the School District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column.

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

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

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

The **General Fund, a major fund, and a budgeted fund** is the general operating fund of the School District and accounts for all revenues and expenditures of the School District except those required to be accounted for in other funds. All general tax revenues and other receipts that (a) are not allocated by law or contractual agreement to other funds or (b) that have not been restricted, committed, or assigned 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.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (that are expected to continue to comprise a substantial portion of the inflows of the fund) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects. The School District has the following major Special Revenue Funds:

- i.) **The Special Revenue Fund, a major fund** and an unbudgeted fund, is used to account for a report the financial resources provided by federal, state and local projects and grants (including pupil/student activity funds) that are restricted, committed or assigned for specific educational programs.
- ii.) **The Education Improvement Act (EIA) Fund, a nonmajor fund** and an unbudgeted fund, is used to account for a report the restricted 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) which are restricted for specific programs authorized or mandated by EIA.
- iii.) **The Food Service Fund, a nonmajor fund** and an unbudgeted fund, is used to account for the United States Department of Agriculture's ("USDA") approved school breakfast and lunch programs.

The **Debt Service Fund, a nonmajor fund** and an unbudgeted fund, is used to account for and report the accumulation of resources, and payment of, all long-term debt principal, interest and related costs for the School District.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Basis of Presentation (Continued)

The *Capital Projects Fund, a major fund* and an unbudgeted fund, is used to account for financial resources to be used for site acquisitions, construction, equipment, and renovation of all major capital facilities for the School District.

Fiduciary Fund types are used to account for expendable assets held by the School District in a trustee capacity or as a custodian for individuals, private organizations, other governmental units and/or other funds and include custodian funds. Fiduciary Fund Types include the following:

The *Private-Purpose Trust Fund* is used to report donations received which much be expended according to the provisions of the donors. Donations are generally not expendable, while the related earnings are to be expended for scholarships to individuals. This fund is accounted for in essentially the same manner as proprietary funds.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity

1. Cash and Investments

The School District considers all highly liquid investments as cash and investments for financial reporting purposes. The School District's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types and component units within the State of South Carolina) that authorize the School District to invest in the following:

- (a) Obligations of the United States and agencies, the principal and interest of which is fully guaranteed by the United States.
- (b) Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, The Federal Home Loan Banks, the Federal Home Loan Mortgage Corporations, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (c) (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- (d) Savings and Loan Associations to the extent that the same are insured by an agency of the Federal Government;
- (e) Certificates of Deposit where the certificates are collaterally secured by securities of the type described in (a) and (b) above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government;
- (f) Repurchase agreements when collateralized by securities as set forth in this section.
- (g) No load open-end or closed-end management type investment companies or investment trust registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made (i) is limited to obligations described in items (a), (b), (c), and (f) of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of one dollar a share and to that end, value its assets by the amortized cost method.

The School District's cash investment objectives are preservation of capital, liquidity, and yield. The School District reports its cash and investments at fair value which is normally determined by quoted market prices. The School District currently or in the past year has used the following investments:

- Cash and investments held by the County Treasurer represents property taxes collected by the School District's fiscal agent that have not been remitted to the School District. The County Treasurer presently holds these funds in an interest-bearing checking account.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

- Certificates of Deposit ("CD") are bond-type investments issued by a bank when a person or company deposits a certain amount of money for a determined amount of time. The maturity can be for more than one year, and interest is paid to the holder of the CD at an agreed upon rate. Money removed before maturity is subject to a penalty.
- South Carolina Local Government Investment Pool ("LGIP" or "Pool") investments are invested with the South Carolina State Treasurer's Office, which established the South Carolina Pool pursuant to Section 6-6-10 of the South Carolina Code. The Pool is an investment trust fund, in which public monies in excess of current needs, which are under custody of any city treasurer or any governing body of a political subdivision of the State, may be deposited. In accordance with GASB Statements No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and GASB No. 72, *Fair Value Measurement and Application*, investments are carried at fair value determined annually based upon (a) quoted market prices for identical or similar investments or (b) observable inputs other than quoted market prices. The total fair value of the Pool is apportioned to the entities with funds invested on an equal basis for each share owned, which are acquired at a cost of \$1.00. Funds may be deposited by Pool participants at any time and may be withdrawn up 24 hours' notice. Financial statements for the Pool may be obtained by writing the Office of the State Treasurer, Local Government Investment Pool, P.O.Box 11778, Columbia, SC 29211-1960.

2. Interfund Receivables and Payables

Transactions between funds that are representative of reimbursement arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the Statement of Net Position.

3. Inventories and Other Assets

Inventories

Inventories are accounted for using the consumption method (expensed when used). The School District also includes an amount of commodities received from the USDA, recoded at fair value at the time of receipt, which have not been consumed as of year-end.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items using the consumption method. As 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.

4. Capital Assets

Capital 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. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their estimated acquisition value (as estimated by the School District) at the date of donation. The School District maintains a capitalization threshold of \$10,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. The School District does not maintain ownership of any public domain ("infrastructure") general capital assets.

The School District's capital asset also includes certain right to use assets. These right to use assets arise in association with agreements where the District reports a Leased Equipment or an Information Technology (IT) Subscription in accordance with the requirements of GASB 87 and 96, respectively.

The right to use assets are initially measured at an amount equal to the initial measurement of the lease/subscription liability plus any payments made at the start of the agreement term, if applicable, plus capitalizable initial implementation costs at the start of the term, less any incentives received from the vendor at the start of the term. Routine payments, as well as payment for capitalizable implementation costs made before the start of the term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the term at which time the amount should be included in the initial measurement of the right to use asset. The right to use assets should be amortized on a straight-line basis over the subscription term.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Equity (Continued)

4. Capital Assets (Continued)

All reported capital assets except land and construction in progress are depreciated. Construction projects begin being depreciated once they are completed and placed in service, at which time the complete costs of the project are transferred to the appropriate capital 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>
Buildings and Improvements	10 - 50 Years
Machinery and Equipment	3 - 10 Years

5. Compensated Absences

The School District reports compensated absences in accordance with the provisions of GASB Statement No.16, "Accounting for Compensated Absences" and GASB Statement No.101 "Compensated Absences." Employees may accumulate sick leave up to a maximum of ninety days. However, if an employee leaves the School District other than by retirement, they are not paid for any unused days. Payments of unused sick leave for retirees have been inconsequential. All 12-month employees accrue vacation of ten days per year. However, unused leave is forfeited. Thus, no accrual is recorded for vacation. The District used a three-year look back period to estimate the amount of sick leave that has been earned and will be used as sick leave over the employee's service period. The liability for sick leave is based on this estimate.

6. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required retirement contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they will be paid with current, expendable, available financial resources. In general, payments made within sixty days after year end are considered to have been made with current available financial resources. Bonds and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until due and payable.

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

In the fund financial statements, governmental fund types recognize 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.

7. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position and the Balance Sheet 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 School District currently has two types of deferred outflows of resources: (1) The School District reports *deferred pension charges* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and the South Carolina Police Officers Retirement System. (2) The School District reports *deferred OPEB charges* in its Statement(s) of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB charges* are either (a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. Deferred Outflows and Inflows of Resources (continued)

In addition to liabilities, the Statement of Net Position and the Balance Sheet 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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The School District currently has three types of deferred inflows of resources: (1) The School District reports *unavailable revenue - property taxes* only in the governmental funds Balance Sheet; it is deferred and recognized as an inflow of resources (property tax revenues) in the period the amounts become available. (2) The School District also reports *deferred pension credits* in its Statement of Net Position in connection with its participation in the South Carolina Retirement System and South Carolina Police Officers Retirement System. (3) The School District reports *deferred OPEB credits* in its Statement of Net Position in connection with its participation in the South Carolina Retiree Health Insurance Trust Fund. The *deferred pension and OPEB credits* are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

8. Fund Balance

In accordance with GAAP, the School District classifies governmental fund balances as follows:

Nonspendable - includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

Restricted - includes amounts that are constrained by specific purposes which are externally imposed by (a) other governments through laws and regulations, (b) grantors or contributions through agreements, (c) creditors through debt covenants or other contracts, or (d) imposed by law through constitutional provisions or enabling legislation.

Committed - includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (The Board) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the School District consist of amounts approved by a majority vote of the Board Members (a) in the annual budget or (b) in subsequent requests made throughout the year.

Assigned - includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Board has formally granted the Superintendent the right to make assignments of fund balance for the School District.

Unassigned - includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of 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, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The School District generally uses restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts or agreements that prohibits doing such. Additionally, the School District generally would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

9. Net Position

Net Position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. 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 improvements 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 their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

10. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

11. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and other postemployment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A and Note IV.B and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The School District recognizes net pension and net OPEB liabilities (assets) for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the School District's proportionate share thereof in case of a cost-sharing multiple-employer plan, measured as of the School District's fiscal year-end. Changes in the net position and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred. Those changes in net position and OPEB liabilities 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 plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

12. Fair Value

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

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the School 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 that either directly or indirectly include:
 - Quoted prices for similar assets and liabilities in active markets.
 - Quoted prices for identical or similar assets or liabilities in inactive markets.
 - Inputs other than quoted market prices that are observable for the asset or liability.
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 - Inputs to the valuation methodology that are unobservable for an asset or liability and include:
 - Fair value is often based on developed models in which there are few, if any, observable inputs.

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

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The School 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.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Budgetary Practices - The General Fund budget is presented as required supplementary information. The budget is presented on the modified accrual basis of accounting, which is consistent with GAAP.

The 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. The School District's policies do not allow funds to be transferred between functions without Board approval. The legal level of control is at the function level. All annual appropriations lapse at fiscal year end. During the year, the Board revised the budget.

The following procedures are followed in establishing the budgetary data reflected in the budgetary comparison schedule:

- (1) In the spring the School District begins its budget process for the next succeeding fiscal year. The School District's leadership team reviews all requests and allocation requirements and related revenue.
- (2) The Finance Director then presents a proposed budget to the Board of Trustees which reviews it in a series of workshops and makes
- (3) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board.

I. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the School District's deposits might not be recovered. The School District does not have a policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025, none of the School District's total bank balances of approximately \$2,615,000 (with a carrying value of approximately \$1,751,000) were exposed to custodial credit risk.

Investments

As of June 30, 2025, the District had the following investments and maturities:

Investment Type	Fair Value Level (1)	Credit Rating *	Fair Value	Weighted Average Maturity
SC Local Government Investment Pool	N/A	Unrated	\$ 23,589,321	<1 Year
Cash and Investments Held by County Treasurer	N/A	N/A	1,663,093	N/A
Total			\$ 25,252,414	

(1) See Note I.C.12 for details of the School District's fair value hierarchy

*Credit ratings are from Standard & Poors, Moody's Services, and Fitch Ratings, respectively.

N/A - Not Applicable

Interest Rate Risk: The School District does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

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 School District does not have an investment policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2025 none of the School District's investments were exposed to custodial credit risk.

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 School District does not have an investment policy for credit risk but follows the investment policy statutes of the State of South Carolina.

Concentration of Credit Risk for Investments: The School District places no limit on the amount the School District may invest in any one issuer. Investments issued by or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools and other pooled investments are exempt from concentration of credit risk disclosures.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

I. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (Continued)

B. Property Taxes and Other Receivables

Real and personal property taxes (excluding vehicles) are levied on October 1 for the assessed valuations of property located in Marion County as of the preceding January 1, and are due and payable at that time. All unpaid taxes levied October 1 become delinquent January 15 of the following year, and property taxes attach as an enforceable lien if not paid by March 16 of the following year. Penalties are added to taxes depending on the date paid as follows:

January 16 through February 1	3% of Tax
February 2 through March 16	10% of Tax
March 17 and Thereafter	15% of Tax Plus Collection Costs

Motor vehicle taxes are levied on the first day of the month in which the motor vehicle license expires and is due by the end of the month. Property taxes are billed and collected by the County. Property tax revenue is recognized when collected by the County Treasurer's Office. Real property taxes collected by the County within 30 days after fiscal year end are also recognized as revenue for the year.

Delinquent property taxes of approximately \$103,000 have been recognized as revenue at June 30, 2025, because they were collected within thirty days after year end and are considered measurable and available.

C. Deferred Inflows of Resources for Governmental Funds and Unearned Revenues

Governmental funds report deferred inflows of resources and unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Also, both the government-wide financial statements and governmental funds do not recognize revenue in connection with resources that have been received but not yet earned. At June 30, 2025, the various components of deferred inflows of resources for governmental funds and unearned revenues for both the government-wide financial statements and governmental funds were as follows:

Deferred Inflows:	
Delinquent Property Taxes Receivable (General Fund)	\$ 32,881
Delinquent Property Taxes Receivable (Debt Service Fund)	11,426
Total Deferred Inflows for Governmental Funds	\$ 44,307
Unearned Revenues:	
Revenue Collected, but Unearned - General Fund	\$ 2,785
Revenue Collected, but Unearned - Special Revenue Fund	594,535
Revenue Collected, but Unearned - EIA Fund	338,218
Total Unearned Revenue for both Government-wide Financial Statements and Governmental Funds	\$ 935,538

D. Interfund Receivables and Payables

Interfund receivables and payables at June 30, 2025 (these are generally expected to be paid or received within one year), are summarized as follows:

Fund	Receivables	Payables
Governmental Funds		
General Fund	\$ 9,246,095	\$ 6,860,452
Special Revenue	3,722,131	4,799,507
Special Revenue - EIA	342,722	-
Special Revenue - Food Service Fund	1,645,265	9,309
Debt Service Fund	911,869	866,885
Capital Projects Fund	1,105,100	4,437,279
Fiduciary Fund	250	643
Total	\$ 16,973,432	\$ 16,973,432

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

D. Interfund Receivable and Payables (continued)

All cash activities are recorded in the General Fund, and as a result, receivables and payables exist at year end that are either due to or due from the General Fund in the other funds. The payable from the Special Revenue Fund to the General Fund is for payments not received from the State Department of Education until after the fiscal year end. The payable from the Capital Projects Fund to the General Fund is for the payments made by the General Fund for capital related expenditures.

E. Transfers In and (Out)

Transfers from (to) other funds for the year ended June 30, 2025 consisted of the following:

<u>Governmental Funds:</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ 262,534	\$ 1,993,384
Special Revenue Fund	1,992,576	253,798
Special Revenue - EIA Fund	44,367	-
Special Revenue - Food Service	-	52,295
Total Transfers	\$ 2,299,477	\$ 2,299,477

Funds were transferred from the Special Revenue Funds to the General Fund to cover indirect costs and state-mandated EIA teacher salary supplements and related benefits. Funds were transferred from the General Fund to the Special Revenue Fund to subsidize the Medicaid funds.

F. Capital Assets

Capital asset activity for the District for the year ended June 30, 2025 is as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:					
Capital assets not being depreciated:					
Land and improvements	\$ 1,881,969		\$ 286,708	\$ -	\$ 1,595,261
Construction in progress	1,592,198	1,072,481		-	2,664,679
Total capital assets, Non Depreciable	3,474,167	1,072,481	286,708	-	4,259,940
Capital assets, Depreciable:					
Building and improvements	66,092,886	1,582,582		-	67,675,468
Equipment and Vehicles	11,772,892	2,603,496		-	14,376,388
Total Capital Assets, Depreciable	77,865,778	4,186,078	-	-	82,051,856
Less :Accumulated Depreciation for:					
Building and improvements	39,209,536	1,455,331		-	40,664,867
Equipment and Vehicles	6,897,753	787,423		-	7,685,176
Total accumulated depreciation	46,107,289	2,242,754	-	-	48,350,043
Net other capital assets	31,758,489	1,943,324	-	-	33,701,813
Right to Use Assets:					
Leased Equipment	479,606	687,700		-	1,167,306
IT subscriptions	278,180	11,178	86,298	-	203,060
Total Right to use Asset	757,786	698,878	86,298	-	1,370,366
Accumulated Amortization					
Leased Equipment	95,921	95,921	-	-	191,842
IT subscriptions	145,410	56,018	86,298	-	115,130
Total Accumulated amortization	241,331	151,939	86,298	-	306,972
Net right to use assets	36,849	546,939	-	-	1,063,394
Net capital assets	\$ 35,269,505	\$ 3,562,744	\$ 286,708	\$ -	\$ 39,025,147

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

F. Capital Assets (continued)

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

Governmental Activities:	
Instruction	\$ 1,158,874
Support Services	1,235,819
Total Depreciation Expense - Governmental Activities	\$ 2,394,693

G. Long-Term Obligations

Leases

The District has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

On 7/1/23, Marion County School District entered into a 5 year agreement for the use of Toshiba copiers. An initial subscription liability was recorded in the amount of \$479,606. As of 06/30/25, the value of the subscription liability is \$287,764. The value of the subscription asset as of 6/30/25 of \$479,606 with accumulated amortization of \$191,842 is included with leased equipment on the right to use asset table above.

On 3/7/25, Marion County School District entered into a 5 year agreement for the use of Centegix Safety Alert System. An initial subscription liability was recorded in the amount of \$452,400. As of 06/30/25, the value of the subscription liability is \$452,400. The value of the subscription asset as of 6/30/25 of \$687,700 with accumulated amortization of \$0 is included with leased equipment on the right to use asset table above.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025, were as follows:

Year Ending June 30	Principal Payments
2026	\$ 209,021
2027	209,021
2028	209,021
2029	113,100
	\$ 740,164

Subscription Based Information Technology Agreements

The District entered into agreements for certain Subscription-Based Information Technology Arrangements (SBITAs). The subscriptions qualify as other than short-term SBITAs under GASB 96 and therefore, have been recorded at the present value of the future minimum subscription payments as of the date of their inception.

On 8/3/22, Marion County School District entered into a 3 year agreement for the use of Benty Software. An initial subscription liability was recorded in the amount of \$35,471. As of 06/30/25, the value of the subscription liability is \$0. The value of the subscription asset as of 6/30/25 of \$35,471 with accumulated amortization of \$35,471 was removed from Software on the Subscription Class activities table found below.

On 8/24/22, Marion County School District entered into a 5 year agreement for the use of BridgeTek Linewisze Software. An initial subscription liability was recorded in the amount of \$150,162. As of 06/30/25, the value of the subscription liability is \$60,065. The value of the subscription asset as of 6/30/25 of \$150,162 with accumulated amortization of \$60,065 is included with Software on the Subscription Class activities table found below.

On 6/20/25, Marion County School District entered into a 5 year agreement for the use of Triton Vape Detection Software. No subscription liability was recorded as there was only one payment. The value of the subscription asset as of 6/30/25 of \$11,178 with accumulated amortization of \$0 is included with Software on the Subscription Class activities table found below.

On 8/24/22, Marion County School District entered into a 5 year agreement for the use of Kudelski Software. An initial subscription liability was recorded in the amount of \$41,720. As of 06/30/25, the value of the subscription liability is \$16,688. The value of the subscription asset as of 6/30/25 of \$41,720 with accumulated amortization of \$25,032 is included with Software on the Subscription Class activities table found below.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

G. Long-Term Obligations (continued)

Leases (continued)

On 8/29/22, Marion County School District entered into a 3 year agreement for the use of Spider Learning Software. An initial subscription liability was recorded in the amount of \$6,375. As of 06/30/25, the value of the subscription liability is \$0. The value of the subscription asset as of 6/30/25 of \$6,375 with accumulated amortization of \$6,375 was removed from Software on the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset:

Asset Class	As of Fiscal Year-End		
	Subscription Asset Value	Accumulated Amortization	Net Book Value
Software	\$ 161,340	\$ 115,130	\$ 46,210
Total Leases	<u>\$ 161,340</u>	<u>\$ 115,130</u>	<u>\$ 46,210</u>

The future minimum obligations and the net present value of these minimum subscription payments as of June 30, 2025 were as follows:

Year Ending June 30	Principal Payments
2026	\$ 38,376
2027	38,376
	<u>\$ 76,752</u>

H. Short-Term Obligations

In May 2024, the School District issued its Series 2024A General Obligation Bond ("2024A GOB") in the amount of \$796,000 at a rate of 4.5% to provide funds for future capital outlay. The School District repaid the 2024A GOB in February 2025 at its maturity, including interest of approximately \$28,000.

In May 2025, the School District issued its Series 2025A General Obligation Bond ("2025A GOB") in the amount of \$865,000 at a rate of 5% to provide funds for future capital outlay. The School District expects to repay the 2025A GOB in March at its maturity, including interest of approximately \$35,000. As the 2025A GOB is short-term, it is reflected on the School District's Balance Sheet as a liability as of June 30, 2025.

Short-term obligations for the School District for the year ended June 30, 2025 were as follows:

Short-term Obligation	Beginning Balance	Additions	Reductions	Ending Balance
2023A GOB	\$ -	\$ -		\$ -
2024A GOB	796,000	-	796,000	-
2025A GOB	-	865,000	-	865,000
	<u>\$ 796,000</u>	<u>\$ 865,000</u>	<u>\$ 796,000</u>	<u>\$ 865,000</u>

I. Food Service

Federal Guidelines

The School District's Special Revenue - Food Service Fund administers the lunch programs in accordance with USDA guidelines. Revenues are provided from USDA reimbursements and cash collections. The meals served to pupils are classified as regular, reduced, or free lunches by the Special Revenue - Food Service Fund. The type of meal served determines the amount of reimbursement from the USDA. Reimbursements may be in the form of cash or commodities. The food service expenditures are inclusive of approximately \$221,000 of commodities consumed during the year ended June 30, 2025. Ending food inventory includes both purchased food and USDA reimbursed commodities. At June 30, 2024, food and supply inventory was approximately \$5,000.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION

A. Retirement Plans

Description of the Entity

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

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

The PEBA issues a Annual Comprehensive Financial Report ("ACFR") containing financial statements and required supplementary information for the System' Pension Trust Funds. The ACFR is publicly available through the Retirement Benefits' link on 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. The 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 Description

The South Carolina Retirement System ("SCRS"), a cost-sharing multiple employer defined benefit pension plan, was established effective 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 allowances and other benefits for 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 at or after the general election in November 2012.

The State Optional Retirement Program ("State ORP") is a defined contribution plan that is offered as an alternative to the SCRS to certain newly hired employees of state agencies, public higher education institutions 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. PEBA assumes no liability for State ORP benefits. Rather, the benefits are a liability of the four third party service providers. For this reason State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

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 individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. 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 the SCRS, newly hired state, public school, and higher education employees and individuals first elected to the S.C. General Assembly at or after the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as the SCRS. A direct remittance is required from the employers to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to the SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by the SCRS.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

IV. OTHER INFORMATION (Continued)

A. Retirement Plans (Continued)

Plan Benefits

Benefit terms are prescribed in Title 9 of the South Carolina Code of Laws. PEBA does not have the authority to establish or amend benefit terms without 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 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 credible service equals at least 90 years. Both Class Two and Class Three members are eligible to receive a reduced deferred annuity at age 60 if they satisfy the five- or eight- year earned service requirement, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program.

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the proceeding 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 28 years of service credit has they not retired.

Plan Contributions

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS until reaching 18.56 percent for SCRS. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in the state statute, the PEBA board would increase the employer contributions rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for SCRS to be further increased, not to exceed one-half of one percent in any year if necessary, in order to improve the funding of the plans. The statute set rates intended to reduce the unfunded liability of SCRS 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 may not be decreased until the plans are at least 85 percent funded.

As noted earlier, both employees and the School District are required to contribute to the Plan at rates established and as amended by the PEBA. The School District's contributions are actuarially determined but are communicated to and paid by the School District as a percentage of the employees' annual eligible compensation. Required employer and employee contribution rates for the past three years are as follows:

	SCRS and State ORP Rates
	2024
Employer Contribution Rate: [^]	
Retirement*	18.41%
Incidental Death Benefit	0.15%
Accidental Death Contributions	0.00%
	18.56%
Employee Contribution Rate	9.00%

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

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

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

IV. OTHER INFORMATION (Continued)

A. Retirement Plans (Continued)

The actual and required contributions to the SCRS and ORP were approximately \$4,422,000 and \$99,000, respectively, for the year ended June 30, 2025 and include the nonemployer contributions noted below.

Nonemployer Contributions

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, 2023. 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 (nonemployer contribution entity) for the year ended June 30, 2025 was approximately \$295,000 for the SCRS. These contributions (on-behalf benefits) from the State were recognized as intergovernmental revenues and pension expenditures in the School District's governmental fund financial statements.

Actuarial Assumptions and Methods

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

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2024 (measurement date) for the SCRS.

	SCRS
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return*	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)
Benefit Adjustments	Lesser of 1% or \$500 annually
* Includes inflation at 2.25%	

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

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

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (Continued)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return

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

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

Pension Liabilities, Pension Expense, and Deferred Outflows/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 the June 30, 2025 measurement date, for the SCRS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 61,369,806,968	\$ 37,919,492,371	\$ 39,983,320	61.80%

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements 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, 2025, the District reported liabilities of approximately \$39,983,320 for its proportionate share of the NPL for the SCRS. The NPL was measured as of June 30, 2024, and the TPL for the Plans used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2023 that was projected forward to the measurement date. The School District's proportion of the NPL were based on a projection of the School 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, 2024 measurement date, the District's SCRS proportion was 0.1705 percent, which was a decrease of 0.0258 percent from its proportion measured as of June 30, 2023.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (Continued)

A. Retirement Plans (Continued)

For the year ended June 30, 2025, the District recognized pension revenue of approximately \$120,763 for the SCRS. At June 30, 2025, the District reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

Description	Deferred Outflow of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual	\$ 1,313,993	\$ 49,622
Change in Assumptions	704,899	-
Net Difference Between Projected and Actual Earning on pension Plan Investments	2,155,898	3,696,466
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	-	6,525,559
Employer Contributions Subsequent to the Measurement Date	4,090,456	-
Total SCRS	\$ 8,265,246	\$ 10,271,647

Approximately \$4,090,000 that were reported as deferred outflows of resources related to the District's contributions subsequent to the measurement date to the SCRS will be recognized as a reduction of the NPL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

Year Ended June 30,	SCRS
2026	\$ (3,597,330)
2027	(1,015,553)
2028	(1,079,407)
2029	(404,568)
Total	\$ (6,096,858)

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, each System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the sensitivity of the District's proportionate share of the NPL of the Plans to changes in the discount rate, calculated using the discount rate of 7.00 percent, as well as what it would be if it were calculated using a discount rate that is 1% point lower (6.00 percent) or 1% point higher (8.00 percent) than the current rate:

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
The School Districts proportionate share of the net pension liability of the SCRS	\$ 51,813,864	\$ 39,983,320	\$ 29,088,325
Total	\$ 51,813,864	\$ 39,983,320	\$ 29,088,325

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (Continued)

A. Retirement Plans (Continued)

Plans Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plans administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS and PORS. The ACFR is publicly available through the Retirement Benefits' link on 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.

Payable to Plans

The School District reported a payable of approximately \$576,000 to the PEBA as of June 30, 2025, representing required employer and employee contributions for the month of June 2025 for the SCRS. This amount is included in Accrued Salaries, Fringe & Benefits on the financial statements and was paid in July 2025.

B. Other Postemployment

The PEBA is the state agency responsible for the administration and management of the state's employee insurance programs, other postemployment 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 IV.A for more details on the PEBA and the SFAA.

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

The 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 the PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. The 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 annual comprehensive financial report of the state.

Plan Descriptions

The Other Postemployment Benefits Trust Funds ("OPEB Trusts" or "OPEB Plans"), collectively refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") and the South Carolina Long-Term Disability Insurance Trust Fund ("SCLTDITF"), were established by the State of South Carolina as Act 195, which became effective on 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 ("BLTD") 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 postemployment health and dental and long-term disability benefits to retired State and school district employees and their covered dependents.

Plan Benefits

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

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

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 NOL and related deferred outflows and inflows of resources related to the SCLTDITF are not material to the School District, no SCLTDITF OPEB amounts have been recorded in these financial statements and only limited note disclosures have been provided related to these benefits.

Plan Contributions and Funding Policies

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

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the year ended June 30, 2025 was 6.35 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include 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. Nonemployer 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. It is also funded through investment income.

The covered payroll surcharge rate for the year ended June 30, 2025 was 6.35% and was calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws. The actual and required contributions to the SCRHITF were approximately \$1,512,779 for the year ended June 30, 2025.

The State (via state appropriations) and the PEBA – Insurance Benefits (via state statute to transfer amounts above 140% of incurred but not reported claims) contributed to the SCRHITF on behalf of the School District approximately \$6,000 for the year ended June 30, 2024 (measurement period). The contributions from these nonemployer contributing entities were approximately \$5,000 for the year ended June 30, 2025 and are recognized as state revenues and intergovernmental expenditures in the School 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 NOL arising from contributions to the OPEB plan during the measurement period from nonemployer 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.

Actuarial Assumptions and Methods

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of the School District's Proportionate Share of the Net OPEB Liability and the Schedule of the School District's Contributions, presented as required supplementary information following the notes to the financial statements, present multi-year trend information about the NOL, funded status of the OPEB Plan, and the 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 the June 30, 2023 actuarial valuation. The TOL was rolled-forward from the valuation date to the OPEB plan's fiscal year ended June 30, 2024 using generally accepted actuarial principles.

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

The following table provides a summary of the actuarial assumptions and methods used in the latest valuation for the SCRHITF:

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

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of	Allocations-Weighted Long-Term Expected Real Rate of Return
US Domestic Fixed Income	80.0%	0.95%	0.76%
Cash	20.0%	0.35%	0.07%
Total	100.0%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Investment Return Assumption			2.75%

Single Discount Rate

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

OPEB Liability, OPEB Expense, and Deferred Outflows/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. NOL totals, as of the June 30, 2024 measurement date for the SCRHITF, are presented in the following table:

System	Total OPEB Liability	OPEB Plan Fiduciary Net Position	Employers' Net OPEB Liability (Asset)	OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
SCRHITF	\$14,749,639,155	\$ 1,658,152,923	\$ 33,035,830	11.24%

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

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

At June 30, 2025, the School District reported a liability of approximately \$33,035,830 for its proportionate share of the NOL for the SCRHITF. The NOL was measured as of June 30, 2024, and the TOL for the SCRHITF used to calculate the NOL was determined based on the most recent actuarial valuation report of June 30, 2023 that was projected forward to the measurement date. The School District's proportion of the NOL was based on a projection of the School 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, 2024 measurement date, the School District's proportion was 0.204914 percent, which was a decrease of 0.034567 from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the School District recognized OPEB expense of approximately (\$380,910) for the SCRHITF. At June 30, 2025, the School District reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEBs from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,717,284	\$ 4,889,525
Change in Assumptions	7,075,441	6,783,297
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	196,735	35,597
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	53,502	9,914,538
Employer Contributions Subsequent to the Measurement Date	931,100	-
Total	<u>\$ 9,974,062</u>	<u>\$ 21,622,957</u>

Approximately \$931,100 that was reported as deferred outflows of resources related to the School District's contributions subsequent to the measurement date (which includes an adjustment for the implicit subsidy) to the SCRHITF, will be recognized as a reduction of the NOL in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the SCRHITF will increase (decrease) OPEB expense as follows:

Year Ended June 30,	Increase (Decrease) OPEB Expense
2025	\$ (2,611,166)
2026	(2,431,112)
2027	(2,984,691)
2028	(3,313,426)
2029	(1,193,407)
Thereafter	(46,187)
Total	<u>\$ (12,579,989)</u>

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

The following table presents the sensitivity of the School District's NOL for the SCRHITF to changes in the discount rate, calculated using the discount rate of 3.86%, as well as what it would be if it were calculated using a discount rate that is 1% point lower (2.86%) or 1% point higher (4.86%) than current rate:

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
Net OPEB Liability	\$ 39,216,043	\$ 33,035,830	\$ 28,088,644

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

IV. OTHER INFORMATION (Continued)

B. Other Postemployment Benefits (Continued)

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

The following table presents the sensitivity of the School District's NOL to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.00% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1% point lower (5.00% decreasing to 3.00%) or 1% point higher (7.00% decreasing to 5.00%) than the current rate:

	1% Decrease (5.00% decreasing to 3.00%)	Current Healthcare Cost Trend (6.00% decreasing to 4.00%)	1% Increase (7.00% decreasing to 5.00%)
Net OPEB Liability	\$ 27,165,754	\$ 33,035,830	\$ 40,649,628

OPEB Plans' Fiduciary Net Position

Detailed information regarding the fiduciary net position of the OPEB Plans administered by the 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 the PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223.

Payable to SCRHITF

The School District reported a payable of approximately \$137,000 to the PEBA as of June 30, 2025, representing required employer contributions for the month of June 2025 for the SCRHITF. This amount is included in Accrued Salaries, Fringe & Benefits on the financial statements and was paid in July 2025.

C. Risk Management

The School 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. Because of the high cost of insurance purchased from commercial insurers, the School District has chosen to participate with other school districts in South Carolina in the South Carolina Boards Insurance Trust/Workers' Compensation Pool ("SCSBIT/WCP"), as well as in its Property and Casualty Pool ("SCSBIT/PCP"). These public entity risk pools operate as a common risk management and insurance program for member school districts.

The School District pays annual premiums to the public entity risk pools for its workers' compensation and property liability insurance coverage based upon the total payroll of the School District for each plan year. The agreement for formation of the public entity risk pools provides that SCSBIT/WCP and SCSBIT/PCP will be self-sustaining through member premiums and any deficiencies can be charged back to the member school districts in the event that a fund deficit arises. As of the latest available audited financial statements at June 30, 2025, the SCSBIT/WCP had net position of approximately \$75,126,068 and the SCSBIT/PCP had net position of approximately \$65,258,838. There were no reductions in insurance coverage as compared to the previous year. There were no insurance settlements that exceeded insurance coverage in any of the past three years.

D. Commitments and Contingencies

The School District participates in a number of state and federally assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount of program expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the School District expects such amounts, if any, would not have material adverse effect on the financial condition of the School District.

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

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2025**

IV. OTHER INFORMATION (Continued)

E. Tax Abatements

School District's Tax Abatements

The School District does not have any of its own tax abatement agreements.

Marion County's Abatements

During the year ended June 30, 2025, the School District's property tax revenues were reduced by approximately \$519,000 under agreements entered into by Marion County, South Carolina.

F. Adjustments to and Restatements of Beginning Balances

Change in Accounting Principle

During the current fiscal year, the District implemented GASB Statement No. 101, Compensated Absences. In addition to the value of unused vacation time owed to employees upon separation of employment, the District now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the "Restatements - GASB 101 Implementation" column in the table below.

	Net Position 6/30/24 as previously reported	Restatement - GASB 101 Implementation	Net Position 6/30/24 as Restated
Governmental Activities	\$ (30,632,035)	\$ (1,561,759)	\$ (32,193,794)

**REQUIRED SUPPLEMENTARY
INFORMATION**

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

**REQUIRED SUPPLEMENTARY INFORMATION - BUDGETARY COMPARISON SCHEDULE -
GENERAL FUND**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGETS
AND ACTUAL**

FOR YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		(Unfavorable)
REVENUES				
Local				
Taxes	\$ 9,492,086	\$ 9,492,086	\$ 10,545,597	\$ 1,053,511
Investment Earnings	100,000	100,000	1,156,919	1,056,919
Other Local Sources	216,500	216,500	460,682	244,182
State	34,596,001	34,596,001	33,666,413	(929,588)
TOTAL REVENUE ALL SOURCES	<u>44,404,587</u>	<u>44,404,587</u>	<u>45,829,611</u>	<u>1,425,024</u>
EXPENDITURES				
Current:				
Instruction	23,754,125	22,816,485	22,578,000	238,485
Support Services	20,840,491	21,750,532	20,981,959	768,573
Intergovernmental	12,000	15,500	15,498	2
TOTAL EXPENDITURES	<u>44,606,616</u>	<u>44,582,517</u>	<u>43,575,457</u>	<u>1,007,060</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(202,029)</u>	<u>(177,930)</u>	<u>2,254,154</u>	<u>2,432,084</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	310,000	260,000	262,534	2,534
Transfers out	-	-	(1,993,384)	(1,993,384)
TOTAL OTHER FINANCING SOURCES (USES)	<u>310,000</u>	<u>260,000</u>	<u>(1,730,850)</u>	<u>(1,990,850)</u>
Net Change in Fund Balance	<u>\$ 107,971</u>	<u>\$ 82,070</u>	523,304	<u>\$ 441,234</u>
Fund Balance, Beginning of Year			<u>21,437,989</u>	
Fund Balance, End of Year			<u>\$ 21,961,293</u>	

Note to the Required Supplementary Information:

The budget is presented on the modified accrual basis of accounting, which is consistent with accounting principles generally accepted in the United States of America.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM**

LAST TEN FISCAL YEARS

	Year Ended June 30,				
	2025	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.170502%	0.196336%	0.214143%	0.219148%	0.226869%
School District's Proportionate Share of the Net Pension Liability	\$ 39,983,320	\$ 47,469,085	\$ 51,912,818	\$ 47,426,477	\$ 57,968,960
School District's Covered Payroll	\$ 22,842,413	\$ 24,110,857	\$ 25,714,686	\$ 25,003,137	\$ 25,452,467
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	175.04%	196.88%	201.88%	189.68%	227.75%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	61.80%	58.60%	57.10%	60.75%	50.71%

	Year Ended June 30,				
	2020	2019	2018	2017	2016
School District's Proportion of the Net Pension Liability	0.233700%	0.252933%	0.243013%	0.296787%	0.279607%
School District's Proportionate Share of the Net Pension Liability	\$ 53,363,420	\$ 56,687,771	\$ 54,706,134	\$ 63,393,265	\$ 53,028,816
School District's Covered Payroll	\$ 24,806,777	\$ 26,381,964	\$ 26,817,279	\$ 26,846,181	\$ 26,364,427
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	215.12%	214.87%	204.00%	236.14%	201.14%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	54.40%	54.10%	53.34%	52.91%	56.99%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceeding year.

The School District implemented GASB #68/71 during the year ended June 30, 2015. Information is not available prior to 2014.

The discount rate was lowered from (a) 7.25% to 7.00% beginning with the year ended June 30, 2021 and (b) 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS**

	Year Ended June 30,				
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 4,385,869	\$ 4,205,472	\$ 4,197,700	\$ 4,219,898	\$ 3,854,349
Contributions in Relation to the Contractually Required Contribution					
Contributions from the District	4,090,456	3,910,059	3,902,287	3,924,485	3,558,936
Contributions from the State	295,413	295,413	295,413	295,413	295,413
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 23,823,294	\$ 22,842,413	\$ 24,110,857	\$ 25,714,686	\$ 25,003,137
Contributions as a Percentage of Covered Payroll	18.41%	18.41%	17.41%	16.41%	15.42%

	Year Ended June 30,				
	2020	2019	2018	2017	2016
Contractually required contribution	\$ 3,938,194	\$ 3,591,855	\$ 3,555,466	\$ 3,077,386	\$ 2,970,517
Contributions in Relation to the Contractually Required Contribution					
Contributions from the District	3,642,781	3,304,014	3,260,053	3,077,386	2,970,517
Contributions from the State	295,413	287,841	295,413	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's Covered Payroll	\$ 25,452,467	\$ 24,806,777	\$ 26,381,964	\$ 26,817,279	\$ 26,846,181
Contributions as a Percentage of Covered Payroll	15.48%	14.48%	13.48%	11.48%	11.06%

Notes to Schedule:

The School District implemented GASB #68/71 during the year ended June 30, 2015. Information is not available prior to 2014.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

**SCHEDULE OF THE SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

LAST NINE FISCAL YEARS

	Year Ended June 30,				
	2025	2024	2023	2022	2021
The School District's Proportion of the Net OPEB Liability	0.204914%	0.239481%	0.261621%	0.268107%	0.276122%
The School District's Proportionate Share of the Net OPEB Liability	\$ 33,035,830	\$ 31,351,622	\$39,797,371	\$ 55,828,406	\$49,844,015
The School District's Covered Payroll	\$ 22,842,413	\$ 24,110,857	\$25,714,686	\$ 25,003,137	\$25,452,467
The School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	144.6%	130.0%	154.8%	223.3%	195.8%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	9.91%	11.24%	9.64%	7.50%	8.40%
The discount rates used by year were as follows:	3.97%	3.86%	3.69%	1.92%	2.45%

	Year Ended June 30,			
	2020	2019	2018	2017
The School District's Proportion of the Net OPEB Liability	0.283641%	0.305923%	0.293107%	0.293107%
The School District's Proportionate Share of the Net OPEB Liability	\$ 42,890,843	\$ 43,351,079	\$39,700,863	\$ 39,700,863
The School District's Covered Payroll	\$ 24,806,777	\$ 26,381,964	\$24,806,777	\$ 26,381,964
The School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	172.9%	164.3%	160.0%	150.5%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	8.40%	7.90%	7.60%	7.60%
The discount rates used by year were as follows:	3.13%	3.62%	3.56%	2.92%

Notes to Schedule:

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

The School District adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

**SCHEDULE OF THE SCHOOL DISTRICT'S CONTRIBUTIONS
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND**

LAST NINE FISCAL YEARS

	Year Ended June 30,				
	2025	2024	2023	2022	2021
Contractually required contribution	\$ 1,512,779	\$ 1,450,557	\$ 1,506,929	\$ 1,607,168	\$ 1,562,696
Contributions in Relation to the Contractually Required Contribution	<u>1,512,779</u>	<u>1,450,557</u>	<u>1,506,929</u>	<u>1,607,168</u>	<u>1,562,696</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The School District's Covered Payroll	\$ 23,823,294	\$ 22,842,413	\$ 24,110,857	\$ 25,714,686	\$ 25,003,137
Contributions as a Percentage of Covered Payroll	6.35%	6.35%	6.25%	6.25%	6.25%

	Year Ended June 30,			
	2020	2019	2018	2017
Contractually required contribution	\$ 1,590,779	\$ 1,500,810	\$ 1,451,008	\$ 1,429,361
Contributions in Relation to the Contractually Required Contribution	<u>1,590,779</u>	<u>1,500,810</u>	<u>1,451,008</u>	<u>1,429,361</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
The School District's Covered Payroll	\$ 25,452,467	\$ 24,806,777	\$ 26,381,964	\$ 26,817,279
Contributions as a Percentage of Covered Payroll	6.25%	6.05%	5.50%	5.33%

Notes to Schedule:

The School District adopted GASB #75 during the year ended June 30, 2018. Information before 2017 is not available. The above amounts exclude any adjustments for implicit subsidies made by the School District.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Final Budget	Actual	Variance
REVENUES			
1000 Revenue From Local Sources:			
1100 Taxes			
1110 Ad Valorem Taxes-Including Delinquent (Independent)	\$ 9,307,086	\$ 10,179,777	\$ 872,691
1280 Revenue in Lieu of Taxes (Independent and Dependent)	185,000	365,820	180,820
1300 Tuition			
1310 From Patrons for Regular Day School	150,000	132,551	(17,449)
1320 From Other LEAs for Regular Day School	1,500	2,824	1,324
1500 Earnings on Investments:			
1510 Interest on Investments	100,000	1,156,919	1,056,919
1530 Gain or Loss on Sale of Property	-	250,163	250,163
1900 Other Revenue from Local Sources:			
1910 Rentals	33,000	43,440	10,440
1950 Refund of Prior Year's Expenditures	-	1,050	1,050
1990 Miscellaneous Local Revenue:			
1999 Revenue from Other Local Sources	32,000	30,654	(1,346)
Total Revenue from Local Sources	<u>9,808,586</u>	<u>12,163,198</u>	<u>2,354,612</u>
3000 Revenue From State Sources			
3100 Restricted State Funding:			
3103 State Aid to Classrooms	19,897,769	18,948,221	(949,548)
3130 Special Programs:			
3131 Handicapped Transportation	-	667	667
3160 School Bus Driver's Salary (Includes Hazardous Condition Transportation)	800,000	986,407	186,407
3161 EAA Bus Driver's Salary	-	1,402	1,402
3162 Transportation Workers' Compensation	32,000	32,223	223
3181 Retiree Insurance (No Carryover Provision)	1,494,094	1,315,311	(178,783)
3500 Education Improvement Act			
3503 State Aid to Classrooms	4,005,473	3,813,966	(191,507)
3800 State Revenue in Lieu of Taxes:			
3810 Reimbursement for Local Residential Property Tax Relief (Tier 1)	1,866,170	1,866,170	-
3820 Homestead Exemption (Tier 2)	748,244	748,244	-
3825 Reimbursements for Property Tax Relief (Tier 3)	4,725,456	4,706,910	(18,546)
3830 Merchant's Inventory Tax	121,795	118,573	(3,222)
3840 Manufacturers Depreciation Reimbursement	150,000	285,421	135,421
3890 Other State Property Tax Revenues (Includes MC Vehicle Tax)	350,000	519,186	169,186
3900 Other State Revenue:			
3993 PEBA On-Behalf	365,000	295,413	(69,587)
3999 Revenue from Other State Sources	40,000	28,299	(11,701)
Total Revenue from State Sources	<u>34,596,001</u>	<u>33,666,413</u>	<u>(929,588)</u>
TOTAL REVENUE ALL SOURCES	<u>\$ 44,404,587</u>	<u>\$ 45,829,611</u>	<u>\$ 1,425,024</u>

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

EXPENDITURES

100 Instruction:

110 General Instruction:

111 Kindergarten Programs:

100 Salaries	\$ 582,775	\$ 578,699	\$ 4,076
200 Employee Benefits	313,832	310,534	3,298
300 Purchased Services	21,410	18,019	3,391
400 Supplies and Materials	18,100	14,258	3,842
600 Other Objects	1,200	933	267

112 Primary Programs:

100 Salaries	3,196,500	3,186,600	9,900
200 Employee Benefits	1,338,875	1,333,289	5,586
300 Purchased Services	631,122	627,370	3,752
400 Supplies and Materials	28,125	21,859	6,266
600 Other Objects	18,300	18,299	1

113 Elementary Programs:

100 Salaries	3,750,154	3,745,512	4,642
200 Employee Benefits	1,430,795	1,395,741	35,054
300 Purchased Services	947,852	941,992	5,860
400 Supplies and Materials	45,550	37,305	8,245
600 Other Objects	130,350	129,818	532

114 High School Programs:

100 Salaries	3,139,045	3,125,670	13,375
200 Employee Benefits	1,135,690	1,124,921	10,769
300 Purchased Services	874,184	866,507	7,677
400 Supplies and Materials	58,585	54,272	4,313
600 Other Objects	77,400	77,400	-

115 Career and Technology Education Program:

100 Salaries	1,005,044	998,431	6,613
200 Employee Benefits	464,185	459,526	4,659
300 Purchased Services - Other Than Tuition	53,800	52,670	1,130
400 Supplies and Materials	27,200	26,750	450
600 Other Objects	2,775	2,775	-

117 Driver Education Program:

100 Salaries	68,111	68,111	-
200 Employee Benefits	36,444	35,273	1,171
300 Purchased Services	1,650	1,189	461
400 Supplies and Materials	1,100	-	1,100

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

120 Exceptional Programs:				
121 Educable Mentally Handicapped:				
100 Salaries	135,777	131,674	4,103	
200 Employee Benefits	66,172	70,992	(4,820)	
300 Purchased Services	49,200	48,513	687	
400 Supplies and Materials	5,300	5,224	76	
122 Trainable Mentally Handicapped:				
100 Salaries	210,122	214,755	(4,633)	
200 Employee Benefits	134,338	112,157	22,181	
300 Purchased Services	3,400	1,327	2,073	
400 Supplies and Materials	1,450	1,421	29	
123 Orthopedically Handicapped:				
100 Salaries	16,375	15,693	682	
200 Employee Benefits	5,967	5,323	644	
400 Supplies and Materials	1,300	1,205	95	
124 Visually Handicapped:				
100 Salaries	6,660	6,660	-	
200 Employee Benefits	3,535	3,176	359	
300 Purchased Services	24,000	21,754	2,246	
125 Hearing Handicapped:				
300 Purchased Services	67,200	66,265	935	
126 Speech Handicapped:				
100 Salaries	188,610	188,610	-	
200 Employee Benefits	88,953	87,980	973	
300 Purchased Services	143,000	142,214	786	
400 Supplies and Materials	2,150	588	1,562	
127 Learning Disabilities:				
100 Salaries	874,398	871,137	3,261	
200 Employee Benefits	383,333	363,986	19,347	
300 Purchased Services	140,834	139,893	941	
400 Supplies and Materials	1,850	1,349	501	
128 Emotionally Handicapped:				
300 Purchased Services	1,000	-	1,000	
400 Supplies and Materials	300	251	49	
130 Pre-School Programs:				
137 Pre-School Handicapped Self-Contained (3 & 4-Yr. Olds):				
100 Salaries	77,520	77,483	37	
200 Employee Benefits	34,502	31,702	2,800	
300 Purchased Services	1,500	-	1,500	
139 Early Childhood Program:				
400 Supplies and Materials	700	676	24	

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

<hr/>				
140 Special Programs:				
141 Gifted and Talented Academic:				
100 Salaries	28,662	28,200		462
200 Employee Benefits	13,272	12,992		280
400 Supplies and Materials	250	-		250
143 Advanced Placement:				
400 Supplies and Materials	1,500	304		1,196
145 Homebound:				
100 Salaries	30,000	27,845		2,155
200 Employee Benefits	7,000	6,008		992
300 Purchased Services	3,150	156		2,994
147 CDEPP:				
100 Salaries	293,198	290,694		2,504
200 Employee Benefits	154,721	148,955		5,766
300 Purchased Services	40,000	37,543		2,457
400 Supplies and Materials	14,000	13,199		801
148 Gifted and Talented - Artistic:				
100 Salaries	10,520	10,398		122
200 Employee Benefits	7,587	6,164		1,423
149 Other Special Programs:				
100 Salaries	2,000	1,140		860
200 Employee Benefits	600	375		225
300 Purchased Services	2,150	-		2,150
160 Other Exceptional Programs:				
161 Autism:				
100 Salaries	79,324	79,078		246
200 Employee Benefits	33,211	29,485		3,726
300 Purchased Services	3,000	553		2,447
400 Supplies and Materials	1,300	1,251		49
170 Summer School Programs:				
171 Primary Summer School:				
175 Instructional Programs Beyond Regular School Day:				
400 Supplies and Materials	-	66		(66)
180 Adult/Continuing Education Programs:				
181 Adult Basic Education Programs:				
300 Purchased Services	200	-		200
400 Supplies and Materials	400	136		264
182 Adult Secondary Education:				
300 Purchased Services	200	-		200
400 Supplies and Materials	200	100		100
190 Instructional Pupil Activity:				
190 Instructional Pupil Activity:				
100 Salaries	15,571	13,350		2,221
200 Employee Benefits	4,870	4,277		593
	<hr/>	<hr/>	<hr/>	
Total Instruction	22,816,485	22,578,000		238,485
	<hr/>	<hr/>	<hr/>	

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

200 Support Services:			
210 Pupil Services:			
211 Attendance and Social Work Services:			
100 Salaries	58,387	49,946	8,441
200 Employee Benefits	27,144	22,747	4,397
300 Purchased Services	2,000	-	2,000
212 Guidance Services:			
100 Salaries	563,173	558,060	5,113
200 Employee Benefits	287,213	282,814	4,399
300 Purchased Services	39,450	38,330	1,120
400 Supplies and Materials	4,350	3,488	862
213 Health Services:			
100 Salaries	597,108	582,985	14,123
200 Employee Benefits	244,955	236,379	8,576
300 Purchased Services	2,900	725	2,175
400 Supplies and Materials	6,250	5,588	662
214 Pyschological			
100 Salaries	66,316	-	66,316
200 Employee benefits	39,231	-	39,231
300 Purchased services	5,000	4,095	905
216 Vocational Placement Services			
300 Purchased Services	300	159	141
400 Supplies & materials	250	247	3
217 Career Specialist Services			
100 Salaries	264,707	264,518	189
200 Employee Benefits	124,418	122,051	2,367
300 Purchased Services			
220 Instructional Staff Services:			
221 Improvement of Instruction Curriculum Development			
100 Salaries	676,959	664,568	12,391
200 Employee benefits	307,745	301,398	6,347
300 Purchased services	18,000	10,816	7,184
400 Supplies & materials	2,800	1,811	989
600 Other Objects			
222 Library and Media Services:			
100 Salaries	586,534	544,796	41,738
200 Employee Benefits	281,412	248,434	32,978
300 Purchased Services	17,900	12,378	5,522
400 Supplies and Materials	15,130	9,434	5,696
223 Supervision of Special Programs:			
100 Salaries	70,352	67,822	2,530
200 Employee Benefits	21,511	19,771	1,740
300 Purchased Services	25,100	20,464	4,636
400 Supplies and Materials	3,200	1,355	1,845
600 Other Objects	1,360	600	760
224 Improvement of Instruction Inservice and Staff Training:			
100 Salaries	1,109,188	1,108,925	263
200 Employee benefits	86,275	82,417	3,858
300 Purchased Services	48,497	30,114	18,383
400 Supplies & materials	10,740	910	9,830
600 Other Objects	1,000	-	1,000

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

230 General administration services			
231 Board of Education:			
100 Salaries	52,400	52,285	115
200 Employee Benefits	17,413	15,333	2,080
300 Purchased Services	186,500	183,225	3,275
318 Audit Services	36,300	34,000	2,300
400 Supplies and Materials	12,000	8,552	3,448
600 Other Objects	49,750	43,192	6,558
232 Office of Superintendent:			
100 Salaries	362,378	362,292	86
200 Employee Benefits	152,122	151,769	353
300 Purchased Services	23,000	21,949	1,051
400 Supplies & Materials	18,000	10,350	7,650
600 Other Objects	25,500	20,591	4,909
233 School Administration:			
100 Salaries	2,502,156	2,498,428	3,728
200 Employee Benefits	1,189,559	1,188,264	1,295
300 Purchased Services	17,450	12,381	5,069
400 Supplies and Materials	42,180	29,578	12,602
600 Other Objects	6,290	5,645	645
250 Finance and Operations Services:			
252 Fiscal Services:			
100 Salaries	385,323	384,199	1,124
200 Employee Benefits	192,389	192,363	26
300 Purchased Services	146,500	130,874	15,626
400 Supplies and Materials	7,250	4,324	2,926
600 Other Objects	5,070	3,962	1,108
254 Operations and Maintenance of Plant Services:			
100 Salaries	987,632	978,944	8,688
200 Employee Benefits	586,997	535,112	51,885
300 Purchased Services (Excludes Energy Costs)	1,948,894	1,919,713	29,181
321 Public Utilities (Excludes Gas, Oil, Elec. & Other Heating Fuels)	103,125	130,106	(26,981)
400 Supplies and Materials (Include Energy Costs)	407,150	400,003	7,147
470 Energy (Includes Gas, Oil, Elec., & Other Heating Fuels)	1,408,199	1,371,752	36,447
600 Other Objects	4,186	4,101	85
255 Student Transportation (State Mandated):			
100 Salaries	1,541,507	1,506,610	34,897
200 Employee Benefits	782,974	780,279	2,695
300 Purchased Services	55,700	27,613	28,087
400 Supplies and Materials	21,900	14,936	6,964
600 Other Objects	3,800	2,770	1,030
256 Food service			
200 Employee benefits	100	18	82
300 Purchased Services			
257 Internal Services:			
300 Purchased Services	9,550	1,652	7,898
400 Supplies and Materials	1,000	-	1,000
258 Security:			
300 Purchased Services	417,925	392,541	25,384
400 Supplies & materials	5,500	713	4,787

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

260 Central Support Services:			
263 Information Services:			
100 Salaries	179,771	168,813	10,958
200 Employee Benefits	92,476	87,722	4,754
300 Purchased Services	58,550	46,156	12,394
400 Supplies and Materials	7,000	6,969	31
600 Other Objects	1,350	1,350	-
264 Staff Services:			
100 Salaries	278,017	270,507	7,510
200 Employee Benefits	131,026	130,211	815
300 Purchased Services	49,900	48,558	1,342
400 Supplies and Materials	6,500	6,178	322
600 Other Objects	600	600	-
266 Technology and Data Processing Services:			
100 Salaries	318,295	317,984	311
200 Employee Benefits	155,249	150,722	4,527
300 Purchased Services	230,600	175,131	55,469
400 Supplies and Materials	407,650	406,745	905
270 Supporting Services Pupil Activity:			
271 Pupil Services Activities:			
100 Salaries (Optional)	242,400	239,019	3,381
200 Employee Benefits (Optional)	109,424	68,461	40,963
300 Purchased Services (Optional)	81,500	74,557	6,943
400 Supplies and Materials (Optional)	1,200	-	1,200
600 Other Objects (Optional)	5,300	5,145	155
660 Pupil Activity	61,200	58,567	2,633
Total Support Services	21,750,532	20,981,959	768,573
400 Other Charges:			
410 Intergovernmental Expenditures:			
412 Payments to Other Governmental Units			
720 Transits	15,500	15,498	2
Total Intergovernmental Expenditures	15,500	15,498	2
TOTAL EXPENDITURES	44,582,517	43,575,457	1,007,060
DEFICIENCY OF REVENUES OVER EXPENDITURES	(177,930)	2,254,154	2,432,084
OTHER FINANCING SOURCES (USES)			
Interfund Transfers, From (To) Other Funds			
5220 Transfer from Special Revenue Fund (Excludes Indirect Cost)	-	85	85
5280 Transfer from Other Funds Indirect Costs	310,000	262,449	(47,551)
421-710 Transfer to Special Revenue Fund	-	(1,949,017)	(1,949,017)
422-710 Transfer to Special Revenue EIA Fund	(50,000)	(44,367)	5,633
TOTAL OTHER FINANCING SOURCES (USES)	260,000	(1,730,850)	(1,990,850)
EXCESS/(DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 82,070	523,304	\$ 441,234
FUND BALANCE Beginning of Year		21,437,989	
FUND BALANCE, End of Year		\$ 21,961,293	

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SPECIAL REVENUE FUND**

SCHEDULE B-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	Title I (BA Projects) <u>201/202</u>	IDEA (CA Projects) <u>203/204</u>	Preschool Handicapped (CG Projects) <u>205/206</u>	CATE (VA Projects) <u>207/208</u>	Adult Education <u>243</u>	Other Designated Restricted State Grants <u>900s</u>	Other Special Revenue Programs <u>200s/800s</u>	Pupil Activity Programs <u>(700s)</u>	<u>TOTALS</u>
REVENUES									
1000 Revenue from Local Sources:									
1200 Revenue from Local Governmental Units other than LEAs									
1220 Sales and Use Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ 600
1300 Tuition:									
1310 Tuition from Patrons for Regular Day School	-	-	-	-	-	-	10,025	-	10,025
1700 Pupil Activities:									
1710 Admissions	-	-	-	-	-	-	-	142,346	142,346
1730 Pupil Organization Membership Dues and Fees	-	-	-	-	-	-	-	3,429	3,429
1740 Student Fees	-	-	-	-	-	-	-	898	898
1790 Other Pupil Activity Income	-	-	-	-	-	-	-	373,921	373,921
1900 Other Revenue from Local Sources:									
1920 Contributions and Donations Private Sources	-	-	-	-	-	-	366,183	32,381	398,564
1930 Special Needs Transportation - Medicaid	-	-	-	-	-	-	403,703	-	403,703
1999 Revenue from Other Local Sources	-	-	-	-	-	-	503,487	-	503,487
Total Revenue from Local Sources	-	-	-	-	-	-	1,283,398	553,575	1,836,973
2000 Intergovernmental Revenue									
2100 Payments from Other Governmental Units	-	-	-	-	-	-	266,046	-	266,046
Total Intergovernmental Revenue	-	-	-	-	-	-	266,046	-	266,046
3000 Revenue from State Sources:									
3130 Special Program:									
3134 CERDEP - Full Day 4K	-	-	-	-	-	20,398	-	-	20,398
3135 Reading Coaches	-	-	-	-	-	214,995	-	-	214,995
3156 Adult Education	-	-	-	-	-	987	-	-	987
3190 Miscellaneous Restricted State Grants:									
3193 Education License Plates	-	-	-	-	-	1,402	-	-	1,402
3199 Other Restricted State Grants	-	-	-	-	-	-	58,856	-	58,856
3600 Education Lottery Act									
3670 School Safety Upgrades	-	-	-	-	-	941,474	-	-	941,474
3699 Other State Lottery Programs	-	-	-	-	-	400	-	-	400
3900 Other State Revenue:									
3994 PEBA Nonemployer Contributions	-	-	-	-	-	4,867	-	-	4,867
3999 Revenue from Other State Sources	-	-	-	-	-	-	140,167	-	140,167
Total Revenue from State Sources	-	-	-	-	-	1,184,523	199,023	-	1,383,546
4000 Revenue from Federal Sources:									
4200 Occupational Education:									
4210 Perkins Aid, Title I - Career & Technology Education - Basic Grants to States	-	-	-	78,384	-	-	-	-	78,384
4300 Elementary and Secondary Education Act of 1965 (ESEA):									
4310 Title I, Basic State Grant Programs (Carryover Provision)	3,334,414	-	-	-	-	-	196,261	-	3,530,675
4312 Title V, Rural and Low-Income	-	-	-	-	-	-	164,464	-	164,464
4341 Language Instruction for Limited English Proficient and Immigrant Students, Title III	-	-	-	-	-	-	5,731	-	5,731
4351 Supporting Effective Instruction	-	-	-	-	-	-	361,646	-	361,646

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SPECIAL REVENUE FUND**

SCHEDULE B-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	Title I (BA Projects) <u>201/202</u>	IDEA (CA Projects) <u>203/204</u>	Preschool Handicapped (CG Projects) <u>205/206</u>	CATE (VA Projects) <u>207/208</u>	Adult Education <u>243</u>	Other Designated Restricted State Grants <u>900s</u>	Other Special Revenue Programs <u>200s/800s</u>	Pupil Activity Programs <u>(700s)</u>	<u>TOTALS</u>
4400 Adult Education									
4410 Basic Adult Education	-	-	-	-	88,447	-	-	88,447	
4490 Other Adult Education	-	-	-	-	-	98,914	-	98,914	
4500 Programs for Children With Disabilities									
4510 Individuals With Disabilities Education Act (IDEA)	-	1,640,324	-	-	-	34,251	-	1,674,575	
4520 Pre-School Grants (IDEA)	-	-	42,182	-	-	-	-	42,182	
4900 Other Federal Sources									
4974 ESSER III	-	-	-	-	-	4,272,400	-	4,272,400	
4977 ESSER II	-	-	-	-	-	32,913	-	32,913	
4997 Title IV - SSAE	-	-	-	-	-	135,474	-	135,474	
4999 Revenue from Other Federal Sources	-	-	-	-	-	228,568	-	228,568	
Total Revenue from Federal Sources	3,334,414	1,640,324	42,182	78,384	88,447	-	5,530,622	10,714,373	
TOTAL REVENUE ALL SOURCES	3,334,414	1,640,324	42,182	78,384	88,447	1,184,523	7,279,089	553,575	14,200,938
EXPENDITURES									
100 Instruction:									
110 General instruction:									
111 Kindergarten Programs									
100 Salaries	96,409	-	-	-	-	109,581	-	205,990	
200 Employee benefits	44,531	-	-	-	-	49,363	-	93,894	
400 Supplies and Materials	-	-	-	-	-	24,039	-	24,039	
112 Primary Programs:									
100 Salaries	371,234	-	-	-	-	74,498	-	445,732	
200 Employee Benefits	165,424	-	-	-	-	36,666	-	202,090	
300 Purchased Services	45,679	-	-	-	-	14,985	-	60,664	
400 Supplies and Materials	27,659	-	-	-	-	718,592	-	746,251	
113 Elementary Programs									
100 Salaries	225,238	-	-	-	-	114,424	-	339,662	
200 Employee Benefits	111,066	-	-	-	-	41,131	-	152,197	
300 Purchased Services	141,482	-	-	-	-	17,572	-	159,054	
400 Supplies and Materials	87,543	-	-	-	-	1,036,722	-	1,124,265	
600 Other Objects	185	-	-	-	-	-	-	185	
114 High School Programs									
100 Salaries	298,852	-	-	-	-	267,593	-	566,445	
200 Employee Benefits	110,486	-	-	-	-	102,339	-	212,825	
300 Purchased Services	9,890	-	-	-	-	117,126	-	127,016	
400 Supplies and Materials	29,826	-	-	-	-	539,261	-	569,087	
115 Career and Technology Education Program									
100 Salaries	-	-	-	-	-	720	-	720	
200 Employee Benefits	-	-	-	-	-	234	-	234	
300 Purchased Services (Other Than Tuition)	-	-	-	36,190	-	9,240	-	45,430	
400 Supplies and Materials	-	-	-	42,194	-	12,046	-	54,240	
600 Other Objects	-	-	-	-	-	98,829	-	98,829	

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SPECIAL REVENUE FUND**

SCHEDULE B-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	Title I (BA Projects) <u>201/202</u>	IDEA (CA Projects) <u>203/204</u>	Preschool Handicapped (CG Projects) <u>205/206</u>	CATE (VA Projects) <u>207/208</u>	Adult Education <u>243</u>	Other Designated Restricted State Grants <u>900s</u>	Other Special Revenue Programs <u>200s/800s</u>	Pupil Activity Programs <u>(700s)</u>	TOTALS
120 Exceptional Programs:									
121 Educable Mentally Handicapped:									
300 Purchased Services	-	7,150	-	-	-	-	-	7,150	
122 Trainable Mentally Handicapped									
100 Salaries	-	183,582	-	-	-	-	-	183,582	
200 Employee Benefits	-	86,342	-	-	-	-	-	86,342	
300 Purchased Services	-	2,383	-	-	-	-	-	2,383	
400 Supplies and Materials	-	232	-	-	-	-	-	232	
123 Orthopedically Handicapped									
100 Salaries	-	16,876	-	-	-	-	-	16,876	
200 Employee Benefits	-	11,783	-	-	-	-	-	11,783	
124 Visually Handicapped									
300 Purchased Services	-	508	-	-	-	-	-	508	
400 Supplies and Materials	-	45	-	-	-	-	-	45	
125 Hearing Handicapped:									
300 Purchased Services	-	580	-	-	-	-	-	580	
400 Supplies and Materials	-	850	-	-	-	-	-	850	
126 Speech Handicapped:									
100 Salaries	-	3,339	-	-	-	-	-	3,339	
200 Employee benefits	-	1,093	-	-	-	-	-	1,093	
300 Purchased Services	-	6,167	-	-	-	111,431	-	117,598	
400 Supplies and materials	-	553	-	-	-	-	-	553	
127 Learning Disabilities:									
100 Salaries	-	181,895	-	-	-	-	-	181,895	
200 Employee Benefits	-	60,232	-	-	-	-	-	60,232	
300 Purchased Services	-	8,200	-	-	-	-	-	8,200	
400 Supplies and Materials	-	1,450	-	-	-	10,550	-	12,000	
130 Pre-School Programs:									
137 Preschool Handicapped Self-Contained (3 & 4-Yr Olds):									
100 Salaries	-	23,823	41,319	-	-	-	-	65,142	
200 Employee Benefits	-	37,659	-	-	-	-	-	37,659	
400 Supplies and Materials	-	137	-	-	-	-	-	137	
140 Special Programs:									
149 Other Special Programs:									
100 Salaries	-	34,948	-	-	-	-	-	34,948	
200 Employee Benefits	-	13,133	863	-	-	-	-	13,996	
300 Purchased Services	-	21,823	-	-	-	-	-	21,823	
160 Other Exceptional Programs:									
161 Autism:									
100 Salaries	-	130,360	-	-	-	9,230	-	139,590	
200 Employee Benefits	-	54,363	-	-	-	2,064	-	56,427	
400 Supplies and Materials	-	246	-	-	-	-	-	246	
163 Comprehensive Coordinated Early Intervening Service									
300 Purchased Services	-	22,657	-	-	-	-	-	22,657	

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SPECIAL REVENUE FUND**

SCHEDULE B-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	Title I (BA Projects) <u>201/202</u>	IDEA (CA Projects) <u>203/204</u>	Preschool Handicapped (CG Projects) <u>205/206</u>	CATE (VA Projects) <u>207/208</u>	Adult Education <u>243</u>	Other Designated Restricted State Grants <u>900s</u>	Other Special Revenue Programs <u>200s/800s</u>	Pupil Activity Programs <u>(700s)</u>	<u>TOTALS</u>
170 Summer School Programs:									
171 Primary Summer School:									
100 Salaries	-	-	-	-	-	16,453	-	16,453	
200 Employee Benefits	-	-	-	-	-	3,944	-	3,944	
400 Supplies and Materials	-	-	-	-	-	-	250	250	
175 Instructional Programs Beyond Regular School Day:									
100 Salaries	-	-	-	-	-	-	46,190	46,190	
200 Employee Benefits	-	-	-	-	-	-	12,093	12,093	
180 Adult/Continuing Educational Programs:									
181 Adult Basic Education Programs									
100 Salaries	-	-	-	-	19,357	-	-	19,357	
200 Employee Benefits	-	-	-	-	6,418	-	-	6,418	
300 Purchased Services	-	-	-	-	-	987	-	987	
400 Supplies and Materials	-	-	-	-	7,912	-	1,318	9,230	
182 Adult Secondary Education Programs									
100 Salaries	-	-	-	-	22,449	-	-	22,449	
200 Employee benefits	-	-	-	-	7,463	-	-	7,463	
300 Purchased services	-	-	-	-	-	52	-	52	
400 Supplies and materials	-	-	-	-	9,928	264	14	10,206	
188 Parenting / Family Literacy:									
100 Salaries	75,491	-	-	-	-	-	-	75,491	
200 Employee Benefits	39,982	-	-	-	-	-	-	39,982	
400 Supplies and Materials	6,062	-	-	-	-	-	500	6,562	
Total Instruction	1,887,039	912,409	42,182	78,384	73,527	21,700	3,578,601	-	6,593,842
200 Support Services:									
210 Pupil Services:									
211 Attendance and Social Work Services:									
100 Salaries	-	-	-	-	-	-	58,440	-	58,440
200 Employee Benefits	-	-	-	-	-	-	29,730	-	29,730
400 Supplies and Materials	-	-	-	-	-	-	264	-	264
213 Health Services:									
300 Purchased Services	-	-	-	-	-	-	23,141	-	23,141
214 Psychological Services:									
300 Purchased Services	-	211,311	-	-	-	-	1,561	-	212,872
400 Supplies and Materials	-	3,828	-	-	-	-	-	-	3,828
215 Exceptional Program Services:									
300 Purchased Services	-	148,742	-	-	-	-	150	-	148,892
220 Instructional Staff Services:									
221 Improvement of Instruction - Curriculum Development:									
100 Salaries	576,568	-	-	-	-	151,813	19,476	-	747,857
200 Employee Benefits	251,660	-	-	-	-	63,183	6,283	-	321,126
300 Purchased Services	-	2,066	-	-	5,827	-	-	-	7,893
400 Supplies and Materials	45,300	-	-	-	-	-	-	-	45,300

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SPECIAL REVENUE FUND**

SCHEDULE B-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	Title I (BA Projects) <u>201/202</u>	IDEA (CA Projects) <u>203/204</u>	Preschool Handicapped (CG Projects) <u>205/206</u>	CATE (VA Projects) <u>207/208</u>	Adult Education <u>243</u>	Other Designated Restricted State Grants <u>900s</u>	Other Special Revenue Programs <u>200s/800s</u>	Pupil Activity Programs <u>(700s)</u>	<u>TOTALS</u>
223 Supervision of Special Programs									
100 Salaries	125,021	217,572	-	-	2,017	-	61,303	-	405,913
200 Employee Benefits	59,897	97,037	-	-	167	-	25,133	-	182,234
300 Purchased Services	3,557	4,408	-	-	-	-	18,449	-	26,414
400 Supplies and Materials	291	2,498	-	-	-	-	-	-	2,789
600 Other Objects	-	-	-	-	-	-	712	-	712
224 Improvement of Instruction Inservice and Staff Training:									
100 Salaries	-	-	-	-	-	-	151,375	-	151,375
200 Employee Benefits	-	-	-	-	-	-	22,313	-	22,313
300 Purchased Services	227,648	7,632	-	-	-	-	1,044,648	-	1,279,928
400 Supplies and Materials	1,244	-	-	-	-	-	125,516	-	126,760
600 Other Objects	5,677	-	-	-	-	-	-	-	5,677
230 General Administration Services:									
233 School Administration:									
300 Purchased Services	6,500	32,106	-	-	-	-	-	-	38,606
400 Supplies and Materials	1,441	-	-	-	-	-	-	-	1,441
250 Finance and Operations Services:									
254 Operation and Maintenance of Plant:									
100 Salaries	-	-	-	-	1,484	-	-	-	1,484
200 Employee Benefits	-	-	-	-	166	-	-	-	166
300 Purchased Services	-	-	-	-	3,991	67,404	1,172,931	-	1,244,326
400 Supplies and Materials	-	-	-	-	1,268	-	-	-	1,268
255 Student Transportation (State Mandated):									
100 Salaries	-	-	-	-	-	-	2,402	-	2,402
300 Purchased Services	-	-	-	-	-	40,000	-	-	40,000
600 Other Objects	-	-	-	-	-	110,038	-	-	110,038
258 Security:									
300 Purchased Services	-	-	-	-	-	151,812	-	-	151,812
400 Supplies and Materials	-	-	-	-	-	5,213	11,408	-	16,621
500 Capital Outlay	-	-	-	-	-	439,457	-	-	439,457
600 Other Objects	-	-	-	-	-	579,950	-	-	579,950
260 Central Support Services:									
263 Information Services:									
400 Supplies and Materials	-	-	-	-	-	-	243	-	243
264 Staff Services:									
100 Salaries	-	-	-	-	-	-	140,100	-	140,100
200 Employee Benefits	-	-	-	-	-	-	18,283	-	18,283
300 Purchased Services	-	-	-	-	-	-	8,246	-	8,246
266 Technology and Data Processing Services:									
400 Supplies and Materials	-	-	-	-	-	1,402	-	-	1,402

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SPECIAL REVENUE FUND**

SCHEDULE B-1

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

	Title I (BA Projects) <u>201/202</u>	IDEA (CA Projects) <u>203/204</u>	Preschool Handicapped (CG Projects) <u>205/206</u>	CATE (VA Projects) <u>207/208</u>	Adult Education <u>243</u>	Other Designated Restricted State Grants <u>900s</u>	Other Special Revenue Programs <u>200s/800s</u>	Pupil Activity Programs <u>(700s)</u>	<u>TOTALS</u>
270 Support Services - Pupil Activity									
271 Pupil Service Activities									
100 Salaries (Optional)	-	310	-	-	-	-	4,821	55,807	
200 Employee Benefits (Optional)	-	123	-	-	-	-	1,899	20,529	
300 Purchased Services (Optional)	-	-	-	-	-	-	3,967	3,967	
400 Supplies and Materials (Optional)	-	-	-	-	-	-	6,927	6,927	
500 Capital Outlay (Optional)	-	-	-	-	-	-	30,198	-	
600 Other Objects (Optional)	-	-	-	-	-	-	-	-	
660 Pupil Activity (Optional)	-	282	-	-	-	-	78,572	517,111	
272 Pupil Services Activities:									
100 Salaries (Optional)	-	-	-	-	-	-	-	3,222	
200 Employee Benefits (Optional)	-	-	-	-	-	-	-	1,165	
660 Pupil Activity	-	-	-	-	-	-	-	33,230	
273 Trust and Agency Activities:									
660 Pupil Activity	-	-	-	-	-	-	-	-	
Total Support Services	1,304,804	727,915	-	-	14,920	1,610,272	3,068,491	623,911	7,350,313
300 Community Services:									
360 Welfare Services:									
400 Supplies and Materials	6,779	-	-	-	-	-	-	6,779	
370 Non-Public School Services:									
300 Purchased Services	-	-	-	-	-	-	26,840	26,840	
400 Supplies and Materials	-	-	-	-	-	-	2,152	2,152	
390 Other Community Services									
300 Purchased Services	-	-	-	-	-	84	-	84	
Total Community Services	6,779	-	-	-	-	84	28,992	-	35,855
410 INTERGOVERNMENTAL EXPENDITURES									
411 Payment to SDE									
720 Transits	-	-	-	-	-	-	58,306	58,306	
419 Payments from PEBA Nonemployer Contributions									
720 Transits	-	-	-	-	-	4,867	-	4,867	
TOTAL INTERGOVERNMENTAL EXPENDITURES	-	-	-	-	-	4,867	58,306	-	63,173
TOTAL EXPENDITURES	3,198,622	1,640,324	42,182	78,384	88,447	1,636,923	6,734,390	623,911	14,043,183
OTHER FINANCING SOURCES (USES)									
Interfund Transfers, From (To) Other Funds									
5210 Transfer from General Fund (Exclude Indirect Costs)	-	-	-	-	-	-	1,949,017	-	1,949,017
5270 Transfer from Pupil Activity Fund	-	-	-	-	-	-	-	43,559	43,559
5299 Proceeds from issuance of IT subscriptions	-	-	-	-	-	452,400	-	-	452,400

MARION COUNTY SCHOOL DISTRICT

SCHEDULE B-1

MARION, SOUTH CAROLINA

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

	Title I (BA Projects) <u>201/202</u>	IDEA (CA Projects) <u>203/204</u>	Preschool Handicapped (CG Projects) <u>205/206</u>	CATE (VA Projects) <u>207/208</u>	Adult Education <u>243</u>	Other Designated Restricted State Grants <u>900s</u>	Other Special Revenue Programs <u>200s/800s</u>	Pupil Activity Programs <u>(700s)</u>	<u>TOTALS</u>
420-710 Transfer to General Fund (Exclude Indirect Costs)	-	-	-	-	-	-	(67,320)	-	(67,320)
431-791 Special Revenue Fund Indirect Costs (Use Only for to General Fund)	(135,792)	-	-	-	-	-	(7,127)	-	(142,919)
426-710 Transfer to Pupil Activity Fund	-	-	-	-	-	-	-	(43,559)	(43,559)
TOTAL OTHER FINANCING SOURCES (USES)	(135,792)	-	-	-	-	452,400	1,874,570	-	2,191,178
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-	-	-	2,419,269	(70,336)	2,348,933
FUND BALANCE, Beginning of Year	-	-	-	-	-	-	430,292	264,774	695,066
FUND BALANCE, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,849,561	\$ 194,438	\$ 3,043,999

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SPECIAL REVENUE FUND

SUPPLEMENTAL LISTING OF LEA SUBFUND CODES AND TITLES - STATE RESTRICTED GRANTS

YEAR ENDED JUNE 30, 2025

**OTHER DESIGNATED
RESTRICTED STATE
GRANTS**

919	Education License Plates
924	Child Early Reading Development and Education Program (CERDEP) - Full Day 4K
935	Reading Coaches
956	Adult Education
969	Other State Lottery Programs
970	School Safety - Facility and Infrastructure Safety Upgrades
994	PEBA Nonemployer Contribution

MARION COUNTY SCHOOL DISTRICT
 MARION, SOUTH CAROLINA
 SPECIAL REVENUE FUND

SUMMARY SCHEDULE FOR OTHER DESIGNATED RESTRICTED STATE GRANTS
 YEAR ENDED JUNE 30, 2025

SUBFUND	REVENUE CODE	PROGRAMS	REVENUES	EXPENDITURES	SPECIAL REVENUE		
					INTERFUND TRANSFERS IN (OUT)	OTHER FUND TRANSFERS IN (OUT)	UNEARNED
919	3193	Education License Plates	\$ 1,402	\$ 1,402	\$ -	\$ -	\$ 290
924	3134	CERDEP - Full Day 4K	20,398	20,398	-	-	-
935	3135	Reading Coaches	214,995	214,995	-	-	72,686
956	3156	Adult Education	987	987	-	-	820
969	3699	Other State Lottery Programs	400	400	-	-	256
970	3670	School Safety - Facility and Infrastructure Safe	941,474	1,393,874	-	-	38,002
994	3994	PEBA Nonemployer Contributions	4,867	4,867	-	-	-
TOTALS			<u>\$ 1,184,523</u>	<u>\$ 1,636,923</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,054</u>

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL
PROGRAMS
FOR YEAR ENDED JUNE 30, 2025**

	ACTUAL
REVENUES	
3000 Revenue from State Sources:	
3500 Education Improvement Act:	
3502 ADEPT	\$ 7,559
3518 Adoption List of Formative Assessment	40,617
3519 Grade 10 Assessments	109
3526 Refurbishment of Science Kits	-
3528 Industry Certification/Credentials	12,378
3529 Career and Technology Education	95,675
3532 National Board Salary Supplement (No Carryover Provision)	13,256
3533 Teacher of the Year Awards (No Carryover Provision)	2,153
3541 Child Early Reading Development & Education Program (CERDEP) - Full Day 4K	440,678
3556 Adult Education	183,437
3557 Summer Reading Program	143,869
3571 Palmetto Priority Schools	230,301
3577 Teacher Supplies (No Carryover Provision)	99,600
3595 EEDA - Supplies and Materials	7,061
3599 Other EIA	58,480
Total Revenue from State Sources	1,335,173
TOTAL REVENUE ALL SOURCES	1,335,173
EXPENDITURES	
100 Instruction:	
110 General Instruction:	
111 Kindergarten Programs:	
400 Supplies and Materials	4,000
112 Primary programs	
100 Salaries	1,000
200 Employee Benefits	77
400 Supplies and Materials	23,000
113 Elementary Programs:	
400 Supplies and Materials	27,800
114 High School Programs:	
100 Salaries	11,741
200 Employee Benefits	3,537
300 Purchased Services	86,058
400 Supplies and Materials	22,667
115 Career and Technology Education Program:	
100 Salaries	1,000
200 Employee Benefits	76
300 Purchased Services - Other Than Tuition	3,254
400 Supplies and Materials	162,093
600 Other Objects	848

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL
PROGRAMS
FOR YEAR ENDED JUNE 30, 2025**

	ACTUAL
120 Exceptional Programs:	
122 Trainable Mentally Handicapped:	
400 Supplies and materials	2,600
126 Speech Handicapped	
400 Supplies and materials	1,200
127 Learning Disabilities:	
100 Salaries	10,118
200 Employee Benefits	3,138
400 Supplies and Materials	7,000
130 Pre-School Programs:	
137 Pre-School Handicapped Self Contained (3& 4 Yr. Olds):	
400 Supplies and Materials	800
147 CERDEP:	
100 Salaries	281,328
200 Employee Benefits	159,253
300 Purchased Services	101
400 Supplies and Materials	2,800
170 Summer School Program:	
171 Primary Summer School:	
100 Salaries	106,751
200 Employee Benefits	36,230
300 Purchased Services	734
400 Supplies and Materials	43,790
180 Adult / Continuing Educational Programs	
181 Adult Basic	
100 Salaries	1,640
200 Employee benefits	414
300 Purchased services	198
400 Supplies and materials	229
182 Adult Secondary	
100 Salaries	6,421
200 Employee benefits	2,259
300 Purchased services	200
400 Supplies and materials	350
184 Post Secondary Education Program	
100 Salaries	3,360
200 Employee benefits	1,107
300 Purchased services	224
400 Supplies and materials	1,014
TOTAL INSTRUCTION	1,020,410
200 Support Services:	
210 Pupil Services:	
212 Guidance Service:	
300 Purchased services	6,570
400 Supplies and Materials	2,800
217 Career Specialist Services:	
400 Supplies and Materials	2,000

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - ALL
PROGRAMS
FOR YEAR ENDED JUNE 30, 2025**

	ACTUAL
220 Instructional Staff Services:	
221 Improvement of Instruction-curriculum Development	
100 Salaries	54,716
200 Employee benefits	18,064
300 Purchased services	12,678
222 Library and Media:	
400 Supplies and Materials	2,800
223 Supervision of Special Programs:	
100 Salaries	108,059
200 Employee Benefits	52,625
300 Purchased Services	1,387
400 Supplies and materials	2,973
224 Improvement of Instruction - In-service and Staff Training:	
100 Salaries	7,559
300 Purchased Services	85,217
270 Support Services - Pupil Activity	
271 Pupil Service Activities	
100 Salaries	484
200 Employee Benefits	193
500 Capital Outlay	213
660 Pupil Activity (Optional)	332
Total Support Services	358,670
300 Community Services:	
390 Other Community Services	
300 Purchased Services	460
Total Community Services	460
TOTAL EXPENDITURES	1,379,540
OTHER FINANCING SOURCES (USES)	
Interfund Transfers, From (To) Other Funds	
5210 Transfer from General fund (Excludes Indirect costs)	44,367
Total Other Financing Sources (Uses)	44,367
EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES	-
FUND BALANCE, Beginning of Year	-
FUND BALANCE, End of Year	\$ -

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
EDUCATION IMPROVEMENT ACT
SUMMARY SCHEDULE BY PROGRAM
YEAR ENDED JUNE 30, 2025**

<u>Program</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>EIA Fund Transfers In/(Out)</u>	<u>Other Fund Transfers In / (Out)</u>	<u>EIA Fund Deferred Revenue</u>
3500 Education Improvement Act					
3502 ADEPT	\$ 7,559	\$ 7,559	\$ -	\$ -	\$ 5,640
3518 Adoption List of Formative Assessment	40,617	40,617	-	-	28,995
3519 Grade 10 Assessment	109	109	-	-	1,394
3526 Refurbishment of Science Kits	-	-	-	-	34,302
3528 Industry Certification/Credentials	12,378	12,378	-	-	16,108
3529 Career and Technology Education	95,675	95,675	-	-	98,608
3532 National Board Salary Supplement (No Carryover Provision)	13,256	13,256	-	-	-
3533 Teacher of the Year Awards (No Carryover Provision)	2,153	2,153	-	-	-
3541 Child Early Development & Education Program (CDEPP) - Full Day 4K	440,678	440,678	-	-	-
3556 Adult Education	183,437	183,437	-	-	65,524
3557 Summer Reading Program	143,869	188,236	-	44,367	15,987
3567 CPR Instruction	-	-	-	-	6,013
3571 State Priority Schools	230,301	230,301	-	-	51,699
3577 Teacher Supplies (No Carryover Provision)	99,600	99,600	-	-	-
3595 EEDA - Supplies and Materials	7,061	7,061	-	-	12,429
3599 Other EIA	58,480	58,480	-	-	1,520
Totals	\$ 1,335,173	\$ 1,379,540	\$ -	\$ 44,367	\$ 338,219

MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA

DETAILED SCHEDULE OF DUE TO STATE DEPARTEMENT OF EDUCATION / FEDERAL
GOVERNMENT

YEAR ENDED JUNE 30, 2025

<u>Program</u>	<u>Grant or Project</u>	<u>Revenue and Subfund Codes</u>	<u>Description</u>	<u>Amount Due to SDE / Fed Gov't</u>
None reported.				

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 2025

REVENUES

1000 Revenues from Local Sources:

1200 Taxes:

1110 Ad Valorem Taxes - Including Delinquent (Fiscally Dependent LEA) \$ 806,017

1200 Revenue from Local Governmental Units other than LEAs:

1280 Revenue in Lieu of Taxes (Dependent and Independent) 77,290

1500 Earnings on Investments

1510 Interest on Investments 40,914

Total Revenues from Local Sources 924,221

3000 State Sources

3800 State Revenue in Lieu of Taxes:

3820 Homestead Exemption (Tier 2) -

3830 Merchant's Inventory Tax 6,738

3840 Manufacturers Depreciation Reimbursement 16,027

3890 Other State Property Tax Revenues (Includes Motor Carrier Vehicle Tax) 29,555

Total Revenues from State Sources 52,320

TOTAL REVENUE ALL SOURCES 976,541

EXPENDITURES

500 Debt Service

620 Interest 22,583

690 Other Objects (Includes Fees for Servicing Bonds) 11,021

TOTAL EXPENDITURES 33,604

EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES 942,937

FUND BALANCE, Beginning of Year 1,044,063

FUND BALANCE, End of year \$ 1,987,000

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
YEAR ENDED JUNE 30, 2025**

REVENUES	
1000 Local Sources	
1500 Earnings on Investments	
1510 Interest on Investments	\$ 4,290
TOTAL REVENUES LOCAL SOURCES	4,290
TOTAL REVENUE ALL SOURCES	4,290
EXPENDITURES	
250 Finance and Operations Services	
253 Facilities Acquisition & Construction	
500 Capital Outlay	
530 Improvements other than Buildings	1,027,464
540 Equipment	303,013
254 Operations and Maintenance of Plant	
300 Purchased Services	522,238
500 Capital Outlay	346,404
Total Support Services	2,199,119
500 Debt Service	
610 Redemption of Principal	793,072
TOTAL EXPENDITURES	2,992,191
OTHER FINANCING SOURCES (USES)	
5120 Proceeds of General Obligation Bonds	866,885
TOTAL OTHER FINANCING SOURCES (USES)	866,885
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	(2,121,016)
FUND BALANCE, Beginning of Year	2,447,290
FUND BALANCE, End of Year	\$ 326,274

MARION COUNTY SCHOOL DISTRICT
 MARION, SOUTH CAROLINA
 SPECIAL REVENUE - FOOD SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 YEAR ENDED JUNE 30, 2025

RECEIPTS

1000 Revenue from Local Sources	
1600 Food Service	
1610 Lunch Sales to Pupils	\$ 32,237
1620 Breakfast Sales to Pupils	41
1630 Special Sales to Pupils	18,996
1640 Lunch Sales to Adults	5,013
1650 Breakfast Sales to Adults	141
1660 Special Sales to Adults	3,653
Total Receipts from Local Sources	<u>60,081</u>
4000 Revenue from Federal Sources	
4800 USDA Reimbursement	
4810 School Lunch and After School Snacks Program, and Special Milk Program	2,034,606
4820 Supply Chain Assistance Funding	(105,027)
4830 School Breakfast Program (Carryover Provision)	744,909
4860 Fresh Fruits and Vegetables (FFVP) (Carryover Provision)	92,302
4899 Miscellaneous	15,136
4900 Other Federal Sources	
4991 USDA Commodities (Food Distribution Program)(Carryover Provision)	221,366
Total Receipts from Federal Sources	<u>3,003,292</u>
TOTAL RECEIPTS ALL SOURCES	<u>3,063,373</u>

DISBURSEMENTS

256 Food Service	
100 Salaries	94,316
200 Employee Benefits	39,208
300 Purchased Services (Exclude Energy Costs)	2,325,147
400 Supplies and Materials (Exclude Energy Costs)	391,137
500 Capital Outlay	39,827
600 Other Objects	512
TOTAL FOOD SERVICE EXPENSES	<u>2,890,147</u>

OTHER FINANCING SOURCES (USES)

Interfund Transfers, From (To) Other Funds	
432-791 Food Service Fund Indirect Costs	(52,295)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(52,295)</u>

EXCESS/DEFICIENCY OF REVENUES OVER EXPENDITURES	120,931
FUND BALANCE, Beginning of Year	<u>1,476,699</u>
FUND BALANCE, End of Year	<u>\$ 1,597,630</u>

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

LOCATION RECONCILIATION SCHEDULE

YEAR ENDED JUNE 30, 2025

<u>Location ID</u>	<u>Location Description</u>	<u>Education Level</u>	<u>Cost Type</u>	<u>Total Expenditures</u>
000	District Wide	Non-School	Central	\$ 886,131
001	Spring Branch Property	Non-School	Central	4,867
002	Marion High School	High School	School	7,447,143
003	Easterling Elementary School	Elementary	School	4,198,811
004	Marion Intermediate School	Elementary	School	4,063,765
007	Johnakin Middle School	Middle School	School	4,967,165
008	Mullins High School	High School	School	5,751,789
009	Palmetto Middle School	Middle School	School	3,803,794
010	McCormick Elementary School	Elementary	School	2,526,159
012	Fox Field	Non-School	Central	648,250
013	North Mullins Primary School	Elementary	School	3,244,532
014	Mullins Early Childhood Center	Elementary	School	1,997,201
022	Activity Bus	Non-School	Central	4,161
023	Brittons Neck Elementary School	Elementary	School	28,793
025	Creek Bridge Stem Academy	Elem/Middle	School	4,095,083
030	Adult Education	Other School	School	391,676
031	Success Academy/Palmetto Ed Ctr	Alternative Schl	School	1,541,447
032	Athletic Complex - Marion	High School	Central	73,630
033	Success Academy/Annex	Alternative Schl	School	1,202
907	Community Center - Centenary	Non-School	Central	3,547
910	Marion County Schs - District Ofc	Non-School	Central	14,802,231
913	Marion County Schs - Annex Ofc	Non-School	Central	1,227,473
925	Maintenance Department	Non-School	Central	688,706
926	Storage	Non-School	Central	498
927	Old Red Brick School	Non-School	Central	2,391
928	Old Rains Centenary Elementary	Non-School	Central	4,397
929	Rains Do-House	Non-School	Central	237
933	Southside	Non-School	Central	5,487
940	Bus Driver	Non-School	Central	47,684
975	Tom Gasque Ave Apartments	Non-School	Central	17,249
995	Academy for Careers/Technology	High School	School	2,409,531
999	Pee Dee Academy	Grades K-12	School	28,992
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS				\$ 64,914,022

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

General Fund	\$ 43,575,457
Special Revenue Fund	14,043,083
Special Revenue - EIA Fund	1,379,540
Special Revenue - Food Service Fund	2,890,147
Debt Service Fund	33,604
Capital Projects Fund	2,992,191
TOTAL EXPENDITURES / DISBURSEMENTS FOR ALL FUNDS	\$ 64,914,022

COMPLIANCE SECTION

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

<u>LEA</u> <u>Subfund</u> <u>Code</u>	<u>Federal Grantor / Pass-Through Grantor</u> <u>Program Title</u>	<u>Federal AL#</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>				
Pass-through State Department of Education:				
600	School Breakfast Program	10.553	N/A	\$ 744,909
600	National School Lunch Program	10.555	N/A	2,034,606
National School Lunch Program - Non Cash				
600	Assistance	10.555	N/A	221,366
600	Supply Chain Assistance Funding	10.555	N/A	(89,891)
Total 10.553, 10.555 & 10.559 - Child Nutrition Cluster				2,910,990
600	Fresh Fruit and Vegetable Program	10.582	N/A	92,302
Total U.S. Department of Agriculture				3,003,292
<u>U.S. Department of Education</u>				
Pass-through State Department of Education:				
201/202	Title I Grants to LEA's	84.010	19/20/21 Title I, Part A (Regular)	3,334,410
237	Title I Targeted Support & Improvement	84.010	20 Title I Support	196,261
Total 84.010				3,530,671
<u>Individuals with Disabilities Education Act.</u>				
203/204	IDEA	84.027	19/20/21 IDEA	1,640,322
205	Handicapped Preschool Grants	84.173	19/20/21 Preschool	42,182
212	Extended School Year	84.027	22/23 IDEA ESY	34,251
Total 84.027 & 84.173 - Special Education Cluster (IDEA)				1,716,755
207/208	Vocational Education - WBL Activities	84.048	22 CATE	78,384
210	Student Support and Academic Enrichment (SSAE)	84.424A	19/20/21 Title IV SSAE	135,474
Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund (ESSER):				
210	COVID-19 ESSER II	84.425D	ESSER II	32,913
218	COVID-19 ARP ESSER III	84.425U	ARP ESSER III	4,272,400
Total 84.425D & 84.425U				4,305,313
243	Adult Education	84.002	20/21/22 Adult Ed	88,447
251	Rural and Low Income Schools	84.358	20 Title VI REAP	164,464
264/265	Language Instruction - Title III	84.365	20 Title III	5,731
264	Improving Teacher Quality - Title II	84.367	19/20/21/23 Title II ITQ	361,646
Total Pass-through State Department of Education				10,386,885
Pass-through Insight Education Group, Inc:				
836	Empowering Educators to Excel (E3) - TSL	84.374A		124,852
Direct Programs:				
820	Federal Pell Grant Program	84.063	N/A	98,914
Total U.S. Department of Education				10,610,651
<u>U.S. Department of Energy</u>				
Pass-through Office of State and Community Energy Programs				
863	Renew America's School	81.086	N/A	70,281
<u>U.S. Department of Defense</u>				
Direct Program:				
296	JROTC - Army	12.000	N/A	103,716
Total U.S. Department of Defense				103,716
Total Federal Assistance Expended				\$ 13,787,940

Note: There were no expenditures to subrecipients for the year ended June 30, 2025.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2025

A - General

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") presents the activity of all federal award programs of Marion County School District, South Carolina (the "School District") for the year ended June 30, 2025. All federal awards received directly from the federal agencies, as well as those passed through other government agencies, are included on the Schedule.

B - Basis of Accounting

The accompanying Schedule is presented using the modified accrual basis of accounting, which is described in the notes to the School District's financial statements.

C - Relationship to Financial Statements

Federal award expenditures are reported in the School District's financial statements as expenditures in the Special Revenue Fund and the Special Revenue - Food Service Fund.

D - 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 expenditures made subsequent to the filing of the federal financial reports.

E - Indirect Cost Rate

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



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act

Independent Auditors' Report

The Board of Education
Marion County School District
Marion, South Carolina

Report on Compliance for Each Major Federal Program

We have audited Marion County School District's compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in South Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Marion County School District's major federal programs for the year ended June 30, 2025. Marion County School District'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 Marion County School 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, 2025.

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; 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) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Example Entity 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 provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Marion County School 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 Marion County School District federal programs.

Members

American Institute of CPAs - N.C. Association of CPAs – AICPA's Private Companies Practice Section

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Marion County School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Marion County School 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 Marion County School 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 Marion County School 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 Marion County School 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 1, 2025



Thompson, Price, Scott, Adams & Co, P.A.

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
Government Auditing Standards**

Independent Auditors' Report

The Board of Education
Marion County School District
Marion, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Marion County School District, South Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Marion County School District basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Marion County School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Marion County School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant weaknesses may exist that were not identified. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marion County School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 or other matters that are required to be reported under *Government Auditing Standards*

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 1, 2025

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2025**

None reported.

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance to GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X no

Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X no

Noncompliance material to federal awards ___ yes X no

Type of auditor's report issued on compliance for major federal 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 federal programs:

<u>AL #</u>	<u>Program Name</u>
84.010	Title I Targeted Support & Improvement
84.425D & 84.425U	COVID-19 Education Stabilization Fund - Elementary and Secondary School Emergency Relief Fund

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? X yes ___ no

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

No matters to report

Section III - Federal Award Findings and Questioned Costs

No matters to report

**MARION COUNTY SCHOOL DISTRICT
MARION, SOUTH CAROLINA
CORRECTIVE ACTION PLAN
YEAR ENDED JUNE 30, 2025**

Section II - Financial Statement Findings

No matters to report.