

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**INDEPENDENT AUDITOR'S REPORT**  
**FINANCIAL STATEMENTS AND SCHEDULES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

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FLORENCE, SOUTH CAROLINA**

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**Florence – Darlington Technical College  
Florence, South Carolina**

**Organizational Data  
June 30, 2024**

**AREA COMMISSION MEMBERS AND OFFICERS**

Paul Seward, Chairperson, Florence County  
Ershela Sims, Vice-Chairperson, Darlington County  
Wanda James, Secretary, Florence County  
Meredith Taylor, Member, Darlington County  
Missy Jay, Member, Florence County  
Leroy Robinson, Member, Darlington County  
Clint Moore, Member, Florence County  
Hood Temple, Member, Florence County  
Kevin Etheridge, Member, Darlington County

**ADMINISTRATIVE STAFF**

Dr. Jermaine Ford, President  
Dr. Debbie Cheek, Vice-President – Business Affairs

Florence – Darlington counties contribute financially to the operations of the College.

**AREA SERVED BY COLLEGE**

Darlington County  
Florence County  
Marion County



Robert D. Harper, Jr. CPA◆  
Robin B. Poston CPA

Stacey C. Moree CPA  
Wyndie B. Moree CPA

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## INDEPENDENT AUDITOR'S REPORT

Florence – Darlington Commission for Technical Education  
Florence – Darlington Technical College  
Florence, South Carolina

### Report on Audit of Financial Statements

#### Opinions

We have audited the accompanying financial statements of Florence – Darlington Technical College, a component unit of the State of South Carolina, as of and for the years ended June 30, 2024 and June 30, 2023 and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Florence – Darlington Technical College, as of June 30, 2024 and June 30, 2023, and the respective changes in the financial position and, where applicable, cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Florence – Darlington Technical College Educational Foundation, Inc. which represents 100 percent of the discretely presented component unit presented in the financial statements. Those statements were audited by other auditors whose report has been furnished to us, and our opinion on the basic financial statements insofar as it relates to the amounts included for Florence – Darlington Technical College Educational Foundation, Inc. as a discretely presented component unit, is based solely on the report of other auditors.

#### Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Florence – Darlington Technical College and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation,

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MEMBERS:  
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS  
SOUTH CAROLINA ASSOCIATION OF CERTIFIED PUBLIC ACCOUNTANTS  
◆ Retired

PAWLEYS ISLAND  
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and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Florence – Darlington Technical College’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor’s Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Florence – Darlington Technical College’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Florence – Darlington Technical College’s ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 4 through 7 and supplementary pension information and supplementary OPEB information on pages 55 through 62 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 Florence – Darlington Technical College’s basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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, based on our report and the report of other auditors, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the College’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College’s internal control over financial reporting and compliance.

## Report on State Lottery Assistance Program

We have also issued our report dated September 30, 2024 on our consideration of Florence – Darlington Technical College’s administration of the State Lottery Assistance Program and on our tests of its compliance with certain provisions of state law and policy 3-2-307 and procedure 3-2-307.1 of the State Board for Technical and Comprehensive Education.

## Report on State Supported Scholarship and Grants

We have also issued our report dated September 30, 2024 on our consideration of Florence – Darlington Technical College’s administration of the state supported scholarships and grants and on our tests of its compliance with certain provisions of the state legislation and the regulations of the South Carolina Commission on Higher Education.

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Georgetown, South Carolina  
September 30, 2024

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024**

The management of Florence-Darlington Technical College offers readers of the College's financial statements a narrative overview and analysis of the financial activities of the College for the fiscal year ended June 30, 2024. This report focuses on current activities, resulting change and currently known facts, and provides a comparison with the prior fiscal year. This discussion should be read in conjunction with the financial statements and the accompanying notes which follow this section.

**Overview of the Financial Statements**

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

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

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

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

Financial statements for the Florence-Darlington Technical College Educational Foundation, Inc can be obtained by mailing a request to them at PO Box 100548, Florence, SC 29502. The Foundation's financial information is not included in this Management's Discussion and Analysis section.

A comparative analysis of data is presented in the following sections.

**Financial Analysis**

Net position may serve over time as a useful indicator of an entity's financial position. Total net position at June 30, 2024, was \$10.7 million, an increase of \$11.2 million from the prior fiscal year net position of \$(.5) million. The largest portion of the College's net position, \$33.4 million, reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that is still outstanding. \$12.4 million of the College's net position represents resources that are subject to external restrictions on how they may be used. Unrestricted net position as of June 30, 2024, increased \$10.2 million to \$(35.0) million from the prior fiscal year balance of \$(45.2) million.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024**

This schedule is a condensed presentation prepared from the College's Statements of Net Position as of June 30, 2024 and 2023 (in millions):

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Current Assets	\$ 46.82	\$ 39.81	\$ 7.01
Non Current Assets			
Capital & Leased Assets, Net	42.17	42.53	(.36)
Total Assets	88.99	82.34	6.65
Deferred Outflows	9.15	10.95	(1.80)
Total Assets & Deferred Outflows	\$ 98.14	\$ 93.29	\$ 4.85
Current Liabilities	10.70	9.19	1.51
Non Current Liabilities	55.55	63.47	(7.92)
Total Liabilities	66.25	72.66	(6.41)
Deferred Inflows	21.15	21.13	0.02
Total Liabilities & Deferred Inflows	\$ 87.40	\$ 93.79	\$ (6.39)
Net Position			
Net Investment in Capital Assets	33.36	32.89	0.47
Restricted: Expendable	12.40	11.80	0.60
Unrestricted	(35.02)	(45.19)	10.17
Total Net Position	\$ 10.74	\$ (0.50)	\$ 11.24

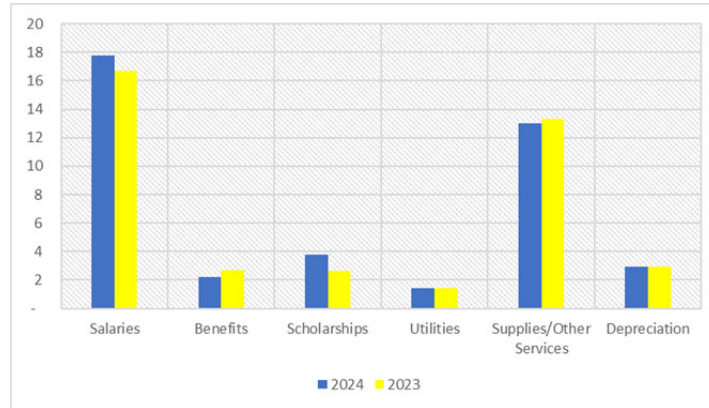
Non-current liabilities decreased \$7.92 million largely as a result of a reduction in Net Pension and OPEB liability. The College is required to report a proportionate share of the Net Pension Liability (NPL) and the Net Other Postemployment Benefits other than Pensions (OPEB) liability in the employer's financial statements. Regardless of the NPL or OPEB Liability reported on the College's financial statements, the College is responsible only for making the pension and benefit contributions required by State law during any given year. The College cannot pay down or pay off their proportionate share of these liabilities with additional contributions as the plans are unable to accept contributions in excess of those required by State law.

The following schedule summarizes the operating results for the two fiscal years (in millions):

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Operating Revenue			
Tuition and Fees	\$ 6.91	\$ 4.93	\$ 1.98
Grants and Contracts	9.07	9.82	(0.75)
Auxiliary	0.65	0.96	(0.31)
Other	1.59	1.50	0.09
Total Operating Revenue	\$ 18.22	\$ 17.21	\$ 1.01
Less Operating Expenses	41.19	39.56	1.63
Net Operating Loss	(22.97)	(22.35)	0.62
Non Operating Revenue and Expenses			
State and County Appropriations	22.21	19.12	3.09
Other	12.00	12.54	(0.54)
Increase (Decrease) in Net Position	11.24	9.31	1.93
Net Position, Beginning of Year	(0.50)	(9.81)	
Net Position, End of Year	\$ 10.74	\$ (0.50)	

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024**

Note 23 of the accompanying notes to the financial statements identifies operating expenses by their functional classifications. The following graph illustrates the natural class categories of the operating expenses from the condensed operating results above (in millions).



The schedule below summarizes the cash flows for the fiscal years ended June 30, 2024 and 2023 for the College (in millions).

	<u>2024</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Cash provided (used) by			
Operating Activities	\$ (25.32)	\$ (19.64)	\$ (5.68)
Non Capital Financing Activities	32.83	34.03	(1.20)
Capital and Related Financing	(2.98)	(2.41)	(0.57)
Investing Activities	.65	.42	0.23
Net (Decrease) Increase in Cash	<u>\$ 5.18</u>	<u>\$ 12.40</u>	<u>\$ (7.22)</u>

Cash used for operating activities (tuition and fees, grants and contracts and auxiliary enterprise charges less payments to employees and vendors) is offset by cash provided from noncapital financing activities, which includes state and local appropriations and federal student aid. Payments on debt and purchases of capital assets are included in the capital and related financing category.

**Assets and debt administration**

<u>Long-Term Debt</u>	<u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2024</u>
Revenue Bonds and Premiums	\$ 8,859,938	\$ 0	\$ (1,112,134)	\$ 7,747,804
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total long-term debt	<u>\$ 8,859,938</u>	<u>\$ 0</u>	<u>\$ (1,112,134)</u>	<u>\$ 7,747,804</u>

<u>Capital Assets</u>	<u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2024</u>
Land and Improvements	\$ 2,711,896	\$ 0	\$ 0	\$ 2,711,896
Construction in Progress	1,612,331	1,356,918	(1,408,093)	1,561,156
Buildings and Improvements	74,332,398	1,408,093	0	75,740,491
Machinery and Vehicles	18,623,938	530,654	0	19,154,592
Accumulated Depreciation	(55,584,754)	(2,750,065)	0	(58,334,819)
Net Capital Assets	<u>\$ 41,695,809</u>	<u>\$ 545,600</u>	<u>\$ (1,408,093)</u>	<u>\$ 40,833,316</u>

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2024**

<b><u>Leased Assets</u></b>	<b><u>July 1, 2023</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>June 30, 2024</u></b>
Leased Equipment	\$ 408,656	\$ 0	\$ 0	\$ 408,656
Leased Vehicles	270,023	0	(26,446)	243,577
Accumulated Amortization	<u>(362,986)</u>	<u>(118,285)</u>	<u>0</u>	<u>(481,271)</u>
Net Leased Assets	<u>\$ 315,693</u>	<u>\$ (118,285)</u>	<u>\$ (26,446)</u>	<u>\$ 170,962</u>

<b><u>Subscriptions</u></b>	<b><u>July 1, 2023</u></b>	<b><u>Additions</u></b>	<b><u>Reductions</u></b>	<b><u>June 30, 2024</u></b>
Subscriptions	\$ 515,417	\$ 711,943	\$ 0	\$ 1,227,360
Accumulated Amortization	<u>(308)</u>	<u>(57,804)</u>	<u>0</u>	<u>(58,112)</u>
Net Subscriptions	<u>\$ 515,109</u>	<u>\$ 654,139</u>	<u>\$ 0</u>	<u>\$ 1,169,248</u>

In 2023, the College implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). GASB Statement No. 96 establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; and requires note disclosures regarding a SBITA.

**Economic factors**

South Carolina ranks third overall for best places in the country to do business, according to Area Development's magazine. State government ended fiscal year 2023-24 on June 30, 2024, with a balance of surplus funds. State tax collection exceeded estimates by 10%. State initiatives include an increase in the Capital Reserve Fund by 1% and the General Reserve Fund increased to 5.5%, with an increase each year until the fund reaches 7%. The state continues providing additional financial support to the SC Technical College system with increases to the system for tuition mitigation and workforce scholarships.

Financial support in the form of property tax millage from Florence and Darlington counties remained stable. Additional county funding was received during the FY24 from Marion County. The fiscal year ended without material reductions in support from either county or state governments. Enrollment increased during the 23-24 year and FDTC's strategic plan includes an increase over the next 5 years.

The college will continue to reduce expenses, increase efficiencies, and pursue opportunities to responsibly increase revenues in a post-COVID impacted economy. Federal and State financial aid programs are an increasingly important factor in the financial well-being of the College. The College continues to operate on a fiscally sound basis and is conservative in planning and budgeting.

## **FINANCIAL STATEMENTS**

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**STATEMENT OF NET POSITION  
JUNE 30, 2024 AND JUNE 30, 2023**

	2024	2023
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 28,210,987	\$ 23,706,876
Restricted Cash and Cash Equivalents	12,329,371	11,655,476
Accounts Receivable, Net	5,853,208	3,930,586
Inventories	273,313	359,460
Lease Receivable	0	6,195
Prepaid Expense	150,008	150,936
Total Current Assets	\$ 46,816,887	\$ 39,809,529
Noncurrent Assets		
Capital Assets, Net of Accumulated Depreciation	\$ 40,833,316	\$ 41,695,809
Lease Assets, Net of Accumulated Amortization	170,962	315,693
Subscription Assets, Net of Accumulated Amortization	1,169,248	515,109
Total Noncurrent Assets	\$ 42,173,526	\$ 42,526,611
Total Assets	\$ 88,990,413	\$ 82,336,140
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred Loss on Refunding Bonds	\$ 160,833	\$ 187,638
Deferred Outflow of Resources - Pension	3,591,931	3,664,439
Deferred Outflow of Resources - OPEB	5,394,229	7,097,824
Total Deferred Outflow of Resources	\$ 9,146,993	\$ 10,949,901
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$ 575,667	\$ 530,074
Accrued Payroll and Related Liabilities	671,700	323,928
Interest Payable	119,853	125,950
Compensated Absences Payable	78,059	85,517
Restricted Unearned Revenue	6,910,797	5,833,992
Operating Unearned Revenue	848,069	972,255
Revenue Bond - Current Portion	1,075,000	1,025,000
Lease Payable - Current Portion	121,842	124,820
Subscription Payable - Current Portion	294,710	109,969
Financing Lease Payable	0	55,705
Total Current Liabilities	\$ 10,695,697	\$ 9,187,210
Noncurrent Liabilities		
Compensated Absences Payable	\$ 1,272,105	\$ 1,163,556
Revenue Bond - Long Term Portion	6,672,804	7,834,938
Lease Payable - Long Term Portion	48,228	191,310
Subscription Payable - Long Term Portion	596,793	349,266
Net Pension Liability	27,936,155	30,060,280
Net OPEB Liability	19,026,832	23,871,021
Total Noncurrent Liabilities	\$ 55,552,917	\$ 63,470,371
Total Liabilities	\$ 66,248,614	\$ 72,657,581
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred Inflow of Resources - Pension	\$ 3,474,853	\$ 4,094,653
Deferred Inflow of Resources - OPEB	17,678,730	17,027,392
Deferred Inflow of Resources - Lease Revenue	0	5,803
Total Deferred Inflow of Resources	\$ 21,153,583	\$ 21,127,848
<b>NET POSITION</b>		
Net Investment in Capital Assets	\$ 33,364,149	\$ 32,891,308
Restricted for:		
Funds Held for Others	64,706	147,017
Debt Service	12,329,371	11,655,476
Unrestricted	(35,023,017)	(45,193,189)
Total Net Position	\$ 10,735,209	\$ (499,388)

The Accompanying Notes are an Integral Part of this Statement

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
FOR THE YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2023**

	2024	2023
<b>REVENUES</b>		
Operating Revenues		
Student Tuition & Fees (Net of Scholarship Allowance of \$14,427,064 for 2024 and \$12,831,474 for 2023)	\$ 5,423,547	\$ 3,569,790
Student Tuition & Fees (Pledged as Security for Revenue Notes)	1,486,205	1,357,235
Federal Grants and Contracts	4,948,721	5,537,270
State Grants and Contracts	4,120,777	4,285,359
Auxiliary Enterprise Charges (Net of Scholarship Allowance of \$1,263,664 for 2024 and \$804,739 for 2023)	650,962	960,527
Sales and Services of Education Departments	34,347	20,373
Other Operating Income	1,551,485	1,482,004
Total Operating Revenue	\$ 18,216,044	\$ 17,212,558
<b>EXPENSES</b>		
Operating Expenses		
Salaries	\$ 17,844,711	\$ 16,698,819
Benefits	2,181,192	2,679,367
Scholarships	3,820,029	2,654,586
Utilities	1,405,492	1,362,697
Supplies and Other Services	13,016,300	13,257,879
Depreciation and Amortization	2,926,154	2,907,717
Total Operating Expenses	\$ 41,193,878	\$ 39,561,065
Operating Income (Loss)	\$ (22,977,834)	\$ (22,348,507)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
State Appropriations (See Note 19)	\$ 15,341,282	\$ 12,499,920
County Appropriations	6,867,502	6,623,473
Investment Income	652,138	422,144
Interest Expense on Capital Asset Related Debt	(346,440)	(413,064)
Federal Grants and Contracts	9,369,034	10,752,965
State and Local Grants and Contracts	51,735	36,181
Private Grants and Support	338,748	341,055
Other Nonoperating Revenues	569,815	616,415
Total Nonoperating Revenues (Expenses)	\$ 32,843,814	\$ 30,879,089
Income (Loss) Before Other Revenues, Expenses, Gains or Losses	\$ 9,865,980	\$ 8,530,582
State Capital Appropriations	\$ 1,384,830	\$ 851,755
Paid to Other State Agencies	(16,213)	(66,193)
Increase (Decrease) in Net Position	\$ 11,234,597	\$ 9,316,144
Net Position - Beginning of Year	(499,388)	(9,815,532)
Net Position - End of Year	\$ 10,735,209	\$ (499,388)

The Accompanying Notes are an Integral Part of this Statement

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2023**

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Tuition and Fees (Net of Scholarship Allowances)	\$ 5,713,310	\$ 5,811,097
Federal, State and Local Grants and Contracts	9,604,495	12,834,240
Auxiliary Enterprise Charges (Net of Scholarship Allowances)	727,576	960,824
Sales and Services of Education Departments	34,347	20,373
Other Receipts	1,551,485	1,482,004
Student Loans Proceeds	2,856,851	2,117,788
Student Loan Disbursements	(2,856,851)	(2,117,788)
Payments to Vendors	(25,205,976)	(24,045,067)
Payments to Employees	(17,743,620)	(16,707,209)
Net Cash Provided (Used) by Operating Activities	\$ (25,318,383)	\$ (19,643,738)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
State Appropriations	\$ 15,714,544	\$ 12,126,658
County Appropriations	6,867,502	7,095,214
State, Local and Federal Grants, Gifts and Contracts - Nonoperating	10,247,641	14,813,295
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 32,829,687	\$ 34,035,167
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
State Capital Appropriations	\$ 821,408	\$ 807,869
Principal Payment on Bonds Payable	(1,025,000)	(985,000)
Purchase of Capital Assets	(1,887,571)	(1,498,445)
Lease Purchase Principal Payments	(146,060)	(122,681)
Subscription Payable Principal Payments	(279,675)	(56,182)
Principal Paid on Financing Leases	(55,705)	(51,686)
Interest Paid	(412,833)	(506,181)
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (2,985,436)	\$ (2,412,306)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on Investments	\$ 652,138	\$ 422,144
Net Cash Provided (Used) by Investing Activities	\$ 652,138	\$ 422,144
Net Increase (Decrease) in Cash	\$ 5,178,006	\$ 12,401,267
Cash - Beginning of Year	35,362,352	22,961,085
Cash - End of Year	\$ 40,540,358	\$ 35,362,352

The Accompanying Notes are an Integral Part of this Statement

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2024 AND JUNE 30, 2023**

	2024	2023
<b>RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Income (Loss)	\$ (22,977,834)	\$ (22,348,507)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization Expense	2,926,154	2,907,717
Change in Assets, Liabilities, and Deferred Resources:		
Operational Receivables, Net	(1,791,171)	2,112,926
Loans Receivable, Net	0	3,395
Inventories	86,147	(12,188)
Deferred Charges and Prepaid Expenses	27,733	(321)
Change in Net Pension Liability and Related Deferred Resources	(2,671,417)	(2,957,443)
Change in Net OPEB Liability and Related Deferred Resources	(2,489,256)	(1,152,804)
Accounts Payable & Sales Tax Payable	45,593	(127,513)
Accrued Payroll and Related Liabilities	347,772	11,532
Perkins Loan Excess Cash Repaid	0	(3,395)
Compensated Absences	101,091	(8,390)
Unearned Revenue	1,076,805	1,931,253
Net Cash Provided (Used) by Operating Activities	\$ (25,318,383)	\$ (19,643,738)
 <b>SUPPLEMENTAL DISCLOSURES</b>		
Noncash Capital and Related Financing Activities		
Subscription Based Asset	\$ 711,943	\$ 515,417
Amortization of Bond Premium	87,135	87,135
Total Noncash Capital and Related Financing Activities	\$ 799,078	\$ 602,552

The Accompanying Notes are an Integral Part of this Statement

**FLORENCE - DARLINGTON TECHNICAL COLLEGE EDUCATIONAL FOUNDATION, INC.**  
**FLORENCE, SOUTH CAROLINA**  
**COMPONENT UNIT**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2024**

	2024
<b>ASSETS</b>	
Current Assets	
Cash	\$ 583,906
Investments	2,319,001
Total Current Assets	\$ 2,902,907
Total Assets	\$ 2,902,907
<b>LIABILITIES</b>	
Accrued Expenses and Other Liabilities	\$ 180,270
Total Liabilities	\$ 180,270
<b>NET ASSETS</b>	
Without Donor Restriction	\$ 53,923
With Donor Restrictions:	
Temporarily in Nature	2,251,672
Perpetual in Nature	417,042
Total Net Assets	\$ 2,722,637
Total Liabilities and Net Assets	\$ 2,902,907

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	2024
<b>SUPPORT AND REVENUE</b>	
Contributions	\$ 287,985
Other Income	7,324
Interest and Dividend Income	70,155
Investment Gain, Net	155,336
Grants	152,844
Special Events	130,331
Total Support and Revenue	\$ 803,975
<b>EXPENSES</b>	
Program Services:	
Scholarships and Awards	\$ 501,583
College Support	133,997
Support Services:	
Administrative Expenses	131,263
Total Expenses	\$ 766,843
Change in Net Assets	\$ 37,132
Net Assets - Beginning of Year	2,685,505
Net Assets - End of Year	\$ 2,722,637

The Accompanying Notes are an Integral Part of this Statement

## **NOTES TO FINANCIAL STATEMENTS**

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

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

**Nature of Operations:** Florence - Darlington Technical College (the “College”), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Florence, Darlington and Marion counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College’s service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

**Reporting Entity:** The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be incomplete. Accordingly, the financial statements include the accounts of Florence-Darlington Technical College, as the primary government, and the accounts of Florence-Darlington Technical College Educational Foundation, Inc (the “Foundation”), its component unit. The College is considered a discretely presented component unit of the State of South Carolina as required by GASB No. 61. However, based on the nature and significance of the Foundation’s relationship with the State of South Carolina, the Foundation is not a component unit of the State of South Carolina.

The Foundation is a legally separate, tax-exempt component unit of the College. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The 37 member board of the Foundation is a self-perpetuating entity which consists of the president, one member of the area commission and graduates and friends of the College. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, that the Foundation holds and invests are restricted to the activities of the College by the donors. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a component unit of the College. The Foundation is reported in separate financial statements because of the difference in its reporting model, as further described below.

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in those financial statements accordingly. The ASU changed the following aspects of the Foundation’s financial statements:

- The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called *net assets with donor restrictions*.
- The unrestricted net asset class has been renamed *net assets without donor restrictions*.
- The financial statements include a new disclosure about liquidity and availability of resources.

Financial statements for the Foundation can be obtained by mailing a request to Florence-Darlington Technical College Educational Foundation, P.O. Box 100548, Florence, South Carolina, 29501.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

During the year, the College implemented GASB Statement No. 100, *Accounting Changes and Error Corrections*, an amendment to GASB Statement No. 62. The purpose of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions and assessing accountability.

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

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

**Investments:** Deposits and investments for the College are governed by the South Carolina Code of Laws, Section 11-9-660, “Investment of Funds”. The College has implemented GASB Statement No. 40, *Deposits and Investment Risk Disclosures - an amendment to GASB Statement No. 3*. This statement requires disclosures related to deposits risks, such as custodial credit risk, and investment risks, such as credit risk (including custodial credit risk and concentrations of credit risks) and interest rate risk. The college accounts for its investments at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses and changes in net position.

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**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 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 College can access at the measurement date.

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

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

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

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

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

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

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

**Capital Assets:** Capital assets are recorded at cost at the date of acquisition or acquisition value at the date of donation in the case of gifts. Acquisition value is the price that would be paid to acquire an asset with equivalent service capacity in an orderly market transaction at the acquisition date. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions, renovations, and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of \$5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of \$30,000. Routine repairs and maintenance and library materials, except individual items costing in excess of \$5,000, are charged to operating expenses in the year in which the expense was incurred.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 50 years for buildings and improvements and land improvements and 2 to 25 years for machinery, equipment, and vehicles.

Amortization of right to use assets is based on the shorter of the lease term or estimated life of the asset.

Amortization of right-to-use assets related to subscription based information technology arrangements is amortized over the shorter of the subscription term or the life of the underlying IT asset.

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

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

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

**Deferred Outflows/Inflows of Resources:** In addition to assets and liabilities, the statement of net position will sometimes report a separate section for deferred outflows and deferred inflows of resources. These separate financial statement elements represent consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow/inflow of resources (expense/revenue) until that time.

**Pensions:** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the pension plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Postemployment Benefits Other Than Pensions (OPEB):** For purposes of measuring the College’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long Term Disability Insurance Trust Fund (SCLTDITF) and additions to/deductions from the SCRHITF and the SCLTDITF net position have been determined on the same basis as they are reported by the SCRHITF and SCLTDITF Plan. For this purpose, the SCRHITF and the SCLTDITF recognize benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

**Compensated Absences:** Employee vacation pay expense is accrued at year-end for financial statement purposes. The liability and expense incurred are recorded at year-end as a component of current and long-term liabilities in the statement of net position and as a component of salary and benefit expenses in the statement of revenues, expenses, and changes in net position.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Net Position:** The College's net position is classified as follows:

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

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

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

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

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

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

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

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

*Non-operating revenues:* Non-operating revenues include activities that have the characteristics of non-exchange transactions. These revenues include gifts and contributions, appropriations, investment income, and any grants and contracts that are not classified as operating revenue or restricted by the grantor to be used exclusively for capital purposes.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Sales and Services of Educational and Other Activities:** Revenues from sales and services of educational and other activities generally consist of amounts received from instructional, laboratory, research, and public service activities that incidentally create goods and services which may be sold to students, faculty, staff, and the general public. The College receives such revenues primarily from the following programs: Dental Hygiene and Cosmetology.

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

**Nonexchange Transactions:** Nonexchange transactions involving financial or capital resources are transactions in which the College either gives value to another party without directly receiving equal value in exchange or receives value from another party without directly giving equal value in exchange. The types of nonexchange transactions the College engages in include “Voluntary nonexchange transactions” (certain grants and donations), and “Imposed nonexchange transactions” (fines and penalties), and “Government-mandated nonexchange transactions.”

Voluntary nonexchange transactions usually involve eligibility requirements that must be met before transactions are recognized. The eligibility requirements can include one or more of the following:

- a. The recipient has the characteristics specified by the provider.
- b. Time requirements specified by the provider have been met.
- c. The provider offers resources on a reimbursement basis and allowable costs have been incurred under the allowable program.
- d. The provider’s offer of resources is contingent upon a specified action of the recipient and that action occurred.

Resources transmitted before the eligibility requirements are met are reported as advances by the provider and as unearned revenue by recipients.

Assets from imposed nonexchange revenues are recognized when an enforceable legal claim to the assets arise or when the resources are received, whichever occurs first.

**Capitalized Interest:** Prior to the adoption of GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, the College capitalized as a component of construction in progress interest cost in excess of earnings on debt associated with capital projects that will be capitalized in the applicable capital asset categories upon completion. After the adoption of GASB Statement No. 89, interest costs incurred during the construction is expensed as incurred.

**Restricted Cash:** The restricted cash on the financial statements represents funds held at June 30, 2024 and June 30, 2023 that are restricted for the following purposes:

	June 30, 2024		June 30, 2023
Debt Service	12,239,371		11,655,476
Total Restricted Cash	\$ 12,239,371	\$	11,655,476

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Component Unit:** Florence-Darlington Technical College Educational Foundation, Inc. maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities or objectives specified by donors. Accordingly, net assets and changes therein are classified as follows:

*Net Assets Without Donor Restrictions:* Net assets available for use in general operations and not subject to donor restrictions. The Board of Directors may designate, from the net assets without donor restrictions, net assets for specific purposes.

*Net Assets With Donor Restrictions:* Net assets subject to donor-imposed restrictions. Donor-imposed restrictions can be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Revenues are reported as increases in unrestricted net assets classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are not recorded in the Foundation's financial records, but are accounted for and acknowledged separately.

From time to time, the fair value of the assets associated with individual donor-restricted endowment funds may fall below the level that the donor or the UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature are reported in net assets without donor restrictions. These deficiencies historically have resulted principally from unfavorable market fluctuations. Subsequent gains that restore the fair value of assets of the endowment fund to the required level are classified as an increase in net assets without donor restrictions. As of June 30, 2024, there were no endowment funds with deficiencies.

Expenses are reported as decreases in unrestricted undesignated or unrestricted designated net assets as appropriate. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted undesignated or unrestricted designated net assets unless their use is restricted by explicit donor stipulation or by law.

Investments are reported at fair value.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

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

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**Custodial Credit Risk:** Custodial credit risk for deposits is the risk that a government will not be able to recover deposits if the depository financial institution fails or to recover the value of collateral securities that are in the possession of an outside party if the counterparty to the deposit transaction fails. The College does not have a deposit policy for custodial credit risk. The College’s bank balances on deposit at June 30, 2024 were \$28,933,437, of which \$28,933,437 was fully insured or collateralized by securities held in the College’s name.

Temporary cash investments are short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near maturity that they present insignificant risks of changes in value because of changes in interest rates. The College is authorized, by the South Carolina Code of Laws, Section 11-9-660, to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

The following schedule reconciles deposits, investments, and petty cash funds to the Statement of Net Position amounts:

<b><u>Primary Government:</u></b>	Deposits Not With State		
<u>Cash and Investments</u>	<u>Treasurer</u>	<u>Petty Cash</u>	<u>Totals</u>
Petty Cash	\$ 0	\$ 12,699	\$ 12,699
Demand Deposits	28,198,288	0	28,198,288
	<u>\$ 28,198,288</u>	<u>\$ 12,699</u>	<u>\$ 28,210,987</u>

<u>Statement of Net Position</u>	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents (Current)	\$ 28,210,987	\$ 23,706,876
Restricted Cash and Cash Equivalents	12,329,371	11,655,476
Total Cash and Investments	<u>\$ 40,540,358</u>	<u>\$ 35,362,352</u>
(On the Statement of Net Position)		

<u>Disclosure of Deposits and Investments</u>	<u>2024</u>	<u>2023</u>
Carrying Value of Deposits	\$ 28,198,288	\$ 23,691,135
Cash on Hand	12,699	15,741
Short Term Investments	12,329,371	11,655,476
Total Cash, Deposits, and Investments	<u>\$ 40,540,358</u>	<u>\$ 35,362,352</u>

**Foreign Currency Risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. Florence-Darlington Technical College does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the College is not exposed to this risk.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024**

**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**Interest Rate Risk:** Interest Rate Risk is the risk that changes in the interest rates of debt instruments will adversely affect the fair value of an investment. Currently, the college is not exposed to interest rate risk. The College does not have a formal investment policy that limits maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk:** Credit risk is the risk that an issuer or other counter-party to an investment will not fulfill its obligations. The college does not have an investment policy regarding credit risk. The College’s rated investments at June 30, 2024 totaled \$12,329,371 in money market mutual funds that were rated AAA by Standard and Poor’s using the Standard and Poor’s rating scale.

**Concentration of Credit Risk:** Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The College places no limits on the amount the College may invest in any one issuer. Currently, the College has 100 percent investments which are exposed to concentration of credit risk in money market mutual funds.

**Discretely Presented Component Unit:**

<u>Cash and Investments</u>	Deposits Not With State Treasurer	Totals
Demand Deposits	\$ 583,906	\$ 583,906
	\$ 583,906	\$ 583,906

**Deposits:** The carrying amount of the Organization’s deposits with financial institutions at June 30, 2024 was \$583,906 and the bank balance was \$484,072. The bank balance was secured as follows:

The balances of the Foundation’s accounts (interest and non-interest bearing) as of June 30, 2024 are insured up to a maximum of \$250,000 per institution by the Federal Deposit Insurance Corporation (FDIC). At June 30, 2024, the uninsured amount was approximately \$234,072.

Investments, stated at fair value, are summarized as follows at June 30, 2024:

	<b>June 30, 2024</b>		
	<b>Cost</b>	<b>Fair Value</b>	<b>Unrealized Appreciation (Depreciation)</b>
<b>Mutual Funds:</b>			
Debt securities – domestic and international	\$ 970,228	\$ 920,635	\$ ( 49,593 )
Equity securities – domestic and international	1,148,683	1,371,472	222,789
Real assets fund	28,863	26,894	( 1,969 )
	\$ 2,147,774	\$ 2,319,001	\$ 171,227

The methodology used for valuing the investment at fair value are quoted market prices in active markets for identical assets.

Florence-Darlington Technical College Foundation does not follow standards set by the Governmental Accounting Standards Board and accordingly has not disclosed interest rate risk, credit risk, and concentration of credit risk.

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**NOTE 3 – FAIR VALUE MEASUREMENTS**

**Florence – Darlington Technical College**

	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Money Market Mutual Funds	\$ 12,329,371	\$ 12,329,371	\$ 0	\$ 0
Total Investments	\$ 12,329,371	\$ 12,329,371	\$ 0	\$ 0

Florence – Darlington Technical College holds investments that are measured at fair value on a recurring basis. The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles, as stated above. The College considers the money market mutual funds to be cash equivalents because of its high liquidity nature.

The following table sets forth by level, within the fair value hierarchy, the Foundation’s assets at fair value as of June 30, 2024:

**Discretely Presented Component Unit**

	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
Mutual Funds				
Debt Securities	\$ 920,635	\$ 920,635	\$ 0	\$ 0
Equity Securities	1,371,472	1,371,472	0	0
Real Assets	26,894	26,894	0	0
Total Debt Securities	\$ 2,319,001	\$ 2,319,001	\$ 0	\$ 0

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**NOTE 4 – ACCOUNTS RECEIVABLE**

Accounts receivable for the years ended June 30, 2024 and June 30, 2023, including applicable allowances for doubtful accounts, are summarized as follows:

Current Receivables:	2024	2023
Student Accounts	\$ 2,735,504	\$ 1,602,252
Industry and Other Sponsor Accounts	478,027	609,665
Foundation	169,733	104,691
Federal Grants and Contracts	610,773	498,689
State Grants and Contracts	1,881,124	1,195,762
Other	188,641	130,121
Gross Receivables	\$ 6,063,802	\$ 4,141,180
Less: Allowance for Doubtful Accounts	( 210,594 )	( 210,594 )
Net Accounts Receivable	\$ 5,853,208	\$ 3,930,586

Allowances for losses of student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio. At June 30, 2024, the allowance for uncollectible student accounts is valued at \$210,594. The balance of uncollectible student accounts is valued at \$210,594 for June 30, 2023.

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**NOTE 5 – CAPITAL ASSETS**

<b><u>Primary Government:</u></b>	Beginning Balance June 30, 2023	Increases	Decreases	Ending Balance June 30, 2024
Capital Assets not being Depreciated:				
Land	\$ 2,512,022	\$ -	\$ -	\$ 2,512,022
Construction in Progress	<u>1,612,331</u>	<u>1,356,918</u>	<u>( 1,408,093 )</u>	<u>1,561,156</u>
Total Capital Assets not being Depreciated	\$ <u>4,124,353</u>	\$ <u>1,356,918</u>	\$ <u>( 1,408,093 )</u>	\$ <u>4,073,178</u>
Other Capital Assets:				
Buildings and Improvements	\$ 74,332,398	\$ 1,408,093	\$ -	\$ 75,740,491
Land Improvements	199,874	-	-	199,874
Machinery, Equipment, and Other	18,350,893	530,654	-	18,881,547
Vehicles	<u>273,045</u>	<u>-</u>	<u>-</u>	<u>273,045</u>
Total Other Capital Assets at Historical Cost	\$ <u>93,156,210</u>	\$ <u>1,938,747</u>	\$ <u>-</u>	\$ <u>95,094,957</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ ( 38,219,700 )	\$ ( 1,873,036 )	\$ -	\$ ( 40,092,736 )
Land Improvements	( 89,944 )	( 9,994 )	-	( 99,938 )
Machinery, Equipment, and Other	( 17,002,065 )	( 866,215 )	-	( 17,868,280 )
Vehicles	<u>( 273,045 )</u>	<u>( 820 )</u>	<u>-</u>	<u>( 273,865 )</u>
Total Accumulated Depreciation	\$ <u>( 55,584,754 )</u>	\$ <u>( 2,750,065 )</u>	\$ <u>-</u>	\$ <u>( 58,334,819 )</u>
Other Capital Assets, Net	\$ <u>37,571,456</u>	\$ <u>( 811,318 )</u>	\$ <u>-</u>	\$ <u>36,760,138</u>
Intangible Right to Use Leased Assets:				
Leased Equipment	\$ 408,656	\$ -	\$ -	\$ 408,656
Leased Vehicles	<u>270,023</u>	<u>-</u>	<u>( 26,446 )</u>	<u>243,577</u>
Total Intangible Right to Use Leased Assets	\$ <u>678,679</u>	\$ <u>-</u>	\$ <u>( 26,446 )</u>	\$ <u>652,233</u>
Less Accumulated Amortization For:				
Leased Equipment	\$ ( 238,539 )	\$ ( 81,707 )	\$ -	\$ ( 320,246 )
Leased Vehicles	<u>( 124,447 )</u>	<u>( 36,578 )</u>	<u>-</u>	<u>( 161,025 )</u>
Total Accumulated Amortization	\$ <u>( 362,986 )</u>	\$ <u>( 118,285 )</u>	\$ <u>-</u>	\$ <u>( 481,271 )</u>
Total Intangible Right to Use Leased Assets	\$ <u>315,693</u>	\$ <u>( 118,285 )</u>	\$ <u>( 26,446 )</u>	\$ <u>170,962</u>
Intangible Right to Use Software				
Subscriptions:				
Software under Subscription	\$ 515,417	\$ 711,943	\$ -	\$ 1,227,360
Less Accumulated Amortization	<u>( 308 )</u>	<u>( 57,804 )</u>	<u>-</u>	<u>( 58,112 )</u>
Total Intangible Right to Use Software	\$ <u>515,109</u>	\$ <u>654,139</u>	\$ <u>-</u>	\$ <u>1,169,248</u>
Total Intangible Right to Use Assets, Net	\$ <u>830,802</u>	\$ <u>535,854</u>	\$ <u>( 26,446 )</u>	\$ <u>1,340,210</u>
Total Capital Assets, Net	\$ <u>42,526,611</u>	\$ <u>1,081,454</u>	\$ <u>( 1,434,539 )</u>	\$ <u>42,173,526</u>
State Inventory listing Movable Equipment				\$ <u>19,154,592</u>
Total Equipment per Book				<u>19,154,592</u>
Difference				\$ <u>-</u>

The value of leased right to use assets was reduced by \$26,446 as a result of a contract agreement which also reduced the lease liability.

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**NOTE 5 – CAPITAL ASSETS (continued)**

Total depreciation expense for the year ended June 30, 2024 was \$2,750,065 and the depreciation expense for June 30, 2023 was \$2,783,879. Amortization expense for intangible right to use assets was \$176,089 for June 30, 2024 and \$123,838 for June 30, 2023.

**NOTE 6 - PENSION AND RETIREMENT PLAN**

**Plan Descriptions**

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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, public higher education institutions, other participating local subdivisions of government and individuals newly elected to the South Carolina General Assembly at or first term after the 2012 general election.

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

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

The South Carolina Public Employee Benefit Authority (PEBA), which was created July 1, 2012, administers the various retirement systems and retirement programs managed by its Retirement Division. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as co-trustee and co-fiduciary of the systems and the trust funds. By law, the Budget and Control Board, which consists of five elected officials, also reviews certain PEBA Board decisions regarding the funding of the South Carolina Retirement Systems (Systems) and serves as a co-trustee of the Systems in conducting that review.

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

**Membership**

Membership requirements are prescribed in Title 9 of the South Carolina Code of Laws. A brief summary

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

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 SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program (State ORP), which is a defined contribution plan. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the investment providers. Employee and Employer contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employers to the member's account with investment providers for the employee contribution (9.00 percent) and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution (13.41 percent) and an incidental death benefit contribution (.15 percent), if applicable, which is retained by SCRS.

PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; or to serve as a peace officer employed by the Department of Corrections, the Department of Juvenile Justice, or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. 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.

**Benefits**

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

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

SCRS – A Class Two member who has separated from service with at least five or more years of earned service is eligible for a monthly pension at age 65 or with 28 years credited service regardless of age. A member may elect early retirement with reduced pension benefits payable at age 55 with 25 years of service credit. A Class Three member who has separated from service with at least eight or more years of earned service is eligible for a monthly pension upon satisfying the Rule of 90 requirement that the total of the member's age and the member's creditable services 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 or retired members of employers who participate in the death benefit program.

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

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

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

**Contributions**

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS and PORS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability (UAAL) over a period that does not exceed the number of years scheduled in state statute. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS. In accordance with the legislative funding schedule, employer contribution rates will continue to increase by 1 percentage point each year until reaching 18.56 percent for SCRS and 21.24 percent for PORS but may be increased further, if the scheduled contributions are not sufficient to meet the funding periods set for the applicable year. The board shall increase the employer contribution rates as necessary to meet the amortization period set in statute.

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

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

- Required employee contribution rates<sup>1</sup> are as follows:

	2024	2023
<b>SCRS</b>		
Employer Class Two	9.00%	9.00%
Employer Class Three	9.00%	9.00%
<b>State ORP</b>		
Employee	9.00%	9.00%
<b>PORS</b>		
Employer Class Two	9.75%	9.75%
Employer Class Three	9.75%	9.75%

- Required employer contribution rates<sup>1</sup> are as follows:

	2024	2023
<b>SCRS</b>		
Employer Class Two	18.41%	17.41%
Employer Class Three	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>State ORP<sup>2</sup></b>		
Employer Contribution	18.41%	17.41%
Employer Incidental Death Benefit	0.15%	0.15%
<b>PORS</b>		
Employer Class Two	20.84%	19.84%
Employer Class Three	20.84%	19.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

<sup>1</sup> Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

<sup>2</sup> Of this employer contribution, 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 SCRS.

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

Employers' proportionate shares were calculated on the basis of employer and nonemployer contributions remitted to the plan. State funds were appropriated to PEBA for the Retirement Trust Funds. PEBA issued credit invoices to each employer for one percent of employer contributions based on its share of the appropriated funds. The College's share of appropriated funds were \$185,388 and will be reported as revenue from a nonemployer contributing entity and a reduction of net pension liability as of June 30, 2024 measurement date. The College reported non-employer contribution revenue totaling \$185,388 for June 30, 2023 for the credits received for the 2022-2023 fiscal year.

Contributions to the pension plan from the College were as follows for the years ended June 30, 2024 and June 30, 2023:

		2024		2023
SCRS	\$	2,362,361	\$	2,106,868
PORS	\$	2,377	\$	2,402
ORP – Remitted to SCRS	\$	306,657	\$	271,294
ORP – Remitted to Vendor	\$	113,074	\$	107,999

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

At June 30, 2024, the College reported \$27,915,532 and \$20,623 for its proportionate shares of the net pension liabilities of SCRS and PORS, respectively. The net pension liability of each defined benefit pension plan was determined based on the July 1, 2022 actuarial valuations, using membership data as of July 1, 2022, projected forward to June 30, 2023, and financial information of the pension trust funds as of June 30, 2023, using generally accepted actuarial procedures. The College's proportion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2024, the College SCRS proportion was .115461 percent measured as of June 30, 2023. The State's PORS proportion of the net pension liability at June 30, 2024 was .000677 percent measured as of June 30, 2023. The College's proportionate share for the fiscal year ended June 30, 2023 as of the measurement date of June 30, 2022 for the SCRS was .123887 percent and .000913 percent for the PORS system.

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

**Pension Expense**

Components of collective pension expense reported in the Schedules of Pension Amounts by Employer for the fiscal year ended June 30, 2024, are presented below:

<u>Description</u>	<u>SCRS</u>	<u>PORS</u>
Service cost (annual cost of current service)	\$ 1,293,321	\$ 1,551
Interest on the total pension liability	4,467,393	4,175
Changes in plan benefits	0	0
Plan administrative costs	19,865	21
Plan member contributions	( 1,196,082)	( 1,213)
Expected return on plan assets	( 2,593,695)	( 2,824)
Recognition of current year amortization – Difference between expected and actual experience	763,687	743
Recognition of current year amortization – Difference between projected and actual investment earnings	( 490)	( 11)
Other	2,465	( 15)
Change in proportionate share	( 2,576,138)	2,485
Total Pension Expense	\$ <u>180,326</u>	\$ <u>4,912</u>

The total pension expense for the fiscal year ending June 30, 2024, totaled \$180,326 for the SCRS and \$4,912 for the PORS.

Additional items included in Total Employer Pension Expense in the Schedules of Pension Amounts by Employer are the current period amortized portions of deferred outflows and/or inflows of resources related to changes in employers' proportionate share of the collective net pension liability and differences between actual employer contributions and proportionate share of total plan employer contributions. These two deferrals are specific to cost-sharing multiple-employer defined benefit pension plans as discussed in paragraphs 54 and 55 of GASB 68.

At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SCRS</u>	<u>PORS</u>
<b>Deferred Inflows of Resources:</b>		
Net difference between expected and actual experience	\$ 77,414	\$ 254
Difference between projected and actual investment earnings	38,210	36
Deferred amounts from changes in proportionate share and difference between employer contributions and proportionate share of total plan employer contributions	3,353,846	5,093
	\$ <u>3,469,470</u>	\$ <u>5,383</u>

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

	<b>SCRS</b>	<b>PORS</b>
<b>Deferred Outflows of Resources:</b>		
Difference between expected and actual experience	\$ 484,662	\$ 971
Assumption changes	427,706	449
Net difference between projected and actual earnings	0	0
Deferred amounts from changes in proportionate share and difference between employer contributions and proportionate share of total plan employer contributions	0	6,748
College contributions subsequent to measurement date	2,669,018	2,377
	\$ 3,581,386	\$ 10,545

College contributions subsequent of the measurement date of \$2,669,018 and \$2,377 reported as deferred outflow of resources for the SCRS and PORS, will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year Ending June 30:</b>	<b>SCRS</b>	<b>PORS</b>
2025	\$ (1,442,169 )	\$ 3,421
2026	(1,556,318 )	(222)
2027	457,759	(393)
2028	( 16,374 )	( 21)
Thereafter	0	0
	\$ (2,557,102 )	\$ 2,785

**Payable to Pension Plan**

At June 30, 2024, the College had \$235,068 in outstanding payables to the plans for legally required contributions. This amount is reported in the statement of net position with withholdings and benefits payable.

**Actuarial Assumptions and Methods**

Actuarial valuations of the ongoing plan involve estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumption about future employment, mortality, and future salary increases. Amounts determined during the valuation process are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. South Carolina state statute requires that an actuarial experience study be completed at least once in each five-year period. An experience report on the systems was most recently issued as of June 30, 2019.

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

The June 30, 2023, 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, 2022. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 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, 2023.

	<b>SCRS</b>	<b>PORS</b>
Actuarial cost method	Entry age normal	Entry age normal
Investment rate of return <sup>1</sup>	7.0%	7.0%
Projected salary increases	3.0% to 11.0% (varies by service) <sup>1</sup>	3.5% to 10.5% (varies by service) 1
Benefit adjustments	lesser of 1% or \$500 annually	lesser of 1% or \$500 annually

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

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

Assumptions used in the determination of the June 30, 2023, TPL are as follows:

<b>Former Job Class</b>	<b>Males</b>	<b>Females</b>
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 NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2023, for SCRS and PORS are presented below.

<b>System</b>	<b>Total Pension Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers' Net Position Liability (Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
SCRS	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%
PORS	9,450,021,576	6,405,925,370	3,044,096,206	67.80%

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

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

**Long-term Expected Rate of Return**

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.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 fiscal year. The long-term expected rate of return is produced by weighing the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table below. For actuarial purposes, the 7.00 percent assumed annual investment rate of return used in the calculation of the total pension liability includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

<b>Allocation/Exposure</b>	<b>Policy Target</b>	<b>Expected Arithmetic Real Rate of Return</b>	<b>Long Term Expected Portfolio Real Rate of Return</b>
<b>Public Equity</b>	46.0%	6.62%	3.04%
<b>Bonds</b>	26.0%	0.31%	0.08%
<b>Private Equity<sup>1</sup></b>	9.0%	10.91%	0.98%
<b>Private Debt<sup>1</sup></b>	7.0%	6.16%	0.43%
<b>Real Assets</b>	<b>12.0%</b>		
Real Estate <sup>1</sup>	9.0%	6.41%	0.58%
Infrastructure <sup>1</sup>	3.0%	6.62%	0.20%
<b>Total Expected Return<sup>2</sup></b>	<b>100.0%</b>		<b>5.31%</b>
Inflation for Actuarial Purposes			2.25%
<b>Total Expected Nominal Return</b>			<b>7.56%</b>

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

<sup>2</sup> Portable Alpha Strategies, which are not included in the Policy Target, will be capped at 15% of total assets; hedge funds (including all hedge funds used in portable alpha implementation) are capped at 15% of total assets.

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System’s fiduciary net position was projected to be available to make all 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 total pension liability.

**Sensitivity Analysis**

The following table presents the collective net pension liability of the participating employers calculated using the discount rate of 7.00 percent, as well as what the employers’ net pension liability would be if it were calculated using the discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>			
<b>System</b>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
<b>SCRS</b>	\$ 36,069,529	\$ 27,915,532	\$ 21,138,211
<b>PORS</b>	\$ 29,092	\$ 20,623	\$ 13,686

**Additional Financial and Actuarial Information**

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocation and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems’ audited financial statements for the fiscal year ended June 30, 2023, and the accounting valuation report as of June 30, 2023. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems’ ACFR.

**Deferred Retirement Option Plans**

The Teacher and Employee Retention Incentive (TERI) program, established by State law, became effective January 1, 2001. The program is a deferred retirement option available to SCRS members eligible for services retirement. Upon entering the TERI program, a member’s status changes from active to retired. A TERI participant agrees to continue employment with an employer participating in the system for a specified period, not to exceed five years. TERI participants retain the same status and employment rights they held upon entering the program but are not considered active employees for purposes of the disability retirement programs. A TERI retiree’s monthly benefits are accrued and remain in the SCRS trust account during the TERI participation period, but no interest is accrued or paid thereon. Upon termination of employment or at the end of the TERI participation period (whichever is earlier), a retiree may roll over some or all of the accumulated TERI balance into a qualified, tax-sheltered retirement plan and/or receive a lump-sum distribution.

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**NOTE 6 - PENSION AND RETIREMENT PLAN (continued)**

**Optional Retirement Program**

As an alternative to membership in SCRS, certain State, public school, and higher education employees and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election have the option to participate in the State Optional Retirement Program. Participants in the State ORP direct the investment of their funds into a plan administered by one of four investment providers and are governed by the terms of the contracts that those providers issue.

Under State law, College contributions to the ORP are at the same rates as of the SCRS. A direct remittance is required from the employers to the investment providers for the employee contribution (9.00%) and a portion of the employer contribution (5.00%), which is immediately vested to the employee. A direct remittance is also required to the SCRS for a portion of the employer contribution (13.41%) and a group life contribution (.015%), which is retained by the SCRS. The activity for the College participation in the State ORP is as follows:

Covered payroll	\$ 2,261,484
Employee contributions to providers	203,534
Employer contributions to providers	113,074
Payments to SCRS	306,657

**NOTE 7 – POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS**

*Plan Description*

In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental and long-term disability benefits to retired employees and their covered dependents. Florence – Darlington Technical College contributes to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF), cost-sharing multiple employer defined benefit post-employment healthcare and long-term disability plans administered by the Insurance Benefits Division (IB) of the South Carolina Public Employee Benefit Authority (PEBA).

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 through 24 years of service for 50% employer funding.

Benefits become effective when the former employee retires under a State retirement system. Basic Long-Term Disability (BLTD) benefits are provided to active state, public school district, and participating local government employees approved for disability.

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**NOTE 7 – POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

*Funding Policies/Benefits/Contributions*

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these post-employment and long-term disability benefits be funded through annual appropriations by the General Assembly for active employees to the IB and participating retirees to the PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the IB, for its active employees who are not funded by State General Fund appropriations. Employers participating in the RMP are mandated by State statute to contribute at a rate assessed each year by the Office of the State Budget, 6.35% of annual covered payroll for the fiscal year ended June 30, 2024. The IB sets the employer contribution rate based on a pay-as-you-go basis. Florence-Darlington Technical College paid \$1,015,985 applicable to the surcharge included with the employer contribution for retirement benefits for the fiscal year ended June 30, 2024. BLTD benefits are funded through a person's premium charged to State agencies, public school districts, and other participating local governments. The monthly premium per active employee paid to IB was \$3.22 for the fiscal year ended June 30, 2024. Florence-Darlington Technical College recorded employer contribution expenses applicable to these insurance benefits for active employees in the amount of approximately \$7,789 for the year ended June 30, 2024. The College recognized non-employer contributions of \$3,449 to the SCRHITF and \$0 to the SCLTDITF during the year.

Effective May 1, 2008 the State established two trust funds through Act 195 for the purpose of funding and accounting for the employer costs of retiree health and dental insurance benefits and long-term disability insurance benefits. The SCRHITF is primarily funded through the payroll surcharge. Other sources of funding include additional State appropriated dollars, accumulated IB reserves, and income generated from investments. The SCLTDITF is primarily funded through investment income and employer contributions.

A copy of the separately issued financial statements for the benefit plans and the trust funds may be obtained by writing to the South Carolina Public Employee Benefit Authority – Insurance Benefits Division, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

**Payable to OPEB Plan**

As of June 30, 2024, the College had \$86,191 in outstanding payables to the SCRHITF and \$0 in outstanding payables to the SCLTDITF at year end. These amounts are reported in the statement of net position as accrued payroll and related liabilities.

**Deferred Outflows of Resources and Deferred Inflows of Resources related to Post-Employment Benefits Other Than Pensions**

At June 30, 2024, Florence – Darlington Technical College reported an OPEB (Other Post-Employment Benefits) liability of \$19,011,194 for Retiree Health Insurance. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2024, the College's proportion of the OPEB Health Liability was .145218%, and the College's proportion of the OPEB Health Liability at June 30, 2023 was .156844%.

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**NOTE 7– POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

For the year ended June 30, 2024, Florence – Darlington Technical College recognized OPEB Health expense of \$(1,551,566) for OPEB Health. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Retiree Health Insurance Trust Fund (SCRHITF) from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Liability Experience	\$ 336,342	\$ 4,332,218
Assumption Changes	3,813,867	6,108,065
Investment Experience	209,137	18,209
Outstanding balance between Florence – Darlington Technical College contributions and proportionate share of plan contributions	0	7,214,876
Florence – Darlington Technical College contributions subsequent to the measurement date	<u>1,015,985</u>	<u>0</u>
Total	<u>\$ 5,375,331</u>	<u>\$ 17,673,368</u>

\$1,015,985 reported as deferred outflows of resources related to postemployment benefits resulting from Florence – Darlington Technical College OPEB Health Insurance contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB Health will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2025	(2,844,295)
2026	(2,556,285)
2027	(2,266,379)
2028	(2,496,788)
2029	(2,431,924)
Thereafter	<u>(718,351)</u>
	<u>(13,314,022)</u>

At June 30, 2024, Florence – Darlington Technical College reported an OPEB liability of \$15,638 for Long-Term Disability Insurance. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2022. At June 30, 2024, the College’s proportion of the OPEB Long-Term Disability Liability was .102136%, and the College’s proportional share of the OPEB Long-Term Disability Liability at June 30, 2023 was .106280%.

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**NOTE 7 – POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

For the year ended June 30, 2024, Florence – Darlington Technical College recognized OPEB Long-Term Disability expense of \$10,131 for OPEB Long-Term Disability. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to Post-Employment Benefits Other Than Pensions (OPEB) for South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Liability Experience	\$ 4,125	\$ 1,817
Assumption Changes	2,054	1,762
Investment Experience	4,930	610
Outstanding balance between Florence – Darlington Technical College contributions and proportionate share of plan contributions	0	1,173
Florence – Darlington Technical College contributions subsequent to the measurement date	7,789	0
<b>Total</b>	<b>\$ 18,898</b>	<b>\$ 5,362</b>

\$7,789 reported as deferred outflows of resources related to postemployment benefits resulting from Florence – Darlington Technical College OPEB Long-Term Disability Insurance contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows or resources and deferred inflows of resources related to OPEB Long-Term Disability will be recognized in OPEB expense as follows:

<b>Year ended June 30:</b>	
2025	1,161
2026	1,770
2027	1,478
2028	360
2029	163
Thereafter	815
	<b>5,747</b>

**Actuarial Assumptions and Methods**

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

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

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**NOTE 7 – POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2022 actuarial valuation for SCRHITF:

Additional information as of the latest actuarial valuation for SCRHITF:

<b>Actuarial Assumptions:</b>	<b>SCRHITF</b>
Valuation Date	June 30, 2022
Actuarial Cost Method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate	3.86% as of June 30, 2023
Demographic Assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality Assumptions	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.
Healthcare Trend Rates	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years
Aging Factors	Based on plan specific experience
Retiree Participation Assumptions	79% participation for retirees who are eligible for Funded Premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums.
Notes	The discount rate changed from 3.69 % as of June 30, 2022 to 3.86 % as of June 30, 2023.

The following table provides a summary of the actuarial assumptions and methods used in the June 30, 2022 actuarial valuation for SCLTDITF:

<b>Actuarial Assumptions:</b>	<b>SCLTDITF</b>
Valuation Date	June 30, 2022
Actuarial cost method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	3.00%, net of Plan investment expense; including inflation
Single Discount Rate	3.57% as of June 30, 2023
Salary, Termination Rates, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence	The disability incidence rates used in the valuation are 165% of the rates developed for the South Carolina Retirement Systems pension plans.
Disability Recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses were included in the benefit projections
Notes	The discount rate changed from 3.41% as of June 30, 2022 to 3.57% as of June 30, 2023.

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**NOTE 7 – POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

**Roll Forward Disclosures**

The actuarial valuations were performed as of June 30, 2022. Update procedures were used to roll forward the total OPEB liability to June 30, 2023.

**Net OPEB Liability**

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

The following table represents the components of the net OPEB liability as of June 30, 2023:

<b>OPEB Trust</b>	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Employers’ Net OPEB Liability (Asset)</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>
SCRHITF	\$ 14,749,639,155	\$ 1,658,152,923	\$ 13,091,486,232	11.24%
SCLTDITF	47,855,524	32,544,441	15,311,083	68.01%

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

**Single Discount Rate**

The Single Discount Rate of 3.86% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan’s investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

A Single Discount Rate of 3.57 % was used to measure the total OPEB liability for the SCLTDITF. This Single Discount Rate was based on an expected rate of return on plan investments of 3.00% and a municipal bond rate of 3.86%. The projection of cash flows to determine this Single Discount Rate assumed that employer contributions will remain \$38.64 per year for each covered active employee. Based on these assumptions, the plan’s Fiduciary Net Position and future contributions were sufficient to finance the benefit payments through the year 2033. As a result, the long-term expected rate of return on plan investments was applied to project benefit payments through the year 2033, and the municipal bond rate was applied to all benefit payments after that date.

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**NOTE 7 – POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

**Long Term Expected Rate of Return**

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

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

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

**Sensitivity Analysis**

The following table presents the College’s proportionate share of the SCRHITF net other postemployment benefits (OPEB) liability calculated using the discount rate of 3.86 percent, as well as what the College’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.86 percent) or 1 percentage point higher (4.86 percent) than the current rate:

<b>Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Discount Rate</b>		
<b>1.00% Decrease (2.86%)</b>	<b>Current Discount Rate (3.86%)</b>	<b>1.00% Increase (4.86%)</b>
\$22,441,945	\$19,011,194	\$16,244,266

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**NOTE 7 – POSTEMPLOYMENT AND OTHER EMPLOYEE BENEFITS (continued)**

Regarding the sensitivity of the SCRHITF’s net OPEB liability to changes in the healthcare cost trend rates, the following table presents the plan’s net OPEB liability, calculated using the assumed trend rates as well as what the plan’s net OPEB liability would be if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

<b>Sensitivity of the SCRHITF Net OPEB Liability to Changes in the Healthcare Cost Trend Rates</b>		
<b>1.00% Decrease</b>	<b>Current Healthcare Cost Trend Rate</b>	<b>1.00% Increase</b>
\$15,785,766	\$19,011,194	\$23,155,172

The following table presents the College’s proportionate share of the SCLTDITF net OPEB liability calculated using the discount rate of 3.57 percent, as well as what the College’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.57 percent) or 1 percentage point higher (4.57 percent) than the current rate:

<b>Sensitivity of the SCLTDITF Net OPEB Liability to Changes in the Discount Rate</b>		
<b>1.00% Decrease (2.57%)</b>	<b>Current Discount Rate (3.57%)</b>	<b>1.00% Increase (4.57%)</b>
\$17,567	\$15,638	\$13,774

**NOTE 8 – CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS**

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

The College participates in certain Federal grant programs. These programs are subject to financial and compliance audits by the grantor or its representative. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Management believes disallowances, if any, will not be material.

Necessary funding has been obtained for the acquisition, construction, renovation, and equipping of certain facilities, which will be capitalized in the applicable capital asset categories upon completion. Other capital projects, which are not to be capitalized when completed, are for replacements, repairs, and/or renovations to existing facilities.

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**NOTE 8 – CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS (continued)**

At June 30, 2024, the College had construction in progress expenditures totaling \$1,561,156 on the following outstanding project commitments:

Project	Expenditures To Date	Estimated Total Project	Estimated Completion Date
Darlington County Campus	\$ 135,000	\$ 300,000	Fiscal Year 2026
400 Bldg Demolition	299,344	977,965	Fiscal Year 2025
Central Energy Plant Upgrades	633,883	1,000,000	Fiscal Year 2025
Health Science Center Renovations	26,020	866,542	Fiscal Year 2025
Life Safety and Security	209,340	800,000	Fiscal Year 2025
SIMT Partitions	203,569	2,200,000	Fiscal Year 2025
Marion County Study	54,000	150,000	Fiscal Year 2025
	<u>\$ 1,561,156</u>	<u>\$ 6,294,507</u>	

The College anticipates funding these projects out of current resources. The State has issued capital improvement bonds to fund improvements and expansion of State facilities. The College is not obligated to repay these funds to the State. Authorized funds can be requested as needed once State authorities have given approval to begin specific projects and project expenditures have been incurred.

**NOTES 9 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY SOFTWARE AGREEMENT**

*Ellucian CRM Software*

On January 1, 2023, the College entered into a 54 month subscription for the use of Ellucian CRM software. An initial subscription liability was recorded in the amount of \$515,417. As of June 30, 2024, the value of the subscription liability is \$349,266. The College is required to make escalating payments over the lease term. The subscription has an interest rate of 2.676%. The value of the right to use asset as of June 30, 2024 is \$515,417 with accumulated amortization of \$57,577 for a net value of \$457,840.

*Modern Campus (CWD) Lumens*

On September 1, 2023, Florence-Darlington Technical College, SC entered into a 36 month subscription for the use of Modern Campus (CWD). An initial subscription liability was recorded in the amount of \$162,013. As of June 30, 2024, the value of the subscription liability is \$105,215. Florence-Darlington Technical College, SC is required to make annual fixed payments of \$56,799. The subscription has an interest rate of 3.4460%. The value of the right to use asset as of June 30, 2024 is \$162,013 with accumulated amortization of \$150 for a net value of \$161,863.

*Softdocs – Etrieve*

On January 1, 2024, Florence-Darlington Technical College, SC entered into a 60 month subscription for the use of Softdocs - Etrieve. An initial subscription liability was recorded in the amount of \$310,900. As of June 30, 2024 the value of the subscription liability is \$256,480. Florence-Darlington Technical College, SC is required to make annual fixed payments of \$54,420. The subscription has an interest rate of 2.7620%. The value of the right to use asset as of June 30, 2024 is \$310,900 with accumulated amortization of \$167 for a net value of \$310,733.

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**NOTES 9 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY SOFTWARE AGREEMENT**

*NEOED*

On April 1, 2024, Florence-Darlington Technical College, SC entered into a 36 month subscription for the use of NEOED. An initial subscription liability was recorded in the amount of \$151,477. As of June 30, 2024, the value of the subscription liability is \$121,544. Florence-Darlington Technical College, SC is required to make annual fixed payments of \$29,933. The subscription has an interest rate of 2.8510%. The value of the right to use asset as of June 30, 2024 is \$151,477 with accumulated amortization of \$140 for a net value of \$151,337.

*Watermark*

On January 1, 2024, Florence-Darlington Technical College, SC entered into a 36 month subscription for the use of Watermark. An initial subscription liability was recorded in the amount of \$87,553. As of June 30, 2024, the value of the subscription liability is \$58,999. Florence-Darlington Technical College, SC is required to make annual fixed payments of \$28,553. The subscription has an interest rate of 2.4090%. The value of the right to use asset as of June 30, 2024 is \$87,553 with accumulated amortization of \$78 for a net value of \$87,475.

Listed below is a summary of subscription payables to maturity:

		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$	294,710	\$ 24,943	\$ 319,653
2026		336,698	16,600	353,298
2027		190,272	7,077	197,349
2028		69,823	1,928	71,751
	\$	<u>891,503</u>	<u>\$ 50,548</u>	<u>\$ 942,051</u>

**NOTE 10 – LEASES**

*Lease Obligations:*

*College Vehicle – 2019 Ford Escape*

On July 1, 2020, the College entered into a 96 month lease as lessee for the use of a 2019 Ford Escape. An initial lease liability was recorded in the amount of \$30,313. As of June 30, 2024, the value of the lease liability is \$16,342. The College is required to make monthly fixed payments of \$369. The lease has an interest rate of 4.003%. The value of the right to use asset as of June 30, 2024 is \$30,313 with accumulated amortization of \$14,942 for a net value of \$15,371. The accrued interest payable at June 30, 2024 is \$24.

*College Vehicle – 2 Vans*

On July 1, 2020, the College entered into a 60 month lease as lessee for the use of 2 Vans. An initial lease liability was recorded in the amount of \$52,204. As of June 30, 2024, the value of the lease liability is \$10,702. The College is required to make monthly fixed payments of \$898. The lease has an interest rate of 1.27%. The value of the right to use asset as of June 30, 2024 is \$52,204 with accumulated amortization of \$41,022 for a net value of \$11,182. The accrued interest payable at June 30, 2024 is \$5.

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**NOTE 10 – LEASES (continued)**

*College Vehicle – 2018 Dodge Caravan*

On July 1, 2020, the College entered into a 96 month lease as lessee for the use of a 2018 Dodge Caravan. An initial lease liability was recorded in the amount of \$36,645. As of June 30, 2024, the value of the lease liability is \$6,057. The College is required to make monthly fixed payments of \$413. The lease has an interest rate of 1.993%. The value of the right to use asset as of June 30, 2024 is \$20,441 with accumulated amortization of \$14,846 for a net value of \$5,595. The accrued interest payable at June 30, 2024 is \$4. The lease liability was reduced by \$16,064 and the lease asset value was reduced by \$16,204 by a contractual agreement with lessor.

*College Vehicle – Ford Escape 4x2*

On July 1, 2020, the College entered into a 96 month lease as lessee for the use of a Ford Escape 4x2. An initial lease liability was recorded in the amount of \$30,252. As of June 30, 2024, the value of the lease liability is \$16,327. The College is required to make monthly fixed payments of \$369. The lease has an interest rate of 4.05%. The value of the right to use asset as of June 30, 2024 is \$30,252 with accumulated amortization of \$14,923 for a net value of \$15,329. The accrued interest payable at June 30, 2024 is \$20.

*College Vehicle – 2018 Chevrolet Cruze*

On July 1, 2020, the College entered into a 96 month lease as lessee for the use of a 2018 Chevrolet Cruze. An initial lease liability was recorded in the amount of \$29,809. As of June 30, 2024, the value of the lease liability is \$7,234. The College is required to make monthly fixed payments of \$336. The lease has an interest rate of 1.993%. The value of the right to use asset as of June 30, 2024 is \$19,566 with accumulated amortization of \$12,721 for a net value of \$6,845. The accrued interest payable at June 30, 2024 is \$1. The lease liability was reduced by \$10,220 and the lease asset value was reduced by \$10,242 by a contractual agreement with the lessor.

*College Vehicle – Two(2) 2018 Dodge Pickups ½ Ton 4x2*

On July 1, 2020, the College entered into a 60 month lease as lessee for the use of Two(2) 2018 Dodge Pickups ½ Ton 4x2. An initial lease liability was recorded in the amount of \$37,897. As of June 30, 2024, the value of the lease liability is \$7,808. The College is required to make monthly fixed payments of \$656. The lease has an interest rate of 1.510%. The value of the right to use asset as of June 30, 2024 is \$37,897 with accumulated amortization of \$30,318 for a net value of \$7,579.

*College Vehicle – 2018 Ford Cargo Van*

On July 1, 2020, the College entered into a 60 month lease as lessee for the use of a 2018 Ford Cargo Van. An initial lease liability was recorded in the amount of \$21,090. As of June 30, 2024, the value of the lease liability is \$4,345. The College is required to make monthly fixed payments of \$365. The lease has an interest rate of 1.53%. The value of the right to use asset as of June 30, 2024 is \$21,090 with accumulated amortization of \$16,583 for a net value of \$4,507. The accrued interest payable at June 30, 2024 is \$2.

*College Vehicle – 2019 Nissan Rogue Crossover*

On July 1, 2020, the College entered into a 96 month lease as lessee for the use of a 2019 Nissan Rogue Crossover. An initial lease liability was recorded in the amount of \$31,814. As of June 30, 2024, the value of the lease liability is \$16,931. The College is required to make monthly fixed payments of \$377. The lease has an interest rate of 3.30%. The value of the right to use asset as of June 30, 2024 is \$31,814 with accumulated amortization of \$15,670 for a net value of \$16,144. The accrued interest payable at June 30, 2024 is \$23.

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**NOTE 10 – LEASES (continued)**

*College-Wide Copiers*

On July 1, 2020, the College entered into a 60 month lease as lessee for the use of the College-Wide Copiers. An initial lease liability was recorded in the amount of \$15,768. As of June 30, 2024, the value of the lease liability is \$3,459. The College is required to make monthly fixed payments of \$268. The lease has an interest rate of 1.53%. The value of the right to use asset as of June 30, 2024 is \$15,768 with accumulated amortization of \$12,266 for a net value of \$3,502. The accrued interest payable at June 30, 2024 is \$4.

*Herald Office Systems Copier*

On July 1, 2020, the College entered into a 60 month lease as lessee for the use of a Herald Office Systems Copier. An initial lease liability was recorded in the amount of \$392,888. As of June 30, 2024, the value of the lease liability is \$80,865. The College is required to make monthly fixed payments of \$6,794. The lease has an interest rate of 1.51%. The value of the right to use asset as of June 30, 2024 is \$392,888 with accumulated amortization of \$307,980 for a net value of \$84,908. The accrued interest payable at June 30, 2024 is \$102.

At June 30, 2024, the outstanding leases payable are as follows:

	Beginning Balance	Lease Payment	Interest Expense	Contractual Adjustment	Ending Balance	Accrued Interest
College Vehicle #2 Ford Escape	\$ 20,035	\$ 4,428	\$ 735	\$ -	\$ 16,342	\$ 24
College Vehicle 2 Vans	21,269	10,776	209	-	10,702	5
College Vehicle #3 Dodge Caravan	23,567	1,577	131	(16,064)	6,057	4
College Vehicle #4 Ford Escape	20,012	4,428	743	-	16,327	20
College Vehicle #5 Chevrolet Cruz	19,176	1,883	161	(10,220)	7,234	1
College Vehicle #6 2 Dodge Pickups	15,500	7,872	180	-	7,808	-
College Vehicle #7 Ford Cargo Van	8,624	4,380	101	-	4,345	2
College Vehicle #8 Nissan Rogue	20,826	4,524	629	-	16,931	23
College-Wide Copiers	6,602	3,222	79	-	3,459	4
Copier #2 Herald Office Systems	160,519	81,528	1,874	-	80,865	102
Total	<u>\$ 316,130</u>	<u>\$ 124,618</u>	<u>\$ 4,842</u>	<u>\$ (26,284)</u>	<u>\$ 170,070</u>	<u>\$ 185</u>

Listed below is a summary of the lease payments to maturity of the outstanding leases payable:

	Principal	Interest	Total
2025	121,842	2,177	124,019
2026	15,715	1,393	17,108
2027	15,980	860	16,840
2028	16,533	307	16,840
	<u>\$ 170,070</u>	<u>\$ 4,737</u>	<u>\$ 174,807</u>

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**NOTE 10 – LEASES (continued)**

*Leases Receivable:*

*The School Foundation*

On July 1, 2021, the College entered into a 36 month lease as lessor for the use of the School Foundation. An initial lease receivable was recorded in the amount of \$17,706. As of June 30, 2024, the value of the lease receivable is \$0. The lessee is required to make annual fixed payments of \$6,000. The lease has an interest rate of 1.67%. The value of the deferred inflow of resources at June 30, 2024 is \$0 and the College recognized lease revenue of \$5,903 during the year. This agreement has subsequently been renewed on July 1, 2024.

**NOTE 11 – FINANCING LEASE**

The College has one (1) financing lease that matured during 2024. The lease qualifies as a financing lease for accounting purposes. It is for the purchase of Xerox press, copier, printer and server.

**NOTE 12 – BONDS PAYABLE**

Bonds Payable consisted of the following at June 30, 2024:

Revenue Bonds	Interest Rate	Maturity Date	Balance
Series 2014 Special Fee Refunding Bond	2.00% to 5.00%	03/01/30	\$ 7,225,000
Total Bonds Payable			<u>\$ 7,225,000</u>

Revenue Bonds are payable from and secured solely by a pledge of special fee revenue derived from the fees charged by the College to fund capital additions. The revenue bonds are direct placement revenue bonds. In the event of default, the bondholders at the time outstanding, or trustee therefore, may for the equal benefit and protection of all holders of the bonds may take action or proceedings of law to compel the College’s commission to carry out its covenants and agreements with bondholders.

The Series 2014 Special Fee Refunding Bond refunded the 2005 Special Fee Revenue Bond. The refunding resulted in a net loss on refunding totaling \$428,888 which is being amortized over the life of the new bond because the maturity of the refunding bond is the same as the refunded bond. The balance of the deferred loss on refunding of \$160,833 is reported as a deferred outflow of resources at June 30, 2024, the outstanding portion of the 2005 bond that is considered defeased is \$8,410,000. The net economic gain on the 2014 Special Fee Refunding Bond was \$2,279,270.

The scheduled maturities of the bonds payable are as follows:

Direct Placement Revenue Bond Series 2005A	Principal	Interest	Total
2025	\$ 1,075,000	\$ 301,287	\$ 1,376,287
2026	1,130,000	247,537	1,377,537
2027	1,185,000	191,037	1,376,037
2028	1,220,000	152,525	1,372,525
2029	1,285,000	91,525	1,376,525
2030	1,330,000	46,550	1,376,550
	<u>\$ 7,225,000</u>	<u>\$ 1,030,461</u>	<u>\$ 8,255,461</u>

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**NOTE 13 – LONG-TERM LIABILITIES**

<b>Primary Government:</b>	June 30, 2023	Principal Additions	Principal Payments	June 30, 2024	Due within One Year
Direct Placement Bonds Payable:					
2014 Special Fee Revenue Bond	\$ 8,250,000	\$ -	\$ 1,025,000	\$ 7,225,000	\$ 1,075,000
Plus Unamortized Premium	609,938	-	87,134	522,804	-
Total Bonds Payable	<u>8,859,938</u>	-	1,112,134	<u>7,747,804</u>	<u>1,075,000</u>
Financing Lease	55,705	-	55,705	-	-
Compensated Absences Payable	<u>1,249,073</u>	<u>1,350,164</u>	<u>1,249,073</u>	<u>1,350,164</u>	<u>78,059</u>
<b>TOTAL</b>	<b>\$ <u>10,164,716</u></b>	<b>\$ <u>1,350,164</u></b>	<b>\$ <u>2,416,912</u></b>	<b>\$ <u>9,097,968</u></b>	<b>\$ <u>1,153,059</u></b>

**NOTE 14 – RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS**

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for this entity are audited by independent auditors retained by them. It includes the Florence-Darlington Technical College Educational Foundation, Inc. Following is a more detailed discussion of the entity and a summary of significant transactions between it and the College for the year ended June 30, 2024.

***The Florence-Darlington Technical College Foundation, Inc.***

Management reviewed its relationship with the Foundation under the existing guidance of GASB Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61. Because of the nature and the significance of its relationship with the College, the Foundation is considered a component unit of the College.

The Foundation is a separately chartered corporation organized exclusively to receive and manage private funds for the exclusive benefit and support of the College. The Foundation’s activities are governed by its Board of Directors.

The College recorded non-governmental gifts receipts of \$395,689 for June 30, 2024. These funds were used to support College programs such as scholarships.

The Foundation reimburses the College for any purchases made by the College on behalf of the Foundation. The College provides office space, administrative and support services to the Foundation. The value of this office space and these services was approximately \$16,096 for the year ended June 30, 2024.

The Foundation’s assets as of June 30, 2024 were \$2,902,907.

Amounts due from the Foundation as of June 30, 2024 are \$166,740.

**NOTE 15 – RISK MANAGEMENT**

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

The State of South Carolina believes it is more economical to manage certain risks internally and set aside

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**NOTE 15 – RISK MANAGEMENT (continued)**

assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

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

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

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

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

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

The College obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation.

**NOTE 16 – TRANSACTIONS WITH OTHER AGENCIES**

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

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

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

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**NOTE 17 - PURCHASES WITH OTHER SC HIGHER EDUCATION INSTITUTIONS**

The College received goods and/or services from other South Carolina higher education institutions for a fee during the fiscal year ended June 30, 2024:

<u>Institution:</u>	<u>Amount:</u>
Technical Colleges:	
Greenville Technical College	\$ 138,469
Northeastern Technical College	350
Universities:	
Clemson University	450
University of South Carolina	100
Total	\$ <u>139,369</u>

**NOTE 18 - ACCOUNTS PAYABLE**

Accounts payable as of June 30, 2024 and June 30, 2023 are summarized as follows:

<u>Payables:</u>	<u>2024</u>	<u>2023</u>
Accounts Payable	\$ 467,214	\$ 491,532
Accounts Payable from Federal and State Grants	94,790	27,449
Accounts Payable – Student Refunds	17,663	11,093
Total Accounts Payable	\$ <u>575,667</u>	\$ <u>530,074</u>

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**NOTE 19 – STATE APPROPRIATIONS**

State General funds for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the Board), and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner.

The following is a detail schedule of State General appropriations revenue reported in the financial statements for the fiscal years ending June 30, 2024 and June 30, 2023:

<u>CAPITAL APPROPRIATIONS</u>	<u>2024</u>	<u>2023</u>
Current Year’s Appropriations		
State-Approved Capital Projects	\$ <u>1,384,830</u>	\$ <u>851,755</u>
Total capital appropriations recorded as current year revenue	\$ <u><u>1,384,830</u></u>	\$ <u><u>851,755</u></u>
<u>NON-CAPITAL APPROPRIATIONS</u>	<u>2024</u>	<u>2023</u>
Current Year’s Appropriations		
Appropriations per State Board Allocation	\$ 10,278,177	\$ 9,397,139
Entrepreneurial Operations	547,105	407,245
Lottery Technology funds	279,629	139,073
Nursing Faculty Salary Supplemental Funds	15,213	11,569
Pathways to Prosperity	31,421	41,298
STEM Critical Needs Workforce	232,888	52,267
SCWINS (previously Workforce Pathways)	3,773,991	1,053,742
Workforce Scholarships	68,844	950,118
High Demand Job Skills Training Equipment	97,072	285,992
EMT/ Paramedic Proviso 118.19	<u>16,942</u>	<u>161,477</u>
Total non-capital appropriations recorded as current year revenue	\$ <u><u>15,341,282</u></u>	\$ <u><u>12,499,920</u></u>

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**NOTE 20 – TAX ABATEMENTS**

The College does not negotiate or enter into an agreement for tax abatements. The College is subject to any tax abatement agreements entered by Florence County and Darlington County. Florence County and Darlington County provides tax abatement incentives through three programs to encourage economic development, attract new businesses, and retain existing businesses – Fee in Lieu of Tax, Multi-County Business Parks, and Special Source Revenue Credits,:

- A Fee in Lieu of Tax (FILOT) is authorized under South Carolina Code Title 12, Chapter 44, Title 4, Chapter 29, or Title 4, Chapter 12. The FILOT is used to encourage investment and provides a reduction of property tax when a business invests a minimum of \$2,500,000 within a 5-6 year investment period (beginning with date property is placed in service, ending five years after the last day of the property tax year in which the property is initially placed in service). The reduction in property taxes is accomplished by a reduction of assessed value, reduction in millage rate and elimination of (or reduction in) number of times millage rates are changed. In addition, an agreement may allow the possible use of net present value method over term of FILOT to equalize payments. Repayment of incentive is required by state law if taxpayer fails to meet statutory minimum investment requirement. Other recapture provisions may be negotiated (such as a pro rata clawback for failure to meet and/or maintain jobs/investment).
- A Multi-County Business Park (MCBP) is authorized under Article VIII, Section 13(d) of the Constitution of South Carolina, as amended and South Carolina Title 4, Chapter 1. A MCBP is used to promote the economic welfare of their citizens by inducing businesses to invest in the Counties through the offer of benefits available under South Carolina law pursuant to multi-county business park arrangements. The designation as a MCBP provides that all real and personal property located in the Park shall be exempt from all ad valorem taxation. This is typically used in the creation of a FILOT or SSRC, but also has the additional benefit of exemption of property from the rollback taxes when the property was previously taxed as agricultural property. When agricultural real property is applied to a use other than agricultural, it is subject to additional taxes, referred to as rollback taxes. The amount of the rollback taxes is equal to the sum of the differences, if any, between the taxes paid or payable on the basis of the fair market value for agricultural purposes and the taxes that would have been paid or payable if the real property had been valued, assessed, and taxed as other real property in the taxing district (except the value of standing timber is excluded), for the current tax year (the year of change in use) and each of the immediately preceding five tax years.
- A Special Source Revenue Credit (SSRC) is authorized under South Carolina Code Sections 4-29-68, 4-1-170, and 12-44-70. The SSRC is used to encourage investment and provides a credit against property taxes in the form of a percentage reduction or a dollar amount reduction. County manually applies SSRC to reduce applicable property tax bill. To receive the credit, a business must incur costs of designing, acquiring, constructing, improving, or expanding improved or unimproved real estate or personal property used in the operation of a manufacturing or commercial enterprise, infrastructure servicing the project, or certain aircraft.

For the fiscal year ended June 30, 2024, the Counties abated College property tax revenues of \$763,965 under agreements entered into by the Counties. The table below summarizes the tax abatements by program:

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**NOTE 20 – TAX ABATEMENTS (continued)**

		Florence County Abatement		Darlington County Abatement
<u>Tax Abatement Program</u>				
Fee In Lieu of Tax (FILOT)	\$	296,702	\$	467,263
 Total	 \$	 296,702	 \$	 467,263

**NOTE 21 – OPERATING EXPENSES BY FUNCTION**

Operating expenses by functional classification for the years ending June 30, 2024 and June 30, 2023 are summarized as follows:

June 30, 2024							
	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	\$ 7,273,815	\$ 919,229	\$ -	\$ -	\$ 4,305,139	\$ -	\$ 12,498,183
Academic Support	3,177,670	300,315	-	-	1,994,593	-	5,472,578
Student Services	2,370,886	432,312	-	-	1,055,238	-	3,858,436
Operation and							
Maintenance of Plant	634,501	59,451	-	1,394,663	2,856,943	-	4,945,558
Institutional Support	4,187,423	458,996	-	-	1,422,853	-	6,069,272
Scholarships	-	-	3,820,029	-	-	-	3,820,029
Auxiliary Enterprises	200,416	10,889	-	10,829	1,381,534	-	1,603,668
Depreciation	-	-	-	-	-	2,926,154	2,926,154
 Total Operating Expenses	 \$ 17,844,711	 \$ 2,181,192	 \$ 3,820,029	 \$ 1,405,492	 \$ 13,016,300	 \$ 2,926,154	 \$ 41,193,878

June 30, 2023							
	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Depreciation	Total
Instruction	\$ 7,014,079	\$ 1,145,685	\$ -	\$ -	\$ 3,530,065	\$ -	\$ 11,689,829
Academic Support	2,850,361	361,237	-	-	1,855,953	-	5,067,551
Student Services	2,257,089	496,751	-	-	1,114,023	-	3,867,863
Operation and							
Maintenance of Plant	620,091	101,451	-	1,352,678	2,411,919	-	4,486,139
Institutional Support	3,768,221	552,375	-	-	3,051,837	-	7,372,433
Scholarships	-	-	2,654,586	-	-	-	2,654,586
Auxiliary Enterprises	188,978	21,868	-	10,019	1,294,082	-	1,514,947
Depreciation	-	-	-	-	-	2,907,717	2,907,717
 Total Operating Expenses	 \$ 16,698,819	 \$ 2,679,367	 \$ 2,654,586	 \$ 1,362,697	 \$ 13,257,879	 \$ 2,907,717	 \$ 39,561,065

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**FLORENCE, SOUTH CAROLINA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2024**

**NOTE 22 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS**

GASB has issued Statement No. 101, *Compensated Absences*, to align the recognition and measurement guidance under a unified model and to amend certain previously required disclosures. This standard is effective for periods beginning after December 15, 2023.

GASB has issued Statement No. 102, *Certain Risk Disclosures*, to improve financial reporting by providing users of the financial statements with timely information regarding certain concentrations or constraints or related events that have occurred or have begun to incur that make a government vulnerable to a substantial impact. This standard is effective for periods beginning after June 15, 2024.

GASB has issued Statement No. 103, *Financial Reporting Model Improvements*, to provide clarity and to improve the quality and comparability of financial information by enhancing key components of the financial reporting model. This standard is effective for periods beginning after June 15, 2025.

**REQUIRED SUPPLEMENTARY INFORMATION**

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**LAST 10 FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>South Carolina Retirement System (SCRS)</b>										
College's proportion of the net pension liability (asset)	0.115461%	0.123887%	0.134455%	0.148505%	0.157984%	0.174071%	0.184503%	0.185833%	0.191826%	0.180446%
College's proportionate share of the net pension liability (asset)	\$ 27,915,532	\$ 30,032,912	\$ 29,097,815	\$ 37,945,781	\$ 36,074,249	\$ 39,003,852	\$ 41,534,593	\$ 36,693,655	\$ 36,380,726	\$ 31,066,819
College's covered payroll	\$ 12,042,090	\$ 12,296,818	\$ 13,161,276	\$ 13,769,390	\$ 14,507,798	\$ 14,957,721	\$ 15,153,309	\$ 14,431,024	\$ 14,463,674	\$ 13,415,835
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	231.80%	244.20%	221.10%	275.60%	248.70%	260.80%	274.10%	275.10%	251.53%	231.57%
Plan fiduciary net position as a percentage of the total pension liability	58.60%	57.10%	60.70%	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%
<b>South Carolina Police Officer Retirement System (PORS)</b>										
College's proportion of the net pension liability (asset)	0.000677%	0.000913%	0.000655%	0.000251%	0.000360%	0.000186%	0.00016%	0.00000%	0.00000%	0.00001%
College's proportionate share of the net pension liability (asset)	\$ 20,623	\$ 27,368	\$ 16,854	\$ 8,328	\$ 10,319	\$ 5,261	\$ 4,356	\$ 0	\$ 0	\$ 172
College's covered payroll	\$ 10,428	\$ 13,098	\$ 9,436	\$ 8,328	\$ 4,705	\$ 2,350	\$ 1,900	\$ 0	\$ 0	\$ 103
College's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	201.10%	209.00%	178.60%	240.60%	219.30%	224.30%	230.80%	0.00%	0.00%	164.47%
Plan fiduciary net position as a percentage of the total pension liability	67.80%	66.40%	70.40%	58.80%	62.70%	61.70%	60.90%	0.00%	0.00%	67.50%

Notes: The amounts presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
SCHEDULE OF THE COLLEGE CONTRIBUTION - PENSION  
SOUTH CAROLINA RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>South Carolina Retirement System (SCRS)</b>										
Contractually required contribution	\$ 2,669,018	2,378,162	2,257,950	\$ 2,181,515	\$ 2,393,215	\$ 2,243,626	\$ 2,250,914	\$ 2,149,591	\$ 1,987,544	\$ 1,960,681
Contributions in relation to the contractually required contribution (see note)	<u>(2,669,018)</u>	<u>(2,378,162)</u>	<u>(2,257,950)</u>	<u>(2,181,515)</u>	<u>(2,393,215)</u>	<u>(2,243,626)</u>	<u>(2,250,914)</u>	<u>(2,149,591)</u>	<u>(1,987,544)</u>	<u>(1,960,681)</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
College's covered payroll	\$ 15,988,574	15,213,834	15,404,393	\$ 16,003,590	\$ 17,441,530	\$ 17,636,223	\$ 19,075,621	\$ 19,791,664	\$ 19,145,233	\$ 18,983,463
Contributions as a percentage of covered payroll	16.69%	15.63%	14.66%	13.63%	13.15%	12.72%	11.80%	10.86%	10.38%	10.33%
<b>South Carolina Police Officer Retirement System (PORS)</b>										
Contractually required contribution	\$ 2,377	2,402	2,253	\$ 1,796	\$ 692	\$ 900	\$ 417	\$ 91	\$ 0	\$ 0
Contributions in relation to the contractually required contribution	<u>(2,377)</u>	<u>(2,402)</u>	<u>(2,253)</u>	<u>(1,796)</u>	<u>(692)</u>	<u>(900)</u>	<u>(417)</u>	<u>(91)</u>	<u>0</u>	<u>0</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
College's covered payroll	\$ 11,190	11,870	11,711	\$ 9,850	\$ 3,794	\$ 5,222	\$ 2,570	\$ 640	\$ 0	\$ 0
Contributions as a percentage of covered payroll	21.24%	20.24%	19.24%	18.23%	18.24%	17.23%	16.22%	14.22%	0.00%	0.00%

Note: The amounts reported as contributions to the South Carolina Retirement System (SCRS) include the contractually required percentage of the ORP contributions that are remitted to SCRS.

**FLORENCE – DARLINGTON TECHNICAL COLLEGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**JUNE 30, 2024**

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retirement System (SCRS). This information was obtained from the financial statements of the SCRS, which is administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA).

**Summary of Actuarial Methods and Significant Assumptions**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Actuarial valuation date	07/01/22	07/01/21
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay	Level percent of pay
Amortization period	25-year maximum, closed period	26-year maximum, closed period <sup>1</sup>
Asset Valuation method	5-year smoothed	5-year smoothed
Inflation rate	2.25%	2.25%
Projected salary increases	3.0% to 11.0% varies by service <sup>1</sup>	3.0% to 11.0% varies by service <sup>1</sup>
Investment rate of return	7.00%	7.00%
Benefit adjustments	Lesser of 1.0% or \$500 annually	Lesser of 1.0% or \$500 annually
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables	The 2020 Public Retirees of South Carolina Mortality Tables

<sup>1</sup> Pension reform legislation enacted effective July 1, 2017 schedules the amortization period to be reduced from 30 years to 20 years over a ten-year schedule.

**FLORENCE – DARLINGTON TECHNICAL COLLEGE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – PENSION PLAN  
SOUTH CAROLINA POLICE OFFICER RETIREMENT SYSTEM  
JUNE 30, 2024**

The table below provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Police Officer Retirement System (PORS). This information was obtained from the financial statements of the SCRS, which is administered by the retirement division of the South Carolina Public Employee Benefit Authority (PEBA).

**Summary of Actuarial Methods and Significant Assumptions**

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Actuarial valuation date	07/01/22	07/01/21
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level percent of pay	Level percent of pay
Amortization period	25-year maximum, closed period	26-year maximum, closed period
Asset Valuation method	5-year smoothed	5-year smoothed
Inflation rate	2.25%	2.25%
Projected salary increases	3.5% to 10.5% varies by service <sup>1</sup>	3.5% to 10.5% varies by service <sup>1</sup>
Investment rate of return	7.00%	7.00%
Benefit adjustments	Lesser of 1.0% or \$500 annually	Lesser of 1.0% or \$500 annually
Mortality	The 2020 Public Retirees of South Carolina Mortality Tables	The 2020 Public Retirees of South Carolina Mortality Tables

<sup>1</sup> Pension reform legislation enacted effective July 1, 2017 schedules the amortization period to be reduced from 30 years to 20 years over a ten-year schedule.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**SCHEDULE OF THE COLLEGE'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**LAST 10 FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>South Carolina Retiree Health Insurance Trust Fund</b>										
College's proportion of the net OPEB liability	0.145218%	0.156844%	0.171711%	0.189256%	0.201713%	0.221229%	0.234705%	0.234705%		
College's proportionate share of the net OPEB liability	\$ 19,011,194	\$ 23,858,708	\$ 35,755,692	\$ 34,163,446	\$ 30,502,081	\$ 31,349,443	\$ 31,790,408	\$ 33,958,600		
College's covered payroll	\$ 15,223,331	\$ 15,443,535	\$ 16,085,397	\$ 17,527,797	\$ 17,647,834	\$ 19,057,598	\$ 19,802,199	\$ 19,099,499		
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	124.88%	154.49%	222.29%	194.91%	172.84%	164.50%	160.54%	177.80%		
Plan fiduciary net position as a percentage of the total OPEB liability	11.24%	9.64%	7.48%	8.39%	8.44%	7.91%	7.60%	6.62%		
<b>South Carolina Long-Term Disability Insurance Trust Fund</b>										
College's proportion of the net OPEB liability	0.102136%	0.106280%	0.115653%	0.126790%	0.130122%	0.140577%	0.145818%	0.145818%		
College's proportionate share of the net OPEB liability	\$ 15,638	\$ 12,313	\$ 3,675	\$ 384	\$ 2,561	\$ 4,303	\$ 2,644	\$ 1,012		
College's covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A		
College's proportionate share of the net OPEB liability as a percentage of its covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Plan fiduciary net position as a percentage of the total OPEB liability	68.01%	75.04%	92.80%	99.29%	95.20%	92.20%	95.29%	98.15%		

Notes: The OPEB schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

The amount presented above for each fiscal year were determined as of the measurement date of the plan's fiscal year end.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE**  
**SCHEDULE OF THE COLLEGE CONTRIBUTIONS - OPEB PLANS**  
**LAST 10 FISCAL YEARS**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>South Carolina Retiree Health Insurance Trust Fund</b>										
Contractually required contribution	\$ 1,015,985	\$ 951,607	\$ 963,506	\$ 1,000,840	\$ 1,090,333	\$ 1,067,307	\$ 1,049,201	\$ 965,986	\$ ██████████	\$ ██████████
Contribution in relation to the contractually required contribution (see note)	<u>(1,015,985)</u>	<u>(951,607)</u>	<u>(963,506)</u>	<u>(1,000,840)</u>	<u>(1,090,333)</u>	<u>(1,067,307)</u>	<u>(1,049,201)</u>	<u>(965,986)</u>	██████████	██████████
Contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ ██████████	\$ ██████████
College's covered payroll	\$ 15,999,764	\$ 15,236,758	\$ 15,416,104	16,033,590	17,441,531	17,641,446	19,075,622	19,791,664	██████████	██████████
Contributions as a portion of covered payroll	6.35%	6.25%	6.25%	6.24%	6.25%	6.05%	5.50%	4.88%	██████████	██████████
<b>South Carolina Long-Term Disability Insurance Trust Fund</b>										
Contractually required contribution	\$ 7,789	\$ 7,802	\$ 18,185	\$ 18,216	\$ 19,904	\$ 9,643	\$ 10,236	\$ 10,555	\$ ██████████	\$ ██████████
Contribution in relation to the contractually required contribution	<u>(7,789)</u>	<u>(7,802)</u>	<u>(18,185)</u>	<u>(18,216)</u>	<u>(19,904)</u>	<u>(9,643)</u>	<u>(10,236)</u>	<u>(10,555)</u>	██████████	██████████
Contribution deficiency (excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ ██████████	\$ ██████████
College's covered payroll	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ ██████████	\$ ██████████
Contributions as a portion of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	██████████	██████████

Notes: The OPEB schedule is intended to show information for ten years; additional years' information will be displayed as it becomes available.

The amounts reported as contributions to the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and the South Carolina Long-Term Disability Insurance Trust Fund (SCLTDITF) include the contractually required contributions to the SCRHITF and SCLTDITF.

**FLORENCE – DARLINGTON TECHNICAL COLLEGE**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLANS**  
**JUNE 30, 2024**

The tables that follow provides a summary of the actuarial methods and assumptions used in calculations of the actuarially determined contributions for the South Carolina Retiree Health Insurance Trust Fund (SCRHITF) and South Carolina Long-Term Disability Trust Fund (SCLTDTF). This information was obtained from the financial statements of South Carolina Public Employee Benefit Authority (PEBA), Insurance Benefits and Other Post-Employment Benefits Trust Funds for the year ended June 30, 2023.

**Summary of Actuarial Methods and Significant Assumptions**

<b>Actuarial Assumptions:</b>	<b>SCRHITF</b>
Valuation Date	June 30, 2022
Actuarial Cost Method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate	3.86% as of June 30, 2023
Demographic Assumptions	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality Assumptions	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.
Healthcare Trend Rates	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years
Aging Factors:	Based on plan specific experience
Participation Assumptions	79% participation for retirees who are eligible for Funded Premiums. 59% participation for retirees who are eligible for Partial Funded Premiums. 20% participation for retirees who are eligible for Non-Funded Premiums.
Notes	The discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

**FLORENCE – DARLINGTON TECHNICAL COLLEGE  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION – OPEB PLANS  
 JUNE 30, 2024**

**Summary of Actuarial Methods and Significant Assumptions (continued)**

<b>Actuarial Assumptions:</b>	<b>SCLTDITF</b>
Valuation Date	June 30, 2022
Actuarial cost method	Individual Entry – Age Normal
Inflation	2.25%
Investment Rate of Return	3.00%, net of plan investment expense; including inflation
Single Discount Rate	3.57% as of June 30, 2023
Salary, Termination Rates, and Retirement Rates	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Disability Incidence	The disability incidence rates used in the valuation are 165% of the rates developed for the South Carolina Retirement Systems pension plans.
Disability Recovery	For participants in payment, 1987 CGDT Group Disability; for active employees, 60% were assumed to recover after the first year and 93% were assumed to recover after the first two years
Offsets	45% are assumed to be eligible for Social Security benefits; assumed percentage who will be eligible for a pension plan offset varies based on employee group
Expenses	Third party administrative expenses were included in the benefit projections
Notes	The discount rate changed from 3.41% as of June 30, 2022 to 3.57% as of June 30, 2023.

**Roll Forward Disclosures**

The actuarial valuation were performed as of June 30, 2022. Update procedures were used to roll forward the total OPEB liability to June 30, 2023.

## **SINGLE AUDIT ACT REQUIREMENTS**

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Project Number	Federal CFDA Number	Expenditures
U.S. Department of Education			
TRIO Cluster			
Direct Programs			
TRIO - Upward Bound	P047A181145	84.047A	\$ 24,123
TRIO - Student Support Services	P042A200474	84.042A	273,302
Total - Trio Cluster			<u>\$ 297,425</u>
Student Financial Aid Cluster			
Direct Programs			
Federal Work Study	P033A233782	84.033	\$ 100,436
SEOG	P007A233782	84.007	201,168
PELL	P063P232478	84.063	8,784,520
Federal Direct Student Loans	P268L242478	84.268	2,674,132
Federal Direct Student Loans- Parent Plus	P268K242478	84.268	28,524
Total - Student Financial Aid Cluster			<u>\$ 11,788,780</u>
Direct Program			
PBI FORMULA GRANT	P031P210042	84.031P	\$ 381,872
Pathways /PBI Grant	P382A210009	84.382A	502,905
CCAMPIS -22	P335A220124	84.382A	\$ 168,446
Education Stabilization Fund			
Direct Program			
HEERF Institutional - COVID 19	P425F200331	84.425M	\$ 278,012
HEERF SSARP PROGRAM - COVID 19	P425T220255	84.425T	74,952
Total HEERF Direct Programs			<u>\$ 352,964</u>
Passed Through SC Technical College System			
GEER ESSER Dual Enrollment - COVID 19	H63010497523	84.425U	\$ 1,270,370
GEER - CWD GEDBY23 - COVID 19	H06301497523	84.425C	297,330
GEER Future Workforce CWD - COVID 19	S425C210010	84.425C	85,936
Total Pass Through SC Technical College System			<u>\$ 1,653,636</u>
Total Education Stabilization Fund			<u>\$ 2,006,600</u>
Pass Through State Dept. of Education			
Perkins V	FY24CTE	84.048A	\$ 292,646
Perkins Reserve	FY24CTE	84.048A	36,016
Total Pass Through State Dept. of ED.			<u>\$ 328,662</u>
Total U.S. Department of Education			<u>\$ 15,474,690</u>

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

Federal Grantor/Pass-Through Grantor/Program Title	Project Number	Federal CFDA Number	Expenditures
U.S. Department of Labor			
Pass Through SC Technical College System			
SAEEI - Apprenticeship Grant	AP-36515-2160-A-45	17.285	\$ 123,904
SAE Grant	AP-35097-20-60-A-45	17.285	135,110
Total U.S. Department of Labor			<u>\$ 259,014</u>
U.S. Department of Health and Human Services			
Pass Through Greenville Technical College			
Child Care Greenville	N/A	93.575	\$ 13,027
Total Pass Through Greenville Technical College			<u>\$ 13,027</u>
Pass through Medical University of SC			
RPH Workforce Training	1TR1RH45921-01-00	93.912	\$ 11,414
Total Pass through Medical University of SC			<u>\$ 11,414</u>
Total U.S. Department of Health & Human Services			<u>\$ 24,441</u>
National Science Foundation - Research & Development Cluster			
Direct Programs			
ATE - Cyber Gen Tech Stars & Participant Support	1929996	47.076	\$ 167,490
ATE - MC ATE4 Forward	2227301	47.076	471,553
ATE- NEVTEC	2301095	47.076	9,615
ATE - Mentor Connect3	1840856	47.076	537,352
Total National Science Foundation Direct Programs			<u>\$ 1,186,010</u>
Pass Through Coker College			
Pee Dee Scholars	2130351	47.076	\$ 32,201
Total Pass Through Coker College			<u>\$ 32,201</u>
Pass Through Arizona State University			
ATE HIS ATE HUB 2	ASUB00000802	47.076	\$ 34,055
Total Pass Through Arizona State University			<u>\$ 34,055</u>
Total National Science Foundation - Research & Development Cluster			<u>\$ 1,252,266</u>
U.S. Department of Energy			
Pass Through SC Office Of Regulatory Staff			
Energy Grant	DE-EE0009486/0002	81.041	\$ 10,000
Total U.S. Department of Energy			<u>\$ 10,000</u>
Total Federal Programs			<u>\$ 17,020,411</u>

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Florence - Darlington Technical College and is presented on the accrual basis, the same basis of accounting used to prepare the basic financial statements as described in Note 1 to the financial statements.

The information in this schedule is presented in accordance with the requirements of Office of Management and Budget (OMB)'s Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the basic financial statements (or reported in the federal financial reports).

2. FEDERAL NON-CASH ASSISTANCE

Florence - Darlington Technical College did not receive or expend federal awards in the form of non-cash assistance and had no federal loan guarantees at June 30, 2024.

3. DETERMINATION OF MAJOR PROGRAMS

Major federal programs were determined in accordance with the Uniform Guidance. For the year ended June 30, 2024, the following programs were determined to be major programs in accordance with the Uniform Guidance: Student Financial Aid Cluster, Education Stabilization Fund, and National Science Foundation. The dollar threshold for Type A programs was \$750,000.

4. FEDERAL LOAN PROGRAMS

The College has students who have been approved for Federal Direct Student Loans which were received by those students during the current year. The College is not the lender of the loans; it only processes them for the lender the student chooses. The total loans received that are not included in revenue: Direct Loans - \$2,702,656. These loans have been recorded on the schedule of expenditures of federal awards; however, the responsibility for administration and collection passes to the U.S. Department of Education or other lending agencies after the loans are disbursed.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2024**

5. RECONCILIATION OF REVENUE TO SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Total per Expenditures of Federal Awards	\$ <u>17,020,411</u>
Total Federal Revenue:	
Federal Operating Grants	\$ 4,948,721
Federal Non-operating Grants	<u>9,369,034</u>
	\$ <u>14,317,755</u>
Total Loans:	
Federal Direct Loans	\$ 2,702,656
	\$ <u>17,020,411</u>

6. INDIRECT COST

The College has not elected to use the 10% de minimus indirect cost rate.

7. PASS THROUGH GRANT

Florence – Darlington Technical College did not have any federal funds that were passed through to sub recipients during the year ended June 30, 2024.



Robert D. Harper, Jr. CPA ♦  
Robin B. Poston CPA

Stacey C. Moree CPA  
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**INDEPENDENT AUDITOR'S 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***

Florence – Darlington Commission for Technical Education  
Florence – Darlington Technical College  
Florence, 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 financial statements of Florence – Darlington Technical College, as of and for the year ended June 30, 2024 and the related notes to the financial statements which collectively comprise Florence – Darlington Technical College's basic financial statements and have issued our report thereon dated September 27, 2024. Our report includes a reference to other auditors who audited the financial statements of Florence – Darlington Technical College Educational Foundation, Inc., as described in our report on Florence – Darlington Technical College's financial statements. The financial statements of Florence – Darlington Technical College Educational Foundation, Inc. were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Florence – Darlington Technical College Educational Foundation.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Florence – Darlington Technical College's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Florence – Darlington Technical College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College'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 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, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weakness or significant deficiencies

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may exist that have not been identified.

### **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

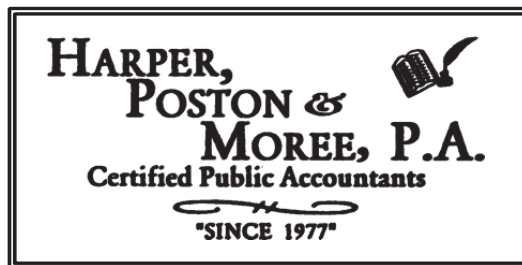
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the College's internal control or on compliance. This report is an integral part of an audit performed in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

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Georgetown, South Carolina  
September 30, 2024

Robert D. Harper, Jr. CPA◆  
Robin B. Poston CPA



Stacey C. Moree CPA  
Wyndie B. Moree CPA

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY  
THE UNIFORM GUIDANCE**

Florence – Darlington Commission for Technical Education  
Florence – Darlington Technical College  
Florence, South Carolina

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Florence – Darlington Technical College's compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Florence – Darlington Technical College's major federal programs for the year ended June 30, 2024. The College's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Florence – Darlington Technical College 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, 2024.

***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). 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 Florence – Darlington Technical College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

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

### ***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 Florence – Darlington Technical College'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 generally accepted auditing standards, *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 the College's compliance with the requirements of each major federal program as a whole.

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

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

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

### **Report on Internal Control Over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the 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. We did not identify any

deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been 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.

*Harper, Poston & Moree, P.A.*

Harper, Poston & Moree, P.A.  
Certified Public Accountants

Georgetown, South Carolina  
September 30, 2024

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2024**

**A. SUMMARY OF THE AUDITOR’S RESULTS**

1. The independent auditor’s report on the financial statements expressed an unmodified opinion.
2. There were no significant deficiencies in internal control over financial reporting disclosed in the auditor’s report on internal control over financial reporting and on compliance and other matters based on an audit performed in accordance with *Government Auditing Standards*.
3. The audit disclosed no material noncompliance matters in relation to the financial statements.
4. There were no significant deficiencies in internal control over compliance applicable to major programs reported in the auditor’s report on compliance and internal control over compliance with major federal award programs.
5. The report on compliance for major programs expressed an unmodified opinion.
6. The audit disclosed no audit findings that are required to be reported in accordance with the Uniform Guidance.
7. The major programs of Florence - Darlington Technical College included in the audit were:

<u>Program</u>	<u>CFDA Number</u>
Student Financial Aid Cluster	
Federal Workstudy	84.033
SEOG	84.007
Pell	84.063
National Science Foundation	47.076
Education Stabilization Fund	84.425M, 84.425T, 84.425 U, 84.425C

8. The dollar threshold for Type A programs for Florence – Darlington Technical College was \$750,000.
9. Florence – Darlington Technical College qualified as a low-risk auditee.

**B. FINDINGS IN RELATION TO THE AUDIT OF THE FINANCIAL STATEMENTS**

1. No matters were reported.

**C. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

1. No matters were reported.

**FLORENCE - DARLINGTON TECHNICAL COLLEGE  
FLORENCE, SOUTH CAROLINA**

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2024**

Prior Year Findings – Financial Statement Audit

No matters were reported.

Prior Year Findings - Major Federal Award Programs

No matters were reported.