

**SOUTH CAROLINA EDUCATIONAL
TELEVISION COMMISSION
COLUMBIA, SOUTH CAROLINA**

REPORT ON FINANCIAL STATEMENTS

FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

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March 3, 2026

Members of the South Carolina Educational Television Commission
South Carolina Educational Television Commission
Columbia, South Carolina

This report on the audit of the financial statements of the South Carolina Educational Television Commission for the fiscal years ended June 30, 2025 and 2024, was issued by The Hobbs Group, PA, Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

Sue F. Moss, CPA
Interim State Auditor

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INDEPENDENT AUDITOR'S REPORT

Mrs. Sue F. Moss, CPA
Interim State Auditor
South Carolina Office of the State Auditor
Columbia, South Carolina

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the South Carolina Educational Television Commission (the "Network"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Network's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Network, as of June 30, 2025 and 2024, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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 the Network and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

The Network's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America,

and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Network's ability to continue as a going concern for twelve months beyond the financial statement issuance 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 GAAS and GAS 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 GAAS and GAS, we:

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

Emphasis of Matter

As discussed in Note 2 to the financial statements, in fiscal year 2025, the Network adopted new accounting guidance GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of the proportionate share of the net pension liability, schedule of pension contributions, schedule of proportionate share of the net OPEB liability, and schedule of OPEB contributions as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the Network's basic financial statements. The accompanying schedules of revenues – radio and television on pages 63 and 64 and the schedules of expenditures – radio and television on pages 65 and 66 (the "schedules") are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules are 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 March 3, 2026 on our consideration of the Network'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 solely 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 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 Network's internal control over financial reporting and compliance.

Columbia, South Carolina
March 3, 2026

The Halls Group, P.A.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

Overview of the Financial Statements and Financial Analysis

As management of the South Carolina Educational Television Commission (the “Network”), we provide this Management’s Discussion and Analysis of the Network’s financial statements for the fiscal year ended June 30, 2025 as a narrative overview and analysis. We encourage readers to consider this information in conjunction with the Network’s financial statements, which follow.

This report consists of a series of financial statements, prepared in accordance with the accounting principles generally accepted in the United States. The financial statements presented focus on the financial condition of the Network and the results of its operations.

This discussion and analysis is intended to serve as an introduction to the Network’s basic financial statements. The Network’s basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

The *government-wide financial statements* provide an overview of the Network’s operations. The government-wide financial statements include two statements: The Statement of Net Position and the Statement of Activities.

The *fund financial statements* provide information on the Network’s funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All the Network’s funds are classified as governmental funds. The Network’s governmental funds include the General Fund, Non-Federal Grants, Capital Projects and the Education Improvement Act Funds.

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The following discussion and analysis of the Network’s government-wide and governmental funds financial statements provides an overview of its financial activities for the year. Comparisons to the prior fiscal year are also made.

Statements of Net Position

The Statement of Net Position presents information reflecting the Network’s assets, liabilities, deferred inflows and outflows of resources and net position as of the end of the fiscal year. This statement provides the reader with a snapshot view at a point in time. Net position represents the amount of total assets and deferred outflows of resources less liabilities and deferred inflows of resources. Assets and liabilities are shown as current and noncurrent. Current assets are those with immediate liquidity or which are collectible or due within twelve months of the statement date. The Statement of Net Position indicates the funds available for the Network’s operation along with liabilities that will come due.

The assets and deferred outflows of resources of the Network exceeded its liabilities and deferred inflows of resources by \$9.1 million at fiscal year ending June 30, 2025 (See Table 1 below for a summary of net position for fiscal years 2024-2025 and 2023-2024).

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

Table 1 – Condensed Statements of Net Position

	<u>2025</u>	<u>2024 (as restated)</u>	<u>Increase / (Decrease)</u>	<u>% Change</u>	<u>2023</u>
Assets					
Current assets	\$ 13,346,426	\$ 16,558,037	\$ (3,211,611)	-19.40%	\$24,311,320
Noncurrent assets	38,252,679	32,750,049	5,502,630	16.80%	34,204,372
Total assets	<u>51,599,105</u>	<u>49,308,086</u>	<u>2,291,019</u>	4.65%	<u>58,515,692</u>
Deferred outflows of resources	8,255,901	5,572,018	2,683,883	48.17%	6,484,498
Liabilities					
Current liabilities	6,239,959	6,266,197	(26,238)	-0.42%	7,779,214
Noncurrent liabilities	31,894,071	28,295,880	3,598,191	12.72%	29,282,048
Total liabilities	<u>38,134,030</u>	<u>34,562,077</u>	<u>3,571,953</u>	10.33%	<u>37,061,262</u>
Deferred inflows of resources	12,633,322	13,580,073	(946,751)	-6.97%	13,105,782
Net position					
Net investment in capital assets	30,279,877	24,615,946	5,663,931	23.01%	25,718,257
Restricted	6,312,005	9,019,576	(2,707,571)	-30.02%	16,216,043
Unrestricted	<u>(27,504,228)</u>	<u>(26,897,568)</u>	<u>(606,660)</u>	2.26%	<u>(27,101,154)</u>
Total net position	<u>\$ 9,087,654</u>	<u>\$ 6,737,954</u>	<u>\$ 2,349,700</u>	34.87%	<u>\$14,833,146</u>

Total assets and deferred outflows of resources of the Network increased by approximately \$5.0 million. This increase is attributed to both increases in deferred outflows of resources related to the net OPEB and net pension liability along with increases in capital assets due to the acquisition of new property and equipment during the year. Cash and cash equivalents decreased approximately \$3.1 million over the previous year. The decrease in cash and cash equivalents can be largely attributed to increases in personal services and operating costs, as well as the cost of acquisition of property and equipment.

The increase of approximately \$3.6 million in noncurrent liabilities is primarily attributable to increases in accrued compensated absences and net OPEB and net pension liabilities. During the year ended June 30, 2025, the Network implemented GASB No. 101, *Compensated Absences*. As a result of implementation, an additional liability for accrued sick leave which is more likely than not to be used by employees prior to termination was added to the compensated absences liability. Additionally, amounts of current and noncurrent liabilities and net position were restated for the year ended June 30, 2024. See Notes 1 and 2 for further information.

Net position of the Network increased during the year by approximately \$2.3 million largely driven by the increases in state appropriations and program revenues. personal services and operating costs as well as other factors described above. Total net position at June 30, 2025 was \$9.1 million, of which \$30.3 million was invested in capital assets, \$6.3 million was restricted for capital reserves, capital projects, and public broadcasting as well as a deficit of \$27.5 million in unrestricted net position due primarily to the net pension and OPEB liabilities.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

Statements of Activities

This statement represents the program revenues and expenses, as well as any general revenue that the Network receives. The purpose of this statement is to present the reader with information relating to revenues earned and expenses incurred during the fiscal year ending June 30, 2025.

(See Table 2 for a comparison of revenues, expenses and changes in net position for fiscal years 2023-2024 and 2022-2023).

Table 2 – Statements of Activities

	<u>2025</u>	<u>2024 (as restated)</u>	<u>Increase / (Decrease)</u>	<u>% Change</u>	<u>2023</u>
Revenue					
Program revenues:					
Charges for services	\$ 6,458,081	\$ 5,630,101	\$ 827,980	14.71%	\$ 6,955,444
Operating grants and contributions	<u>4,375,142</u>	<u>3,920,837</u>	<u>454,305</u>	11.59%	<u>3,756,108</u>
Total program revenues	10,833,223	9,550,938	1,282,285	13.43%	10,711,552
General revenues:					
Contributions	10,753,193	9,578,343	1,174,850	12.27%	10,777,197
Interest income on leases	323,651	336,953	(13,302)	-3.95%	270,863
Interest and investment Income	175,719	215,200	(39,481)	-18.35%	185,292
Intergovernmental	18,334,926	10,583,423	7,751,503	73.24%	8,372,442
Miscellaneous revenues	<u>736,726</u>	<u>81,873</u>	<u>654,853</u>	799.84%	<u>116,753</u>
Total general revenues	<u>30,324,215</u>	<u>20,795,792</u>	<u>9,528,423</u>	45.82%	<u>19,722,547</u>
Total revenues	<u>41,157,438</u>	<u>30,346,730</u>	<u>10,810,708</u>	35.62%	<u>30,434,099</u>
Expenses					
Educational broadcasting:					
Personal services	14,950,182	13,709,439	1,240,743	9.05%	11,918,855
Pension benefit	(165,343)	(165,410)	67	-0.04%	(173,424)
OPEB (benefit) expense	217,783	(356,719)	574,502	-161.05%	233,153
Other operating costs	19,901,921	18,405,966	1,495,955	8.13%	17,745,388
Interest on leases	56,067	65,842	(9,775)	-14.85%	12,216
Interest on software based IT arrangements	40,520	53,013	(12,493)	-23.57%	12,623
Depreciation and amortization	<u>3,806,608</u>	<u>4,915,193</u>	<u>(1,108,585)</u>	-22.55%	<u>5,308,561</u>
Total expenses	<u>38,807,738</u>	<u>36,627,324</u>	<u>2,180,414</u>	5.95%	<u>35,057,372</u>
Increase (decrease) in net position	2,349,700	(6,280,594)	8,630,294	-137.41%	(4,623,273)
Net position – beginning of year	6,737,954	14,833,146	(8,095,192)	-54.58%	19,456,419
Implementation effect of GASB No. 101	—	<u>(1,814,598)</u>	<u>1,814,598</u>	-100.00%	—
Net position – beginning of year, as restated	6,737,954	13,018,548	(6,280,594)	-48.24%	19,456,419
Net position – end of year	<u>\$ 9,087,654</u>	<u>\$ 6,737,954</u>	<u>\$ 2,349,700</u>	34.87%	<u>\$ 14,833,146</u>

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

General revenues for the 2025 fiscal year totaled approximately \$30.3 million which is an increase of approximately \$9.5 million which is largely driven by a \$7.8 million increase in intergovernmental revenues.

The Network received a State General Fund Appropriation for fiscal year ("FY") 2024-2025 of \$10,124,971. The Network was also funded through budget provisos and Education Improvement Act funds in the 2024-2025 Appropriations Act.

During the year ended June 30, 2025, the Network realigned its internal cost centers and functional areas related to expenditures to embody the actual department budgets as received from the State General Fund Appropriation.

Program revenues for the Network are classified in three categories: Charges for Services, Operating Grants, and Capital Grants. Charges for services are received for providing services to the various customers and constituencies of the Network. Operating grants are primarily made up of the Community Service Grants received from the Corporation for Public Broadcasting and private grants. Operating grants are used in the ongoing operations of the Network. Capital grants are related to capital equipment and construction projects.

Program revenue from all sources during the fiscal year totaled approximately \$10.8 million, which is an increase of approximately \$1.3 million over the prior year. The increase in program revenue during the year ended June 30, 2025, is attributed to the Network receiving more funds for tower, content and production services.

Expenses for the Network are shown under the category of Educational Broadcasting and are classified as Personal Services, Pension Expense (Benefit), OPEB Expense (Benefit), Other Operating, Interest on Leases and Software-Based IT Arrangements, and Depreciation and Amortization. Personal Service costs were approximately \$15.0 million which increased \$1.2 million over the prior primarily due to filling previously vacant positions at the Network. Pension benefit costs were approximately \$(165,000) and OPEB expense was approximately \$218,000. These fluctuations from the prior year were due to underlying plan activities as well as changes in the Network's proportionate share of these liabilities. Other operating costs totaled approximately \$19.9 million which increased from the prior year due to the rising costs of programming and licensing fees, more community engagements and outreach activities, and the completion of projects supporting the network's technical infrastructure. Depreciation and amortization expense totaled approximately \$3.8 million which was a decrease of \$1.1 million over the prior year due to more fully depreciated assets in the current year. The Statement of Activities reflects an increase in net position for the current fiscal year of approximately \$2.3 million due to these factors.

During the year ended June 30, 2025, the Network also realigned its internal cost centers and functional areas related to expenditures to better align with the actual budget and departments.

Budgetary Highlights:

Changes between original and final budgeted amounts are associated with carryforwards of Spectrum Auction funds, and new appropriations for capital projects. The Network ended the year with a positive budget variance of approximately \$15.4 million based on actual budgetary basis figures. This significant variance is primarily due to a capital outlay variance of \$27.8 million. Capital outlay consists of infrastructure upgrades, new facility construction and technology initiatives. Continued delays were incurred on these projects in fiscal year 2024-2025 due to the timelines required by State Procurement regulations for RFP's , bidding and the procurement of goods and services.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS**

(Continued)

Fund Financial Analysis:

The Network uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds:

The focus of the Network's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Network's financing requirements. In particular, the unassigned and restricted fund balances may serve as a useful measure of the Network’s net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Network's governmental funds reported combined ending fund balances of approximately \$9.1 million, a decrease of approximately \$2.8 million for the year ended June 30, 2025.

Unassigned fund balance accounts for approximately \$1.3 million of ending fund balance, and is available for administrative expenditures made in accordance with federal and State regulations.

Restricted fund balance accounts for approximately \$6.3 million of ending fund balance, and includes amounts that can only be spent for specific purposes stipulated by the State, external resource providers, or through enabling legislation. The Network's restricted fund balance consists primarily of amounts restricted for capital projects and unspent grant funds.

Non-spendable fund balance accounts for approximately \$1.5 million of ending fund balance, and represents prepaid items and lessor obligations.

Property and Equipment

The Network’s property and equipment net of depreciation was approximately \$30.2 million at June 30, 2025. This investment in capital assets includes land, buildings and improvements, equipment and furniture, vehicles and construction in progress. Table 3 summarizes property and equipment at June 30, 2025, 2024, and 2023.

Table 3 – Network Property and Equipment

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Land	\$ 1,760,581	\$ 1,137,969	\$ 1,137,867
Building and improvements	17,968,569	17,968,569	17,968,569
Equipment and furniture	79,399,287	76,247,579	74,595,151
Vehicles	2,216,811	2,208,312	2,117,499
Construction in progress	7,843,436	2,600,448	1,332,531
Total cost	<u>109,188,684</u>	<u>100,162,877</u>	<u>97,151,617</u>
Less: Accumulated depreciation	<u>78,985,687</u>	<u>75,686,235</u>	<u>71,654,471</u>
Net capital assets	<u>\$ 30,202,997</u>	<u>\$ 24,476,642</u>	<u>\$ 25,497,146</u>

The net increase in the Network’s investment in property and equipment for the current fiscal year was approximately \$5.7 million and can be attributed to acquisitions of capital assets in the amount of approximately \$10.7 million offset by depreciation expense.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

(Continued)

Economic Outlook

During the fiscal year ending June 30, 2025, the Network experienced staffing transitions, prioritizing the reduction of vacant positions. Entering the final year of the agency's strategic plan, the senior leadership team continued assessments of operational priorities and placed increased emphasis on revenue generation, personnel retention, security, and infrastructure. The Network submitted a state legislative funding request for the continuation of infrastructure maintenance and upgrades, control room modernization, increased security systems for physical assets, and fire suppression to enhance technology preservation. These improvements are important to the Network plans for strategic change and continuity of expenditures related to external factor variations in funding, economic conditions and shifts in audience preferences. Additionally, the agency received increased funding through the SC K-12 Technology Initiative enhancing the facilitation of user-generated content and engagement activities during field trips and other educational initiatives. Several revenue-generating initiatives will resume throughout the coming fiscal year including growth of the tower asset program and increased partnerships related to content creation and distribution, production and facility rentals.

Requests for Information

This financial report is designed to provide a general overview of the South Carolina Educational Television Commission's finances for all the Network's taxpayers, customers and creditors. This financial report seeks to demonstrate the Network's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the President of the South Carolina Educational Television Commission, 1041 George Rogers Boulevard, Columbia, South Carolina 29201.

AUDITED FINANCIAL STATEMENTS

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
STATEMENTS OF NET POSITION
JUNE 30,**

	2025	2024
	Governmental Activities	Governmental Activities (as restated)
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,456,986	\$ 5,885,067
Restricted cash	6,312,005	9,019,576
Accounts receivable	347,908	448,562
Lease receivable	368,145	550,028
Prepaid expenses	861,382	654,804
Total current assets	13,346,426	16,558,037
Non-current assets:		
Lease receivable, net of current portion	6,710,637	6,503,375
Capital assets, net of accumulated depreciation and amortization:		
Right-to-use lease assets	1,005,288	1,161,583
Subscription information technology assets	333,757	608,449
Property and equipment	30,202,997	24,476,642
Total non-current assets	38,252,679	32,750,049
Total assets	51,599,105	49,308,086
Deferred outflows of resources related to net pension liability	3,297,434	2,240,402
Deferred outflows of resources related to net OPEB liability	4,958,467	3,331,616
Total deferred outflows of resources	8,255,901	5,572,018
Total assets and deferred outflows of resources	59,855,006	54,880,104
LIABILITIES AND NET POSITION		
Liabilities:		
Current liabilities:		
Accounts payable	1,202,352	775,532
Accrued salaries and related benefits	1,223,780	1,108,583
Lease liability	241,473	212,786
Subscription information technology liability	153,192	228,308
Unearned revenue	2,126,661	2,770,767
Current portion of accrued compensated absences and related benefits	1,292,501	1,170,221
Total current liabilities	6,239,959	6,266,197
Noncurrent liabilities:		
Accrued compensated absences and related benefits, net of current portion	2,605,642	2,218,039
Lease liability, net of current portion	712,381	881,323
Subscription information technology liability, net of current portion	155,119	308,311
Net OPEB liability	12,991,915	10,018,522
Net pension liability	15,429,014	14,869,685
Total noncurrent liabilities	31,894,071	28,295,880
Total liabilities	38,134,030	34,562,077
Deferred inflows of resources related to net pension liability	874,388	604,755
Deferred inflows of resources related to net OPEB liability	5,307,422	6,438,095
Deferred inflows of resources related to leases	6,451,512	6,537,223
Total deferred inflows of resources	12,633,322	13,580,073
Total liabilities and deferred inflows of resources	50,767,352	48,142,150
Net Position:		
Net investment in capital assets	30,279,877	24,615,946
Restricted:		
Capital projects	162,868	153,568
Capital reserve	5,053,320	6,864,605
Public broadcasting	1,095,817	2,001,403
Unrestricted	(27,504,228)	(26,897,568)
Total net position	\$ 9,087,654	\$ 6,737,954

The accompanying notes are an integral part of these financial statements.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,**

	2025	2024
	Governmental Activities	Governmental Activities (as restated)
	<u> </u>	<u> </u>
Expenses:		
Educational broadcasting:		
Personal services	\$ 14,950,182	\$ 13,709,439
Pension benefit	(165,343)	(165,410)
OPEB expense (benefit)	217,783	(356,719)
Other operating costs	19,901,921	18,405,966
Interest on leases	56,067	65,842
Interest on subscription information technology arrangements	40,520	53,013
Depreciation and amortization	<u>3,806,608</u>	<u>4,915,193</u>
Total program expenses	38,807,738	36,627,324
Program revenues:		
Charges for services	6,458,081	5,630,101
Capital grants and contributions	<u>4,375,142</u>	<u>3,920,837</u>
Total program revenues	10,833,223	9,550,938
Net program expenses	<u>27,974,515</u>	<u>27,076,386</u>
General revenues, special items and transfers:		
Contributions	10,753,193	9,578,343
Interest income on leases	323,651	336,953
Interest and other investment income	175,719	215,200
Intergovernmental - State Agencies	18,334,926	10,583,423
Miscellaneous revenues	<u>736,726</u>	<u>81,873</u>
Total general revenues, special items and transfers	<u>30,324,215</u>	<u>20,795,792</u>
Increase (decrease) in net position	2,349,700	(6,280,594)
Net position - beginning of year	6,737,954	14,833,146
Implementation effect of GASB No. 101	-	(1,814,598)
Net position - beginning of year, as restated	<u>6,737,954</u>	<u>13,018,548</u>
Net position - end of year	<u>\$ 9,087,654</u>	<u>\$ 6,737,954</u>

The accompanying notes are an integral part of these financial statements.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General	Education Improvement Act	Non-Federal Grants	Capital Projects	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 4,198,381	\$ 736,569	\$ 522,036	\$ -	\$ 5,456,986
Restricted cash	6,149,137	-	-	162,868	6,312,005
Accounts receivable	277,908	-	70,000	-	347,908
Lease receivable	7,078,782	-	-	-	7,078,782
Prepaid expenses	851,996	9,386	-	-	861,382
TOTAL ASSETS	\$ 18,556,204	\$ 745,955	\$ 592,036	\$ 162,868	\$ 20,057,063
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 1,163,837	\$ 38,168	\$ 347	\$ -	\$ 1,202,352
Accrued salaries and related benefits	1,198,485	10,666	14,629	-	1,223,780
Unearned revenues	1,549,601	-	577,060	-	2,126,661
TOTAL LIABILITIES	3,911,923	48,834	592,036	-	4,552,793
DEFERRED INFLOWS OF RESOURCES:					
Leases	6,451,512	-	-	-	6,451,512
TOTAL DEFERRED INFLOWS OF RESOURCES	6,451,512	-	-	-	6,451,512
FUND BALANCES:					
Nonspendable					
Prepaid expenses	851,996	9,386	-	-	861,382
Leases	627,270	-	-	-	627,270
Restricted					
Capital reserve	5,053,320	-	-	-	5,053,320
Capital projects	-	-	-	162,868	162,868
Public broadcasting	1,095,817	-	-	-	1,095,817
Unassigned	564,366	687,735	-	-	1,252,101
TOTAL FUND BALANCES	8,192,769	697,121	-	162,868	9,052,758
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 18,556,204	\$ 745,955	\$ 592,036	\$ 162,868	\$ 20,057,063

The accompanying notes are an integral part of these financial statements.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Education Improvement Act	Non-Federal Grants	Capital Projects	Total Governmental Funds
ASSETS:					
Cash and cash equivalents	\$ 4,488,556	\$ 527,797	\$ 868,714	\$ -	\$ 5,885,067
Restricted cash	8,866,008	-	-	153,568	9,019,576
Accounts receivable	448,562	-	-	-	448,562
Lease receivable	7,053,403	-	-	-	7,053,403
Prepaid expenses	648,604	6,200	-	-	654,804
TOTAL ASSETS	\$ 21,505,133	\$ 533,997	\$ 868,714	\$ 153,568	\$ 23,061,412
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES					
LIABILITIES:					
Accounts payable	\$ 771,823	\$ 2,760	\$ 949	\$ -	\$ 775,532
Accrued salaries and related benefits	1,086,291	11,744	10,548	-	1,108,583
Unearned revenues	1,913,550	-	857,217	-	2,770,767
TOTAL LIABILITIES	3,771,664	14,504	868,714	-	4,654,882
DEFERRED INFLOWS OF RESOURCES:					
Leases	6,537,223	-	-	-	6,537,223
TOTAL DEFERRED INFLOWS OF RESOURCES	6,537,223	-	-	-	6,537,223
FUND BALANCES:					
Nonspendable					
Prepaid expenses	648,604	6,200	-	-	654,804
Leases	516,180	-	-	-	516,180
Restricted					
Capital reserve	6,864,605	-	-	-	6,864,605
Capital projects	-	-	-	153,568	153,568
Public broadcasting	2,001,403	-	-	-	2,001,403
Unassigned	1,165,454	513,293	-	-	1,678,747
TOTAL FUND BALANCES	11,196,246	519,493	-	153,568	11,869,307
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES	\$ 21,505,133	\$ 533,997	\$ 868,714	\$ 153,568	\$ 23,061,412

The accompanying notes are an integral part of these financial statements.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
RECONCILIATIONS OF THE GOVERNMENTAL FUNDS BALANCE SHEETS
TO THE STATEMENTS OF NET POSITION
JUNE 30,**

	2025 Governmental Activities	2024 Governmental Activities
Reconciliations to the Statement of Net Position:		
Fund balances of governmental funds	\$ 9,052,758	\$ 11,869,307
Certain amounts reported for governmental activities in the statement of net position are different because:		
Liabilities are not due and payable in the current period, therefore, are not reported in the funds:		
Accrued compensated absences and related benefits	(3,898,143)	(3,388,260)
Lease liability	(953,854)	(1,094,109)
Software based information technology liability	(308,311)	(536,619)
The net pension liability, net OPEB liability, and related deferred inflows and outflows of resources are not due and payable in the current year and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position:		
Net pension liability	(15,429,014)	(14,869,685)
Net OPEB liability	(12,991,915)	(10,018,522)
Deferred outflows of resources related to net pension liability	3,297,434	2,240,402
Deferred outflows of resources related to net OPEB liability	4,958,467	3,331,616
Deferred inflows of resources related to net pension liability	(874,388)	(604,755)
Deferred inflows of resources related to net OPEB liability	(5,307,422)	(6,438,095)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds:		
Property and equipment, net of accumulated depreciation	30,202,997	24,476,642
Software based information technology assets, net of accumulated amortization	333,757	608,449
Right to use assets, net of accumulated amortization	1,005,288	1,161,583
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 9,087,654	\$ 6,737,954

The accompanying notes are an integral part of these financial statements.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>General</u>	<u>Education Improvement Act</u>	<u>Non-Federal Grants</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES:					
Contributions	\$ 10,743,193	\$ -	\$ 10,000	\$ -	\$ 10,753,193
Intergovernmental - State Agencies	18,334,926	-	-	-	18,334,926
Program sales	14,572	-	-	-	14,572
Corporation for Public Broadcasting, Inc. grant	3,240,342	-	-	-	3,240,342
Education Improvement Act	-	690,000	-	-	690,000
Private grants and contracts	363,949	-	16,210	-	380,159
Charges for services	463,998	17,600	430,947	-	912,545
Rental fees	5,474,261	-	-	-	5,474,261
Interest income on leases	323,652	-	-	-	323,652
Interest and other investment income	175,719	-	-	-	175,719
Royalties	56,703	-	-	-	56,703
Miscellaneous	736,725	-	-	-	736,725
TOTAL REVENUES	<u>39,928,040</u>	<u>707,600</u>	<u>457,157</u>	<u>-</u>	<u>41,092,797</u>
EXPENDITURES:					
Internal administration	3,524,856	-	-	-	3,524,856
Programs and services:					
Transmissions, communications and reception	11,858,860	-	-	6,500	11,865,360
Education	2,052,138	499,319	5,126	-	2,556,583
Content	13,805,332	-	-	-	13,805,332
Development, fundraising, underwriting and marketing	2,947,455	13,053	170,900	-	3,131,408
Capital outlay	8,755,742	-	-	270,065	9,025,807
TOTAL EXPENDITURES	<u>42,944,383</u>	<u>512,372</u>	<u>176,026</u>	<u>276,565</u>	<u>43,909,346</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(3,016,343)</u>	<u>195,228</u>	<u>281,131</u>	<u>(276,565)</u>	<u>(2,816,549)</u>
OTHER FINANCING SOURCES AND TRANSFERS:					
Transfers in	5,926,222	-	-	286,365	6,212,587
Transfers out	(5,913,356)	(17,600)	(281,131)	(500)	(6,212,587)
TOTAL OTHER FINANCING SOURCES AND TRANSFERS	<u>12,866</u>	<u>(17,600)</u>	<u>(281,131)</u>	<u>285,865</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(3,003,477)	177,628	-	9,300	(2,816,549)
FUND BALANCES - BEGINNING OF YEAR	<u>11,196,246</u>	<u>519,493</u>	<u>-</u>	<u>153,568</u>	<u>11,869,307</u>
FUND BALANCES - END OF YEAR	<u>\$ 8,192,769</u>	<u>\$ 697,121</u>	<u>\$ -</u>	<u>\$ 162,868</u>	<u>\$ 9,052,758</u>

The accompanying notes are an integral part of these financial statements.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>General</u>	<u>Education Improvement Act</u>	<u>Non-Federal Grants</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
REVENUES:					
Contributions	\$ 9,578,343	\$ -	\$ -	\$ -	\$ 9,578,343
Intergovernmental - State Agencies	10,583,423	-	-	-	10,583,423
Program sales	17,487	-	-	-	17,487
Corporation for Public Broadcasting, Inc. grant	3,066,703	-	-	-	3,066,703
Education Improvement Act	-	300,000	-	-	300,000
Private grants and contracts	467,613	-	21,976	-	489,589
Charges for services	525,820	-	165,327	-	691,147
Rental fees	4,853,577	-	-	-	4,853,577
Interest income on leases	336,953	-	-	-	336,953
Interest and other investment income	215,200	-	-	-	215,200
Royalties	67,890	-	-	-	67,890
Miscellaneous	81,873	-	-	-	81,873
TOTAL REVENUES	<u>29,794,882</u>	<u>300,000</u>	<u>187,303</u>	<u>-</u>	<u>30,282,185</u>
EXPENDITURES:					
Internal administration	9,090,272	-	-	-	9,090,272
Programs and services:					
Transmissions, communications and reception	5,318,242	424	12,690	-	5,331,356
Education	1,836,471	299,608	34,256	-	2,170,335
Content	12,421,872	-	4,635	-	12,426,507
Development, fundraising, underwriting and marketing	3,317,824	24,190	134,722	-	3,476,736
Capital outlay	3,375,244	20,864	-	-	3,396,108
TOTAL EXPENDITURES	<u>35,359,925</u>	<u>345,086</u>	<u>186,303</u>	<u>-</u>	<u>35,891,314</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(5,565,043)</u>	<u>(45,086)</u>	<u>1,000</u>	<u>-</u>	<u>(5,609,129)</u>
OTHER FINANCING SOURCES AND TRANSFERS:					
Transfers in	23,251,207	-	-	323,771	23,574,978
Transfers out	(23,250,207)	-	(1,000)	(323,771)	(23,574,978)
TOTAL OTHER FINANCING SOURCES AND TRANSFERS	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(5,564,043)	(45,086)	-	-	(5,609,129)
FUND BALANCES - BEGINNING OF YEAR	<u>16,760,289</u>	<u>564,579</u>	<u>-</u>	<u>153,568</u>	<u>17,478,436</u>
FUND BALANCES - END OF YEAR	<u>\$ 11,196,246</u>	<u>\$ 519,493</u>	<u>\$ -</u>	<u>\$ 153,568</u>	<u>\$ 11,869,307</u>

The accompanying notes are an integral part of these financial statements.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
RECONCILIATIONS OF THE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30,**

	2025	2024
Reconciliations to the Statement of Activities:		
Net change in fund balances - total government funds	\$ (2,816,549)	\$ (5,609,129)
Amounts reported for governmental activities in the statement of activities are different because:		
Costs of property and equipment are reported as expenditures in the governmental funds, but are recorded as capital asset additions in the statement of net position	9,025,807	3,396,108
Depreciation of property and equipment is reported as an expense in the statement of activities	(3,299,452)	(4,416,611)
Amortization of right to use leased assets is reported as an expense in the statement of activities	(232,463)	(232,276)
Amortization of software based information technology assets is reported as an expense in the statement of activities	(274,692)	(266,305)
Nonemployer pension contribution revenue is reported as revenue in the statement of activities	62,727	62,727
Nonemployer OPEB contribution revenue is reported as revenue in the statement of activities	1,914	1,818
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items:		
Principal payments on long-term debt	444,731	416,774
Some expenses reported into the statement of activities do not require the use of current resources and, therefore, are not reported as expenditures in governmental funds:		
Proportionate share of pension benefit (expense)	165,343	165,410
Proportionate share of OPEB expense	(217,783)	356,719
Change in accrued compensated absences and related benefits	(509,883)	(155,829)
CHANGE IN NET POSITION	<u>\$ 2,349,700</u>	<u>\$ (6,280,594)</u>

The accompanying notes are an integral part of these financial statements.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the South Carolina Educational Television Commission (the "Network") conform to accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body in the United States of America for establishing governmental accounting and financial reporting principles. The Network's significant accounting principles are described below.

Reporting Entity

The Network is responsible for the administration of the South Carolina Educational Television ("ETV") Commission systems. The Network is an agency of the State of South Carolina established by Section 59-7-10 of the Code of Laws of South Carolina.

The ETV Commission members are the governing body of the Network. There are nine members of the ETV Commission. The Governor appoints a member to the ETV Commission from each Congressional District and a member at-large who serves as Chairman. The State Superintendent of Education serves as an ex-officio member of the Commission.

The funds and account groups of the Network are included in the Annual Comprehensive Financial Report ("ACFR") of the State of South Carolina, the primary government. The core of the financial reporting entity is the primary government, which has a separately elected governing body. As required by generally accepted accounting principles, the financial reporting entity includes both the primary government and all of its component units. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In turn, component units may have component units. The Network has determined it has no component units.

An organization other than a primary government may serve as a nucleus for a reporting entity when it issues separate financial statements. That organization is identified herein as a primary entity.

The primary government or entity is financially accountable if it appoints a voting majority of the organization's governing body, including situations in which the voting majority consists of the primary entity's officials serving as required by law (e.g., employees who serve in an ex officio capacity on the component unit's board are considered appointments by the primary entity) and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary entity. The primary entity also may be financially accountable if an organization is fiscally dependent on it even if it does not appoint a voting majority of the board. An organization is fiscally dependent on the primary entity that holds one or more of the following powers:

- (1) Determines its budget without another government having the authority to approve and modify that budget;
- (2) Levies taxes or set rates or charges without approval by another government; or,
- (3) Issues bonded debt without approval by another government.

The accompanying financial statements present the financial position and the results of operations of only that portion of the funds of the State of South Carolina that is attributable to the transactions of the Network.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed and are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used; current liabilities are assigned to the fund from which they are to be paid; the difference between the assets and liabilities is fund balance.

The Network reports the following major funds at June 30, 2025 and 2024:

General Fund - The general fund accounts for all activities except those required to be accounted for in another fund. Revenues include the annual state appropriation as approved by the General Assembly, Corporation for Public Broadcasting, Inc. ("CPB") grant funds, program sales, royalties, charges for services, contributions and cost reimbursements. The revenues are used for general ongoing governmental services such as administration, maintenance, program development and production, transmission and reception of programs, and debt service. Program sales revenues report amounts received from State agencies, the ETV Endowment and others for services related to and for support of programming, production and broadcasting of programs. The Network reports as charges for services revenue income from the ETV Endowment primarily for reimbursement of administrative services and other costs and income from State agencies and other entities for services not related to production of programs and for certain equipment.

Non-Federal Grants Fund – This fund accounts for private grants for purposes other than capital projects.

The Network reports the following nonmajor funds at June 30, 2025 and 2024:

Educational Improvement Act ("EIA") Fund – This fund is a special revenue fund that generally records the expenditure of revenues and contributions that are restricted to specific programs or projects. Revenues are restricted for certain purposes. The fund recognizes revenue when the expenditure is incurred.

Capital Projects Fund – This fund accounts for federal grants, private grants and contracts, funds received from the State from capital improvement bonds and capital reserve fund appropriations and expenditures made from these resources.

Government-wide and Fund Financial Statements

The Government-wide financial statements are prepared on the accrual basis of accounting and include a statement of net position, which disclosed the financial position of the Network. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items not properly included among program revenues are reported instead as general revenues.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Measurement Focus, Basis of accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Network uses different availability periods for recognizing these revenues. Grant revenues are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Revenues from sales of goods and services are recognized if received within one month after fiscal year-end. Other revenues are recognized if expected to be collected within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Revenues not considered available are reported as deferred inflows of resources.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenues are recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the Network, available means expected to be received within one year of the fiscal year-end.

Non-exchange transactions, in which the Network receives value without directly giving value in return, include grants and contributions. On an accrual basis, revenue from grants and contributions is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted, matching requirements, in which the Network must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the Network on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must be available before it can be recognized.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition and acquisition value at the date of donation in the case of gifts. The Network 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 and renovations and other improvements costing \$100,000 or more that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The Network capitalized movable personal property with a unit value in excess of \$5,000 and a useful life in excess of one year and buildings and improvements and intangible assets costing in excess of \$100,000. Routine repairs and maintenance are charged to operating expenses in the year in which the expense was incurred. 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.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Right-to-Use Lease Assets

The Network has implemented GASB Statement No. 87, *Leases*. The objective of GASB No. 87 is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The Network has recorded right-to-use lease assets as a result of implementing GASB No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

See Note 6 for further information.

Subscription-Based Information Technology Arrangements

The Network has implemented GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The Network is party to three subscription-based information technology arrangements ("SBITA"). The Network recognizes a subscription information technology liability and an intangible right-to-use subscription information technology asset ("subscription information technology asset") in the statements of net position. The Network recognizes subscription information technology liabilities with an initial term greater than twelve months and an individual value of \$5,000 or more. For SBITAs with a maximum possible term of twelve months or less at commencement, the Network recognizes operating expenses based on the provisions of the arrangement.

At the commencement of a SBITA, the Network initially measures the subscription information technology liability at the present value of expected subscription payments to be made over the SBITA term. Subsequently, the subscription information technology liability is reduced by the principal portion of subscription payments made. The subscription information technology asset is initially measured as the initial measurement of the subscription information technology liability, adjusted for payments associated with the SBITA contract made to the vendor at the commencement of the subscription term, plus any capitalizable initial implementation costs, less any vendor incentives received at the commencement of the subscription term. Subsequently, the subscription information technology asset is amortized on a straight-line basis over the shorter of the useful life of the subscription information technology asset or subscription term.

Key estimates and judgments related to SBITAs include how the Network determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) the subscription term, and (3) subscription payments.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Subscription-Based Information Technology Arrangements (continued)

If provided, the Network uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the Network generally uses its estimated incremental borrowing rate as the discount rate. The subscription term includes the noncancellable period during which the Network has a noncancellable right to use the underlying subscription information technology assets. The subscription term also includes periods covered by an option to extend if it is reasonably certain that the Network or the vendor will exercise that option, or to terminate if it is reasonably certain that the Network or the vendor will not exercise that option. Subscription payments included in the measurement of the subscription information technology liability are all composed of fixed payments.

The Network monitors changes in circumstances that would require a remeasurement of a SBITA and will remeasure the subscription information technology asset and subscription information technology liability if certain changes occur that are expected to significantly affect the amount of the subscription information technology liability.

Subscription information technology assets are reported with noncurrent assets and subscription information technology liabilities are reported with long-term obligations on the statements of net position.

The Network capitalizes qualifying initial implementation costs of \$5,000 or more as part of the subscription information technology asset. Preliminary project stage outlays are expensed as included. Operation and additional implementation stage activities are expensed as incurred unless they meet specific capitalization criteria.

Budget Policy

The Network is granted an annual appropriation for operating purposes by the South Carolina General Assembly. The appropriation as enacted becomes the legal operating budget for the Network. The Appropriation Act authorizes expenditures from funds appropriated from the General Fund of the State and authorizes expenditures of total funds.

The Total Funds column in the Appropriation Act for each individual budgetary unit authorizes expenditures from all budgeted resources. A revenue budget is not adopted for individual budgetary units. The South Carolina General Assembly enacts the budget through passage of line-item appropriations by program within budgetary unit within budgetary fund category, State General Fund or other budgeted funds. Budgetary control is maintained at the line-item level of the budgetary entity. Agencies may process disbursement vouchers in the State's budgetary accounting system only if enough cash and appropriation authorization exist.

Cash and Cash Equivalents

The amounts shown in the financial statements as "cash and cash equivalents" represent petty cash, cash on hand with the State Treasurer, and cash invested in various instruments by the State Treasurer as part of the State's internal cash management pool.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Cash and Cash Equivalents (continued)

Most State agencies, including the Network, participate in the State's internal cash management pool. Because the cash management pool operates as a demand deposit account, amounts invested in the pool are classified as cash and cash equivalents. The State Treasurer administers the cash management pool. The pool includes some long-term investments such as obligations of the United States and certain agencies of the United States, obligations of the State of South Carolina and certain of its political subdivisions, certificates of deposit, collateralized repurchase agreements, and certain corporate bonds. For credit risk information pertaining to the cash management pool, see the deposits disclosure in Note 4.

The State's internal cash management pool consists of a general deposit account and several special deposit accounts. The State records each fund's equity interest in the general deposit account; however, all earnings on that account are credited to the General Fund of the State. The Network records and reports its deposits in the general deposit accounts at cost and records and reports its deposits in the special deposit accounts at fair value. Investments held by the pool are recorded at fair value. Interest earned by the Network's special deposit accounts is posted to the Network's account at the end of each month and is retained. Interest earnings are allocated based on the percentage of the Network's accumulated daily interest receivable to the total income receivable of the pool. Reported interest income includes interest earnings at the stated rate, realized gains/losses, and unrealized gains/losses arising from changes in the fair value of investments in the pool. Realized gains and losses are allocated daily and are included in the accumulated income receivable. Unrealized gains and losses are allocated at year-end based on the percentage ownership in the pool.

Some State Treasurer accounts are not included in the State's internal cash management pool because of restrictions on the use of the funds. For those accounts, cash equivalents include investments in short-term highly liquid securities having an initial maturity of three months or less at the time of acquisition.

Restricted Cash

The Network's restricted cash consists mostly of amounts restricted for capital projects namely the renovation of the Telecommunication Center and repacking of broadcast spectrum.

Accounts Receivable

Accounts receivable consists primarily of amounts due for sales, services and rentals. The Network establishes an allowance for doubtful accounts based on historical data and an analysis of the aged receivables at year-end. The Network determined that an allowance for doubtful accounts was not necessary at June 30, 2025 and 2024.

Prepaid Expenses

Prepaid expenses are accounted for using the consumption method. Prepaid expenses consist primarily of payments for programming and maintenance contracts. For financial statement purposes, prepaid expenses are offset by a nonspendable fund balance account because the asset does not represent resources available for expenditures.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Compensated Absences

The Network has adopted GASB No. 101, *Compensated Absences*, during the year ended June 30, 2025. This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

Generally, all permanent full-time State employees and certain part-time employees scheduled to work at least one-half of the agency's working days of the month are entitled to accrue and carry forward at calendar year-end maximums of 180 days sick leave and 45 days annual vacation leave. Upon termination of State employment, employees are entitled to be paid for accumulated unused annual vacation leave up to the maximum, but are not entitled to any payment for unused sick leave. The compensated absences liability includes accrued annual leave, compensatory general and holiday leave earned for which the employees are entitled to paid time off or payment at termination, and accrued sick leave which is more likely than not to be used by the employee prior to termination. The Network calculates the gross compensated absences liability based on recorded balances of unused leave. The entire unpaid liability for which the employer expects to compensate employees through paid time off or cash payments, inventoried at fiscal year-end current salary costs and the cost of the salary-related benefit payments, is recorded as a liability in the statements of net position. For governmental activities, compensated absences are generally liquidated by the general fund. As a result of the implementation of GASB No. 101, *Compensated Absences*, the Network has restated beginning net position as of July 1, 2023. See Note 2 for further information.

Net Position / Fund Balances

On the government-wide financial statements, the Network reports its net position as investment in capital, restricted and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when constraints placed on resource use are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, laws or regulation of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is all resources that do not meet the definition of "net investment in capital assets" or "restricted net position".

The Network reports fund balance as restricted as defined above. Other constraints in its fund balance in the governmental funds as reported as committed or assigned. Fund balance is reported as committed if the ETV Commission constrains the use of resources. Fund balance is reported as assigned if the fund balance is constrained by the ETV Commission's intent to use the funds for a specific purpose. Committed constraints can be removed only through similar action that created the constraint. Non-spendable fund balance in the governmental funds reflects the lack of availability in form or substance of the assets and liabilities reported in the fund to meet obligations of the fund. Unassigned fund balances are all fund balances that do not meet the definition of "restricted", "assigned", "non-spendable" or "committed".

When both restricted and unrestricted resources (committed, assigned, and unassigned) are available for use, it is the Network's policy to use restricted resources first, then unrestricted resources as they are needed.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Unearned Revenues

Unearned revenues consist primarily of certain private grant contract revenues received before services required by the grantor or donor have been rendered.

Deferred Outflows and Inflows of Resources

Changes in the net pension liability and net OPEB liability not included in pension expense or OPEB expense, respectively, are reported as deferred outflows of resources or deferred inflows of resources. Employer contributions made subsequent to the measurement date of the net pension liability and net OPEB liability are reported as deferred outflows of resources. Deferred outflows of resources and deferred inflows of resources are also determined by the difference in actual and expected liability experience, projected and actual returns on investments, deferred amounts from changes in the Network's proportionate share, changes in assumptions, and differences between the Network's contributions and its proportionate share of the total employer contributions to the plans. Additionally, the Network recognizes deferred inflows of resources related to lease revenue, which is recorded at the initiation of the lease in an amount equal to the initial lease receivable and amortized on a straight-line basis over the term of the lease.

Pension

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the South Carolina Retirement System ("SCRS"), as well as additions to and deductions from SCRS' fiduciary net position, have been determined on the same basis as they are reported by SCRS. 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.

Other Post-Employment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") as well as additions to and deductions from SCRHITF's fiduciary net position, have been determined on the same basis as they are reported by these OPEB plans. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefit and administrative expenses are recognized when due and payable. Investments are reported at fair value.

CPB Grants

The Network annually receives a grant from the CPB. The CPB is a non-federal, non-governmental, not-for-profit organization that receives grants from the federal government, the private sector, and other sources. The CPB then allocates grants to public television stations nationwide for community service and these funds are unrestricted for broadcasting operations.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets, liabilities, revenues and expenses/expenditures and affect disclosure of contingent assets and liabilities at the statement of net position date and the reported amounts of revenues and expenses/expenditures during the reporting period. The most significant estimates included in these financial statements are the estimated useful lives of property and equipment and the actuarially calculated net pension and OPEB liabilities. Actual results could differ from those estimates.

New Accounting Pronouncement

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This statement also addresses certain application issues. The requirements of GASB Statement No. 103 are effective for fiscal years beginning after June 15, 2025. Management has not yet determined the impact implementation of this standard will have on the Network’s financial statements, if any.

NOTE 2. CHANGES TO PREVIOUSLY ISSUED FINANCIAL STATEMENTS:

Change in Accounting Principle

As previously mentioned, the Network implemented GASB No. 101, *Compensated Absences*, during the year ended June 30, 2025, which required restatement of beginning net position as of July 1, 2023. In addition to the value of unused annual leave owed to employees upon separation of employment, the Network now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. Due to the change in reporting, a restatement of beginning net position was required. As a result, the Network recorded the following at July 1, 2023:

Net position – beginning of period, as previously reported	\$ 14,833,146
Restatement of compensated absences liability	<u>(1,814,598)</u>
Net position – beginning of period, as restated	<u>\$ 13,018,548</u>

NOTE 3. STATE APPROPRIATION:

The Network received a State Appropriation in the 2024-2025 Appropriation Act of \$10,124,971 during the fiscal year ended June 30, 2025. In the 2023-2024 Appropriation Act, the Network received a State Appropriation of \$8,899,674 during the fiscal year ended June 30, 2024. These amounts are included in intergovernmental – state agencies on the statements of activities.

NOTE 4. DEPOSITS:

All deposits of the Network are under the control of the State Treasurer, who, by law, has sole authority for investing State funds.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4. DEPOSITS (continued):

The following schedule for fiscal year 2025 reconciles deposits within the footnotes to the financial statement amounts:

<u>Financial Statements</u>		<u>Footnotes</u>	
Cash and Cash Equivalents	\$ 5,456,986		
Restricted Cash	6,312,005	Deposits Held by State Treasurer	\$ 11,768,991
Totals	<u>\$ 11,768,991</u>	Totals	<u>\$ 11,768,991</u>

The following schedule for fiscal year 2024 reconciles deposits within the footnotes to the financial statement amounts:

<u>Financial Statements</u>		<u>Footnotes</u>	
Cash and Cash Equivalents	\$ 5,885,067		
Restricted Cash	9,019,576	Deposits Held by State Treasurer	\$ 14,904,643
Totals	<u>\$ 14,904,643</u>	Totals	<u>\$ 14,904,643</u>

Deposits Held by State Treasurer

State law requires full collateralization of all State Treasurer bank balances. The State Treasurer must correct any deficiencies in collateral within seven days.

With respect to investments in the State's internal cash management pool, all of the State Treasurer's investments are insured or registered or are investments for which the securities are held by the State or its agent in the State's name. Information pertaining to reported amounts, fair values, and credit risk of the State Treasurer's investments is disclosed in the Annual Comprehensive Financial Report of the State of South Carolina.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5. CAPITAL ASSETS - PROPERTY AND EQUIPMENT:

The following schedule summarizes property and equipment activity for the Network for the fiscal year 2025:

	<u>Beginning Balances July 1, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances June 30, 2025</u>
Governmental activities:				
Property not being depreciated:				
Land and improvements	\$ 1,137,969	\$ 622,612	\$ -	\$ 1,760,581
Construction in progress	2,600,448	6,885,424	(1,642,436)	7,843,436
Total property not being depreciated	<u>3,738,417</u>	<u>7,508,036</u>	<u>(1,642,436)</u>	<u>9,604,017</u>
Other property and equipment:				
Buildings and improvements	17,968,569	-	-	17,968,569
Equipment and furniture	76,247,579	3,151,708	-	79,399,287
Vehicles	2,208,312	8,499	-	2,216,811
Total other property and equipment	<u>96,424,460</u>	<u>3,160,207</u>	<u>-</u>	<u>99,584,667</u>
Less Accumulated depreciation for:				
Buildings and improvements	10,749,425	529,810	-	11,279,235
Equipment and furniture	61,321,514	2,504,191	-	63,825,705
Vehicles	3,615,296	265,451	-	3,880,747
Total accumulated depreciation	<u>75,686,235</u>	<u>3,299,452</u>	<u>-</u>	<u>78,985,687</u>
Other property and equipment, net	<u>20,738,225</u>	<u>(139,245)</u>	<u>-</u>	<u>20,598,980</u>
Total property and equipment, net	<u>\$ 24,476,642</u>	<u>\$ 7,368,791</u>	<u>\$ (1,642,436)</u>	<u>\$ 30,202,997</u>

The following schedule summarizes property and equipment activity for the Network for the fiscal year 2024:

	<u>Beginning Balances July 1, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances June 30, 2024</u>
Governmental activities:				
Property not being depreciated:				
Land and improvements	\$ 1,137,867	\$ 102	\$ -	\$ 1,137,969
Construction in progress	1,332,531	1,267,917	-	2,600,448
Total property not being depreciated	<u>2,470,398</u>	<u>1,268,019</u>	<u>-</u>	<u>3,738,417</u>
Other property and equipment:				
Buildings and improvements	17,968,569	-	-	17,968,569
Equipment and furniture	74,595,151	2,013,575	(361,147)	76,247,579
Vehicles	2,117,499	114,513	(23,700)	2,208,312
Total other property and equipment	<u>94,681,219</u>	<u>2,128,088</u>	<u>(384,847)</u>	<u>96,424,460</u>
Less Accumulated depreciation for:				
Buildings and improvements	10,212,310	537,115	-	10,749,425
Equipment and furniture	58,643,810	3,038,851	(361,147)	61,321,514
Vehicles	2,798,351	840,645	(23,700)	3,615,296
Total accumulated depreciation	<u>71,654,471</u>	<u>4,416,611</u>	<u>(384,847)</u>	<u>75,686,235</u>
Other property and equipment, net	<u>23,026,748</u>	<u>(2,288,523)</u>	<u>-</u>	<u>20,738,225</u>
Total property and equipment, net	<u>\$ 25,497,146</u>	<u>\$ (1,020,504)</u>	<u>\$ -</u>	<u>\$ 24,476,642</u>

Depreciation expense for the years ended June 30, 2025 and 2024 was \$3,299,452 and \$4,416,611, respectively. Construction in progress consisted of costs incurred related to the Network's repacking of the broadcast spectrum at June 30, 2025 and 2024.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 5. CAPITAL ASSETS - PROPERTY AND EQUIPMENT (continued):

Pursuant to Proviso 73.18 of the 2004-05 Appropriations Act, the Network transferred ownership of land and buildings to the State under the control of the Department of Administration effective July 1, 2004. The State considers these assets to be owned by the Network for reporting purposes. The Network is responsible for all costs of maintaining the properties including the costs of insurance.

NOTE 6. CAPITAL ASSETS – RIGHT-TO-USE LEASE ASSETS:

The following schedule summarizes right-to-use lease assets activity for the Network for the fiscal year 2025:

	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Governmental activities:				
Right to use leased assets being amortized:				
Equipment and furniture	\$ 1,799,157	\$ 76,168	\$ -	\$ 1,875,325
Total right to use leased assets being amortized	<u>1,799,157</u>	<u>76,168</u>	<u>-</u>	<u>1,875,325</u>
Less accumulated amortization for:				
Equipment and furniture	637,574	232,463	-	870,037
Total accumulated depreciation	<u>637,574</u>	<u>232,463</u>	<u>-</u>	<u>870,037</u>
Total right to use leased assets, net	<u>\$ 1,161,583</u>	<u>\$ (156,295)</u>	<u>\$ -</u>	<u>\$ 1,005,288</u>

The following schedule summarizes right-to-use lease assets activity for the Network for the fiscal year 2024:

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Governmental activities:				
Right to use leased assets being amortized:				
Equipment and furniture	\$ 1,923,475	\$ -	\$ (124,318)	\$ 1,799,157
Total right to use leased assets being amortized	<u>1,923,475</u>	<u>-</u>	<u>(124,318)</u>	<u>1,799,157</u>
Less accumulated amortization for:				
Equipment and furniture	529,616	232,276	(124,318)	637,574
Total accumulated depreciation	<u>529,616</u>	<u>232,276</u>	<u>(124,318)</u>	<u>637,574</u>
Total right to use leased assets, net	<u>\$ 1,393,859</u>	<u>\$ (232,276)</u>	<u>\$ -</u>	<u>\$ 1,161,583</u>

Amortization expense for the years ended June 30, 2025 and 2024 was \$232,463 and \$232,276, respectively.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7. CAPITAL ASSETS - SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS:

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, addresses how the costs and investments for subscription-based information technology arrangements (“SBITA”s) are accounted for and disclosed by governmental entities.

The Network is a party to three SBITAs as part of various third-party software information technology agreements.

Amortization expense related to the SBITAs was approximately \$275,000 and \$266,000 for the years ending June 30, 2025 and 2024, respectively, and is included in depreciation and amortization on the statements of activities.

Subscription information technology asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balances July 1, 2024	Increases	Decreases	Ending Balances June 30, 2025
Governmental activities:				
Subscription information technology assets	\$ 1,089,184	\$ -	\$ -	\$ 1,089,184
Less, accumulated amortization	480,735	274,692	-	755,427
Total right to use leased assets, net	<u>\$ 608,449</u>	<u>\$ (274,692)</u>	<u>\$ -</u>	<u>\$ 333,757</u>

Subscription information technology asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balances July 1, 2023	Increases	Decreases	Ending Balances June 30, 2024
Governmental activities:				
Subscription information technology assets	\$ 1,060,427	\$ 28,757	\$ -	\$ 1,089,184
Less, accumulated amortization	214,430	266,305	-	480,735
Total right to use leased assets, net	<u>\$ 845,997</u>	<u>\$ (237,548)</u>	<u>\$ -</u>	<u>\$ 608,449</u>

Future principal and interest SBITA payments as of June 30, 2025 are as follows:

Fiscal year ended June 30,:	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 153,192	\$ 24,713	\$ 177,905
2027	155,119	12,409	167,528
	<u>\$ 308,311</u>	<u>\$ 37,122</u>	<u>\$ 345,433</u>

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8. LEASES AND LICENSES:

Lessee Agreements

The Network leases various photocopier and computer equipment from unrelated parties under several agreements. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The leases on the equipment expire between March 2027 and February 2030. The equipment leases all have annual rental rates totaling approximately \$197,000. The lease liabilities are measured at discount rates between 9.72% and 13.607%, which were the applicable rates as determined by the statewide contracts with Ontario Investments, Inc. and Presidio Technology Capital, LLC.

The Network also conducts part of its operations from tower space leased from unrelated parties. These lease agreements also qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. The two tower space leases expire between June 2029 and February 2037. One of the leases stipulated quarterly payments of \$14,798 and \$14,229 during the years ended June 30, 2025 and 2024, respectively, and the other agreement stipulates \$2,500 monthly payments throughout the lease agreement. The lease liabilities are measured at a discount rate of 1.45%, which was the applicable federal rate for long-term mortgages at the time of both leases' commencements.

Future minimum lease obligations for other than short-term leases and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ended June 30,:	Principal	Interest	Total
2026	\$ 241,473	\$ 47,441	\$ 288,914
2027	261,396	29,980	291,376
2028	106,899	10,762	117,661
2029	113,171	7,151	120,322
2030	40,387	3,665	44,052
2031-2035	141,157	8,843	150,000
2036-2037	49,371	629	50,000
	<u>\$ 953,854</u>	<u>\$ 108,471</u>	<u>\$ 1,062,325</u>

The Network also leases office space under short-term leases from the South Carolina Department of Administration, a related party. Additionally, the Network leases some equipment on a month-to-month basis. These leases are also outside the scope of GASB Statement No. 87, Leases, and are expensed as incurred. In the normal course of business, these leases are generally renewed or replaced by other leases.

The Network is responsible for maintenance on most leased property. Rental payments under short-term and cancelable operating leases totaled \$358,590 and \$454,393 for the years ended June 30, 2025 and 2024, respectively.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 8. LEASES AND LICENSES (continued):

Lessor Agreements

The Network has tower leases and licensing agreements with unrelated parties. Lease receivables and deferred inflows of resources are recorded based on the present value of the expected receipts over the terms of the leases. The expected receipts are discounted using the interest rate charged on the lease or using the Network's incremental borrowing rate. Total minimum lease payments to be received under lessor agreements are as follows:

Fiscal year ended June 30,:	Principal	Interest	Total
2026	\$ 368,145	\$ 404,411	\$ 772,556
2027	364,162	389,619	753,781
2028	389,284	374,979	764,263
2029	424,631	358,935	783,566
2030	461,136	340,948	802,084
2031-2035	2,556,366	1,371,521	3,927,887
2036-2040	1,618,939	792,862	2,411,801
2041-2045	886,055	293,798	1,179,853
2046-2050	10,064	1,058	11,122
	<u>\$ 7,078,782</u>	<u>\$ 4,328,131</u>	<u>\$ 11,406,913</u>

During the years ended June 30, 2025 and 2024, the Network recognized revenues related to these leases and licensing agreements totaling \$885,519 and \$797,125, respectively.

NOTE 9. LONG-TERM LIABILITIES:

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balances July 1, 2024	Additions	Reductions	Balances June 30, 2025	Due Within One Year
Accrued compensated					
absences and related benefits ¹	\$3,388,260	\$ 509,883	\$ -	\$ 3,898,143	\$ 1,292,501
Lease liability	\$1,094,109	\$ 76,168	\$ 216,423	\$ 953,854	\$ 241,473
Subscription based information					
technology liability	\$ 536,619	\$ -	\$ 228,308	\$ 308,311	\$ 153,192

¹ The change in compensated absences above is a net change for the year.

Long-term liability activity for the year ended June 30, 2024 (as restated) was as follows:

	Balances July 1, 2023	GASB 101 Accounting Change	Additions	Reductions	Balances June 30, 2024	Due Within One Year
Accrued compensated						
absences and related benefits ¹	\$1,417,834	\$ 1,814,598	\$ 155,828	\$ -	\$ 3,388,260	\$ 1,170,221
Lease liability	\$1,295,068	\$ -	\$ -	\$ 200,959	\$ 1,094,109	\$ 212,786
Subscription based information						
technology liability	\$ 723,677	\$ -	\$ 28,757	\$ 215,815	\$ 536,619	\$ 228,308

¹ The change in compensated absences above is a net change for the year.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
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NOTE 10. RELATED PARTY:

A significant portion of the funding of the Network is provided by the ETV Endowment of South Carolina, Inc. (the “Endowment”) and South Carolina Educational Communications, Inc. (“Communications”), separately chartered eleemosynary corporations governed by independent boards of trustees over whom the Network exercises no control. The Endowment and Communications provide support services for the Network through the purchasing and underwriting of various programming. The Network recorded contribution revenue of approximately \$11,034,000 and \$9,572,000 during the years ended June 30, 2025 and 2024, respectively, from the Endowment and Communications.

NOTE 11. TRANSACTIONS WITH OTHER STATE AGENCIES:

The Network has significant transactions with the State and various State agencies. Services received at no cost from State agencies include maintenance of certain accounting records and payroll and disbursement processing from the Comptroller General; debt assistance services, check preparation and banking from the State Treasurer; legal services from the Attorney General; and records storage from the Department of Archives and History. Other services received at no cost from the various divisions of the Department of Administration, State Fiscal Accountability Authority, and the South Carolina Public Employee Benefit Authority (“PEBA”) include retirement plan administration, insurance plan administration, procurement services, grant services, personnel management, assistance in the preparation of the State Budget, property management and record keeping, review and approval of certain budget amendments and other centralized functions.

Significant payments were made to divisions of the Department of Administration, the State Fiscal Accountability Authority, and PEBA for retirement and insurance plan contributions, insurance coverage, printing, and telephone. Approximately \$54,000 and \$53,000 was paid to the State Accident Fund and the Department of Employment and Workforce for worker’s compensation and unemployment insurance during the years ended June 30, 2025 and 2024, respectively.

The Network provided no services free of charge to other State agencies during the fiscal years ended June 30, 2025 and 2024. Revenues of approximately \$506,000 and \$481,000 were received from various State agencies in 2025 and 2024, respectively.

During the fiscal years ended June 30, 2025 and 2024, the Network purchased services with a total cost of approximately \$826,000 and \$802,000, respectively from various State agencies. These expenditures are primarily for taxes, insurance, telecommunications and other contracted services.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12. PENSION PLAN:

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

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

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

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 and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.
- The State Optional Retirement Program (“State ORP”) is a defined contribution plan that is offered as an alternative to SCRS to newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the South Carolina 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 Network does not participate in the Police Officers Retirement System (“PORS”).

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
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NOTE 12. PENSION PLAN (continued):

Membership

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

- SCRS - Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals first elected to the South Carolina General Assembly on or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.
- State ORP - As an alternative to membership in SCRS, newly hired state, public higher education institution and public school district employees, as well as individuals first elected to the South Carolina General Assembly on or after the general election in November 2012 have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent). A direct remittance is also required to SCRS for the remaining portion of the employer contribution and an incidental death benefit contribution, if applicable, which is retained by SCRS.

Benefits

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

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 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.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 12. PENSION PLAN (continued):

Contributions

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

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

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

	SCRS Rates			ORP Rates		
	2025	2024	2023	2025	2024	2023
Employer Contribution Rate						
Retirement	18.41%	18.41%	17.41%	18.41%*	18.41%*	17.41%*
Incidental Death Benefit	0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
Employee Contribution Rate	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%

* Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP service provider to be allocated to the member’s account with the remainder of the employer contribution remitted to SCRS.

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

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12. PENSION PLAN (continued):

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

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL of SCRS as of June 30, 2024 and 2023:

	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Actuarial cost method	Entry age normal	Entry age normal
Actuarial assumptions:		
Investment rate of return*	7.00%	7.00%
Projected salary increases*	3.0% to 11.0% (varies by service)	3.0% to 11.0% (varies by service)
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually

*Includes inflation at 2.25%

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

Assumptions used in the determination of the June 30, 2024 and 2023 TPL are as follows:

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

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12. PENSION PLAN (continued):

Net Pension Liability

The net pension liability (“NPL”) is calculated separately for each system and represents that particular system’s total pension liability determined in accordance with GASB No. 67 less that System’s fiduciary net position. As of June 30, 2025 and 2024, the NPL totals for SCRS are presented below:

<u>System</u>	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Employers’ Net Pension Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
SCRS– 2025	\$ 61,369,806,968	\$ 37,919,492,371	\$ 23,450,314,597	61.8%
SCRS– 2024	\$ 58,464,402,454	\$ 34,286,961,942	\$ 24,177,440,512	58.6%

The TPL is calculated by the Systems’ actuary, and each plan’s fiduciary net position is reported in the Systems’ financial statements. The NPL is disclosed in accordance with the 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.

The Network’s proportionate share of the net pension liability was calculated on the basis of historical employer contributions. Although GASB 68 encourages the use of the employer’s projected long-term contribution effort to the retirement plan, allocating on the basis of historical employer contributions is considered acceptable. For the years ending June 30, 2025 and 2024, the Network’s percentage of the SCRS net pension liability was 0.065794% and 0.061502%, respectively. The Network’s proportionate share is determined by its percentage of total contributions to SCRS during the respective fiscal year. The change in percentage resulted in the Network recognizing a change in its proportionate share of the SCRS net pension liability at related deferred outflows and inflows of resources.

Long-term Expected Rate of Return

For the years ended June 30, 2024 and 2023, the long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rates of return 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 both the 2024 and 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 on the following page. For actuarial purposes for both the 2024 and 2023 fiscal year, the 7.00 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12. PENSION PLAN (continued):

Expected returns at June 30, 2024 were as follows:

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.86%
Bonds	26.0	2.60	0.68
Private Equity¹	9.0	9.60	0.86
Private Debt¹	7.0	6.90	0.48
Real Assets:	12.0		
Real Estate ¹	9.0	4.30	0.39
Infrastructure ¹	3.0	7.30	0.22
Total Expected Return ²	100.0%		5.49
Inflation for Actuarial Purposes			2.25
Total Expected Nominal Return			7.74%

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

² Portable Alpha Strategies, which utilize Hedge Funds and are not included in the Policy Target, will be capped at 15% of total assets.

Expected returns at June 30, 2023 were as follows:

Asset Class	Policy Target	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0	0.31	0.08
Private Equity¹	9.0	10.91	0.98
Private Debt¹	7.0	6.16	0.43
Real Assets:	12.0		
Real Estate ¹	9.0	6.41	0.58
Infrastructure ¹	3.0	6.62	0.20
Total Expected Return ²	100.0%		5.31
Inflation for Actuarial Purposes			2.25
Total Expected Nominal Return			7.56%

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

² 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.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12. PENSION PLAN (continued):

Discount Rate

The discount rate used to measure the TPL was 7.00 percent at both June 30, 2024 and 2023. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity Analysis

The following table presents the Network's proportional share as of June 30, 2024 and 2023 of the collective NPL of the participating employers calculated using the discount rate of 7.00 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.00 percent) or 1.00 percent higher (8.00 percent) than the current rate.

Sensitivity of the Proportional Share of Net Pension Liability to Changes in the Discount Rate			
System	1.00% Decrease (6.00%)	Current Discount Rate (7.00%)	1.00% Increase (8.00%)
SCRS– 2025	\$ 19,994,259	\$ 15,429,014	\$ 11,224,785
SCRS– 2024	\$ 19,213,052	\$ 14,869,685	\$ 11,259,630

Deferred Outflows (Inflows) of Resources

For the year ended June 30, 2025, the Network recognized pension benefit of \$(165,343) which is included in the statement of activities. At June 30, 2025, the Network reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,789,745	\$ -
Differences in expected and actual retirement plan experience	507,052	(19,148)
Changes in assumptions	272,011	-
Net differences between projected and actual earnings on plan investments	-	(594,484)
Change in proportionate share of net pension liability	728,626	(260,756)
	<u>\$ 3,297,434</u>	<u>\$ (874,388)</u>

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12. PENSION PLAN (continued):

For the year ended June 30, 2024, the Network recognized pension benefit of \$(165,410) which is included in the statement of activities. At June 30, 2024, the Network reported deferred outflows (inflows) of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,677,977	\$ -
Differences in expected and actual retirement plan experience	258,164	(41,236)
Changes in assumptions	227,825	-
Net differences between projected and actual earnings on plan investments	-	(20,353)
Change in proportionate share of net pension liability	76,436	(543,166)
	\$ 2,240,402	\$ (604,755)

The Network reported \$1,789,745 as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows (inflows) of resources will be recognized in pension expense in future years. The following schedule reflects the amortization of the Network's proportional share of the net balance of remaining deferred outflows (inflows) of resources at June 30, 2025. Average remaining services lives of all employees provided with pensions through the pension plans at June 30, 2025 and 2024 was 3.616 and 3.678 years, respectively, for SCRS. The following schedule reflects the amortization of the Network's proportional share of the net balance of remaining deferred outflows (inflows) at June 30, 2025:

Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRS
2025	2026	\$ (161,947)
2026	2027	797,279
2027	2028	154,084
2028	2029	(156,115)
Net balance of deferred outflows (inflows) of resources		\$ 633,301

Additional Financial and Actuarial Information

Detailed information regarding the fiduciary net position of the plans administered by PEBA is available in the Systems' audited financial statements for the fiscal year ended June 30, 2024 and 2023 (including the unmodified audit opinion on the financial statements). Additional actuarial information is available in the accounting and financial reporting actuarial valuation as of June 30, 2024 and 2023.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS:

PEBA is a state agency responsible for the administration and management of the state's employee insurance programs, other post-employment benefits trusts. By law, the SFFA, which consists of five elected officials, also reviews certain PEBA Board decisions in administering the State Health Plan and other post-employment benefits ("OPEB"). See Note 12 for more details on PEBA and the SFAA.

PEBA issues audited financial statements and required supplementary information for the OPEB Trust Fund. This information is publicly available through PEBA's website at www.peba.sc.gov or a copy may be obtained by submitting a request to PEBA – Insurance Benefits, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is considered a division of the primary government of the state of South Carolina and therefore, OPEB Trust fund financial information is also included in the annual comprehensive financial report of the state.

Plan Description

The Other Post-Employment Benefits Trust Fund ("OPEB Trust"), refers to the South Carolina Retiree Health Insurance Trust Fund ("SCRHITF") established by the State of South Carolina as Act 195, which became effective on May 2008. The SCRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans.

In accordance with Act 195, the OPEB Trust is administered by the PEBA – Insurance Benefits and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The OPEB Trust is a cost-sharing multiple-employer defined benefit plan. Article 5 of the State Code of Laws defines the plan and authorizes the Trustee to at any time adjust the plan, including its benefits and contributions, as necessary to ensure the fiscal stability of the plan. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental benefits to retired State and school district employees and their covered dependents.

Benefits

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

Contributions and Funding Policies

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

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

The SCRHITF is funded through participating employers that are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office on active employee covered payroll. The covered payroll surcharge for the years ended June 30, 2025 and 2024 was 6.35 percent. The South Carolina Retirement System collects the monthly covered payroll surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF also include the implicit subsidy, or age-related subsidy inherent in the healthcare premiums structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employer's active employees. For purposes of GASB Statement No. 75, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted, retiree benefit costs. Non-employer contributions consist of an annual appropriation by the General Assembly and the statutorily required transfer from PEBA – Insurance Benefits reserves. However, due to the COVID-19 pandemic and the impact it has had on the PEBA – Insurance Benefits reserves, the General Assembly has indefinitely suspended the statutorily required transfer until further notice. The SCRHITF is also funded through investment income.

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

Actuarial Assumptions 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.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025 AND 2024**

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

Additional information as of the latest actuarial valuation for SCRHITF as of June 30, 2024 is as follows:

Valuation Date:	June 30, 2023
Actuarial Cost Method:	Individual Entry-Age Normal
Inflation:	2.25%
Investment Rate of Return:	2.75%, net of OPEB Plan investment expense; including inflation
Single Discount Rate:	3.97% as of June 30, 2024
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2019
Mortality:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.50% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 14 years
Aging Factors:	Based on plan specific experience
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 3.86% as of June 30, 2023 to 3.97% as of June 30, 2024.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

Additional information as of the latest actuarial valuation for SCRHITF as of June 30, 2023 is as follows:

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:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience; the rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.00% and gradually decreasing to an ultimate trend rate of 4.00% over a period of 13 years
Retiree Participation:	79% for retirees who are eligible for funded premiums 59% participation for retirees who are eligible for Partial Funded Premiums 20% participation for retirees who are eligible for Non-Funded Premiums
Notes:	The discount rate changed from 3.69% as of June 30, 2022 to 3.86% as of June 30, 2023.

Rollforward Disclosures

The total OPEB liabilities were determined by actuarial valuations performed as of June 30, 2023 and 2022. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2024 and 2023.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

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 No. 74 less that Trust’s fiduciary net position. The Network’s proportionate share of the Net OPEB liability was calculated using its 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:

<u>OPEB Trust</u>	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</u>
SCRHITF– 2024	\$ 17,894,389,610	\$ 1,772,587,512	\$ 16,121,802,098	9.91%
SCRHITF– 2023	\$ 14,749,639,155	\$ 1,658,152,923	\$ 13,091,486,232	11.24%

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

The Network’s proportionate share of the NOL was based on a projection of the Network’s long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2025 and 2024, the Network’s proportion under SCRHITF was 0.080586% and 0.076527%, respectively. The Network’s NOL recorded for SCRHITF as of June 30, 2025 and 2024 is presented below:

<u>Measurement Period Ending June 30</u>	<u>Fiscal Year Ending June 30</u>	<u>SCRHITF</u>
2024	2025	\$ 12,991,915
2023	2024	\$ 10,018,522

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

Long-term Expected Rate of Return

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
June 30, 2024			
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash equivalents	20.00%	0.35%	0.07%
Total Expected Real Return	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Invest Return Assumption			2.75%

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Expected Arithmetic Real Rate of Return</u>	<u>Long-Term Expected Portfolio Real Rate of Return</u>
June 30, 2023			
U.S. Domestic Fixed Income	80.00%	0.95%	0.76%
Cash equivalents	20.00%	0.35%	0.07%
Total Expected Real Return	100.00%		0.83%
Expected Inflation			2.25%
Total Return			3.08%
Invest Return Assumption			2.75%

Sensitivity Analysis

At June 30, 2024

The following table presents the Network's proportionate share of the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.97% as well as what the Network's proportionate share of the net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

<u>OPEB Trust</u>	<u>1.00% Decrease (2.97%)</u>	<u>Current Discount Rate (3.97%)</u>	<u>1.00% Increase (4.97%)</u>
SCRHITF	\$ 15,422,392	\$ 12,991,915	\$ 11,046,349

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

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

<u>OPEB Trust</u>	<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
SCRHITF	\$ 10,683,406	\$ 12,991,915	\$ 15,986,174

At June 30, 2023

The following table presents the Network's proportionate share of the SCRHITF's net OPEB liability calculated using a Single Discount Rate of 3.86% as well as what the Network's proportionate share of the net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

<u>OPEB Trust</u>	<u>1.00% Decrease (2.86%)</u>	<u>Current Discount Rate (3.86%)</u>	<u>1.00% Increase (4.86%)</u>
SCRHITF	\$ 11,826,459	\$ 10,018,522	\$ 8,560,406

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

<u>OPEB Trust</u>	<u>1.00% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1.00% Increase</u>
SCRHITF	\$ 8,318,785	\$ 10,018,522	\$ 12,202,315

OPEB Expense and Deferred Outflows (Inflows) of Resources

For the years ended June 30, 2025 and 2024, the Network recognized OPEB expense (benefit) of \$217,783 and \$(356,719), respectively.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

At June 30, 2025, the Network reported deferred outflows (inflows) of resources related to OPEB from the following sources:

SCRHITF	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 540,589	\$ -
Net differences between projected and actual experience	675,352	(1,922,891)
Changes in assumptions	2,782,540	(2,667,650)
Differences between projected and actual earnings on plan investments	63,370	-
Change in proportionate share	896,616	(716,881)
	<u>\$ 4,958,467</u>	<u>\$ (5,307,422)</u>

At June 30, 2024, the Network reported deferred outflows (inflows) of resources related to OPEB from the following sources:

SCRHITF	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB contributions subsequent to measurement date	\$ 588,036	\$ -
Net differences between projected and actual experience	177,245	(2,282,993)
Changes in assumptions	2,009,832	(3,218,829)
Differences between projected and actual earnings on plan investments	100,615	-
Change in proportionate share	455,888	(936,273)
	<u>\$ 3,331,616</u>	<u>\$ (6,438,095)</u>

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 13. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued):

The Network reported \$540,589 as deferred outflows of resources related to contributions subsequent to the measurement date which will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2026. The difference between projected and actual earnings on OPEB plan investments are reported as deferred outflows (inflows) of resources and will be amortized over a closed five-year period and recognized in pension expense in future years. The difference between expected and actual experience, changes in assumptions, and changes in proportionate share are reported as deferred outflows (inflows) of resources and will be amortized over the average of the expected remaining service lives of all employees that are provided OPEB through the OPEB plan (active and inactive members) determined as of the beginning of the measurement period. Average remaining service lives of all employees that are provided OPEB through the OPEB plan at the June 30, 2024 and 2023 measurement date was 6.8300 and 6.8430 years, respectively. The following schedule reflects the amortization of the Network's proportional share of the net balance of remaining deferred outflows (inflows) at June 30, 2025:

Measurement Period Ending June 30	Fiscal Year Ending June 30	SCRHITF
2025	2026	\$ (83,141)
2026	2027	(104,439)
2027	2028	(468,926)
2028	2029	(720,230)
2029	2030	134,412
Thereafter	Thereafter	352,780
Net balance of deferred outflows (inflows) of resources		\$ (889,544)

NOTE 14. DEFERRED COMPENSATION PLANS:

Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the Network have elected to participate. The multiple-employer plans, created under Internal Revenue Code Section 457, 401(k), and 403(b), are administered by third parties and are not included in the Annual Comprehensive Financial Report of the State of South Carolina. Compensation deferred under the plans is placed in trust for the contributing employee.

The State has no liability for losses under the plans. Employees may withdraw the current value of their contributions when they terminate State employment. Employees may also withdraw contributions prior to termination if they meet requirements specified by the applicable plan.

NOTE 15. RISK MANAGEMENT:

The Network is exposed to various risks of loss and maintains State or commercial insurance coverage for certain of those risks. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There were no significant reductions in insurance coverage from coverage in the prior year. Settled claims have not exceeded this coverage in any of the past three years. The Network pays insurance premiums to certain other State agencies and commercial insurers to cover risks that may occur in normal operations. The insurers promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits except for the deductibles.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15. RISK MANAGEMENT (continued):

State management believes it is more economical to manage certain risks internally and to set aside assets for claim settlement. Several State funds accumulate assets and the State itself assumes substantially all risks for the following:

1. Claims of State employees for unemployment compensation benefits. This type of claim is handled through the South Carolina Department of Employment and Workforce.
2. Claims of covered employees for workers' compensation benefits for job-related illnesses or injuries. This type of claim is handled by the State Accident Fund.
3. Claims of covered public employees for health and dental insurance benefits. This type of claim is handled by the South Carolina Public Employee Benefit Authority – Insurance Benefits.
4. Claims of covered public employees for long-term disability and group-life insurance benefits. This type of claim is handled through the South Carolina Public Employee Benefit Authority – Insurance Benefits.

Employees elect health coverage through either a health maintenance organization or through the State's self-insured plan. All of the other coverage listed above are through the applicable State self-insurance plan except dependent and optional life premiums which are remitted to commercial carriers.

The Network and other entities pay premiums to the State's Insurance Reserve Fund ("IRF") which issues policies, accumulates assets to cover the risks of loss, and pays claims incurred for covered losses related to the following assets, activities, and/or events:

1. Theft of, damage to, or destruction of assets;
2. Real property, its contents, and other equipment;
3. Motor vehicles;
4. Torts; and
5. Natural disasters.

The IRF is a self-insurer and purchases reinsurance to obtain certain services and specialized coverage and to limit losses in the areas of property, boiler and machinery, and automobile liability. The IRF's rates are determined actuarially.

The Network obtains coverage through a commercial insurer for employee fidelity bond insurance for all employees for losses arising from theft or misappropriation. The limit is \$100,000 per incident with a \$1,000 deductible. The Network self-insures above this amount because it feels the likelihood of loss is remote. No payments for uninsured losses were made during fiscal years ended June 30, 2025 and 2024.

The Network obtains broadcaster liability insurance through a commercial carrier covering media liability. The policy has a limit of \$1,000,000 with a \$10,000 deductible.

The Network has recorded insurance premium expenses in the applicable program expenditure category. These expenses do not include estimated claim losses and estimable premium adjustments.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 15. RISK MANAGEMENT (continued):

The Network has not reported an estimated claims loss expenditure, and the related liability at June 30, 2025 and 2024, based on the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which states that a liability for claims must be reported if information prior to issuance of the financial statements indicates that it is probable and estimable for accrual that an asset has been impaired or liability has been incurred on or before June 30, 2025 and 2024, and the amount of the loss is reasonably estimable have not been satisfied.

The Network is unable to estimate lost revenues, the costs of relocation and temporary facilities for continuing operations, and the cost of replacement facilities for uninsured losses. During the fiscal years ended June 30, 2025 and 2024, the Network did not experience any losses as a result of business interruption.

In management's opinion, claim losses in excess of insurance coverage, if any, is unlikely and if it occurred, would not be significant. Therefore, no loss accrual has been made in these financial statements. Furthermore, there is no evidence of asset impairment or other information to indicate that a loss expense and liability should be accrued at year-end.

NOTE 16. BROADBAND SPECTRUM LEASE:

In November 2009, the State and the Network entered into a 30-year lease for excess spectrum capacity of broadband licenses managed by the Network and licensed from the FCC. For the first six months of the agreement, the funds went to the General Fund of South Carolina.

Beginning in July of 2011, the Network began to receive broadband spectrum lease funding that was collected and transferred by the Budget and Control Board (which subsequently became the Department of Administration). Beginning February 2013, the payments were made directly to the Network. The spectrum lease is an intangible asset to the Network which carries no value on the financial statements. The Network received payments of \$4,214,306 and \$3,920,284 during the years ended June 30, 2025 and 2024, respectively, which is included in rental fees.

Rental payments pursuant to budget provision to be received in the future are as follows:

Year Ending June 30	Amount
2026	\$ 4,508,327
2027	4,508,327
2028	4,508,327
2029	4,508,327
2030	4,846,452
2031 – 2035	26,357,647
2036 – 2039	21,189,385
Total	\$ 70,426,792

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 17. SUBSEQUENT EVENTS:

Management of the Network has evaluated events subsequent to year end and through March 3, 2026, which is the date these financial statements were available to be issued.

Subsequent to the fiscal year ended June 30, 2025, in July 2025, federal legislation (the Rescission Act of 2025) was enacted, which rescinded \$1.1 billion in previously allocated funding for the Corporation for Public Broadcasting (“CPB”), effectively leading to its dissolution, with the board voting on January 5, 2026, to officially dissolve the organization. CPB has historically administered federal appropriations that support public broadcasting entities nationwide, including the Network.

For the years ended June 30, 2025 and 2024, revenues derived from CPB grants and related federal support totaled approximately \$3.2 and \$3.1 million, representing approximately 7.9% and 10.1% of the Network’s operating revenues, respectively.

Management is currently evaluating the financial and operational implications of CPB’s dissolution. Based on preliminary assessments, management expects to mitigate the anticipated reduction in CPB funding through a combination of alternative revenue sources, including increased state appropriations, expanded fundraising initiatives, underwriting support, foundation grants, and operational efficiencies. While the timing and magnitude of replacement funding cannot be fully determined at this time, management believes the Network will be able to substantially offset the anticipated shortfall and continue to provide services at levels consistent with current operations.

REQUIRED SUPPLEMENTARY INFORMATION

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS, UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2025**

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Internal Administration	\$ 2,915,506	\$ 1,022,822	\$ 2,784,132	\$ (1,761,310)
Programs and Services:				
Transmissions, Communications and Reception	8,179,207	2,895,688	9,149,464	(6,253,776)
Education	5,897,923	4,180,644	1,964,651	2,215,993
Content	13,107,307	3,136,911	6,024,213	(2,887,302)
Development, Fundraising, Underwriting, and Marketing	495,000	372,510	870,459	(497,949)
Employer Contributions	4,141,262	1,044,563	4,348,257	(3,303,694)
Capital Outlay	51,642,266	36,899,303	9,052,811	27,846,492
	<u>\$ 86,378,471</u>	<u>\$ 49,552,441</u>	<u>\$ 34,193,987</u>	<u>\$ 15,358,454</u>

See independent auditors' report.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
BUDGETARY COMPARISON SCHEDULE (NON-GAAP BUDGETARY BASIS, UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2024**

	Budget Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Positive (Negative)
	Original	Final		
Expenditures				
Internal Administration	\$ 2,638,310	\$ 15,574,914	\$ 13,848,162	\$ 1,726,752
Programs and Services:				
Transmissions, Communications and Reception	8,179,207	7,885,452	3,273,662	4,611,790
Education	5,897,923	5,979,769	966,192	5,013,577
Content	12,367,652	4,038,461	3,382,966	655,495
Development, Fundraising, Underwriting, and Marketing	495,000	1,590,855	1,482,934	107,921
Employer Contributions	3,736,582	5,418,758	4,057,149	1,361,609
Capital Outlay	49,296,487	46,328,205	3,366,425	42,961,780
	<u>\$ 82,611,161</u>	<u>\$ 86,816,414</u>	<u>\$ 30,377,490</u>	<u>\$ 56,438,924</u>

See independent auditors' report.

SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES – UNAUDITED
JUNE 30, 2025

NOTE 1. BUDGETARY FUNDS

South Carolina's Annual Appropriation Act, the State's legally adopted budget, does not present budgets by GAAP fund. Instead, it presents program-level budgets for the following two funds:

General Funds. These funds are general operating funds. The resources in the funds are primarily taxes. The State expends General Funds to provide traditional State government services.

Total Funds. The Total Funds column in the Appropriations Act includes all budgeted resources. Amounts in this column include General Funds as well as most, but not all, federal and department - generated resources. Total funds include portions of certain proprietary and capital project fund activities as well as most special revenue activities but exclude the pension trust funds and some other fiduciary fund activities.

The Network's legally adopted budget is part of the Total Funds budget for the State.

NOTE 2. ORIGINAL AND FINAL BUDGETED AMOUNTS; BASIS OF PRESENTATION

The original appropriations presented in the accompanying schedule for the Network include amounts in the Appropriations Act as well as any appropriation reductions specifically authorized by law to prevent duplicate appropriations. The terminology, classification, and format of the appropriations section of the accompanying schedule for the Network's governmental funds are substantively the same as for the legally enacted budget.

The State's General Assembly does not approve estimated revenue or fund balance amounts for Other Budgeted Funds which include the Network's Funds. However, Section 115 (Recapitulations) of the Appropriation Act includes net source of funds amounts (i.e. estimated cash brought forward from the previous fiscal year plus estimated revenue for the current fiscal year minus estimated cash to be carried forward to the following fiscal year) for three categories of Other Budgeted Funds: EIA, Non-Federal and Capital Projects. A budget versus actual comparison for all funds is presented as required supplementary information.

As operating conditions change, the Network may move appropriations between programs and classifications within programs. However, limits are placed on increasing/decreasing authorizations for personal services without SFAA approval. Also, a revision of budgeted amounts over and above the total revenues appropriated requires approval of the SFAA.

NOTE 3. LEGAL LEVEL OF BUDGETARY CONTROL

The Network maintains budgetary control at the level of summary objective category of expenditure within each program of each department or agency which is the level of detail presented in the accompanying schedule.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES – UNAUDITED
JUNE 30, 2025**

NOTE 4. BASIS OF BUDGETING

Current legislation states that the General Assembly intends to appropriate all monies to operate State government for the current fiscal year. Unexpended appropriations lapse on July 31 unless the department or agency is given specific authorization to carry them forward to the next fiscal year. Cash-basis accounting for payroll expenditures is used. State law does not precisely define the State’s basis of budgeting. In practice, however, it is the cash basis with the following exceptions:

- Departments and agencies shall charge certain vendor and inter-fund payments against the preceding fiscal year’s appropriations through July 14.
- All other revenues are recorded only when the Network receives the related cash.
- The accrual basis is used for other expenditures.

NOTE 5. RECONCILIATION OF BUDGET TO GAAP REPORTING DIFFERENCES

Budgetary accounting principles differ significantly from GAAP accounting principles. Basis differences arise because the basis of budgeting differs from the GAAP basis used to prepare the statement of revenues, expenditures, and changes in fund balance. While the Statement of Revenues, Expenditures, and Changes in Fund Balance report several funds, the Network’s legally adopted budget covers the Network as a whole. In addition, there are basis differences between the budgetary comparison schedules for Network as compared to the Statement of Revenues, Expenditures, and Changes in Fund Balance are related to the modified accrual basis of accounting which include accounts receivable and accounts payable as revenues and expenditures in the current year while the budgetary basis would include those amounts in the year that payments were actually received or paid. Additionally, certain expenses paid on behalf of or reimbursed to the Network by the Endowment have reduced expenditures on a budgetary basis but are reported gross under the modified accrual basis of accounting. A reconciliation of the budgetary basis expenditures to the GAAP basis expenditures is below:

	2025	2024
Total Expenditures, Budgetary Basis	\$ 34,193,987	\$ 30,377,490
Change in prepaid expenses	(206,578)	(20,143)
Change in accounts payable	426,820	(1,896,166)
Change in accrued expenses	115,197	89,314
Amounts paid by ETV Endowment on behalf of the Network and classified as expenditures	8,470,115	4,602,413
Other basis differences	909,805	2,738,406
Total Expenditures, GAAP Basis	\$ 43,909,346	\$ 35,891,314

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF THE SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION'S
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - UNAUDITED
SOUTH CAROLINA RETIREMENT SYSTEM
AS OF JUNE 30, 2025
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
SCETV's proportion of the net pension liability	0.065794%	0.061502%	0.062261%	0.066047%	0.064637%
SCETV's proportionate share of the net pension liability	\$ 15,429,014	\$ 14,869,685	\$ 15,093,417	\$ 14,293,417	\$ 16,515,974
SCETV's covered employee payroll	\$ 9,040,824	\$ 7,775,917	\$ 7,413,829	\$ 6,973,284	\$ 7,497,307
SCETV's proportionate share of the net pension liability as a percentage of covered payroll	170.66%	191.23%	203.58%	204.97%	220.29%
Plan fiduciary net position as a percentage of the total pension liability	61.8%	58.6%	57.1%	60.7%	50.7%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
SCETV's proportion of the net pension liability	0.061287%	0.064664%	0.063770%	0.061492%	0.063680%
SCETV's proportionate share of the net pension liability	\$ 13,994,322	\$ 14,489,098	\$ 14,355,653	\$ 13,134,600	\$ 12,077,219
SCETV's covered employee payroll	\$ 6,471,717	\$ 6,700,966	\$ 6,434,178	\$ 5,954,702	\$ 5,970,789
SCETV's proportionate share of the net pension liability as a percentage of covered payroll	216.24%	216.22%	223.12%	220.58%	202.27%
Plan fiduciary net position as a percentage of the total pension liability	54.4%	54.1%	53.3%	52.9%	57.0%

Note: The amounts presented for each fiscal year were determined as of June 30 of the preceding year.

See independent auditors' report.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF THE SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION'S
CONTRIBUTIONS - UNAUDITED
SOUTH CAROLINA RETIREMENT SYSTEM
AS OF JUNE 30, 2025
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 1,789,745	\$ 1,677,977	\$ 1,365,451	\$ 1,227,730	\$ 1,085,043
Contributions in relation to the contractually required contribution	<u>1,789,745</u>	<u>1,677,977</u>	<u>1,365,451</u>	<u>1,227,730</u>	<u>1,085,043</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SCETV covered payroll	9,643,023	9,040,824	7,775,917	7,413,829	6,973,284
Contributions as a percentage of the covered payroll	18.56%	18.56%	17.56%	16.56%	15.56%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 1,166,581	\$ 942,282	\$ 908,651	\$ 743,791	\$ 658,590
Contributions in relation to the contractually required contribution	<u>1,166,581</u>	<u>942,282</u>	<u>908,651</u>	<u>743,791</u>	<u>658,590</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SCETV covered payroll	7,497,307	6,471,717	6,700,966	6,434,178	5,954,702
Contributions as a percentage of the covered payroll	15.56%	14.56%	13.56%	11.56%	11.06%

See independent auditors' report.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF THE SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION'S
PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY - UNAUDITED
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
AS OF JUNE 30, 2025
LAST NINE FISCAL YEARS**

	2025	2024	2023	2022	2021
SCETV's proportion of the net OPEB liability	0.080586%	0.076527%	0.077986%	0.082739%	0.080917%
SCETV's proportionate share of the net OPEB liability	\$ 12,991,915	\$ 10,018,522	\$ 11,863,106	\$ 17,228,892	\$ 14,606,689
SCETV's covered payroll	\$ 9,260,409	\$ 7,975,968	\$ 7,622,272	\$ 6,973,285	\$ 7,497,312
SCETV's proportionate share of the net OPEB liability as a percentage of covered payroll	140.30%	125.61%	155.64%	247.07%	194.83%
Plan fiduciary net position as a percentage of the total OPEB liability	9.91%	11.24%	9.64%	7.48%	8.39%
	2020	2019	2018	2017	
SCETV's proportion of the net OPEB liability	0.077270%	0.080275%	0.078410%	0.078410%	
SCETV's proportionate share of the net OPEB liability	\$ 11,683,948	\$ 11,375,437	\$ 10,620,506	\$ 11,344,854	
SCETV's covered payroll	\$ 6,757,653	\$ 6,922,694	\$ 6,142,871	\$ 6,149,410	
SCETV's proportionate share of the net OPEB liability as a percentage of covered payroll	172.90%	164.32%	172.89%	184.49%	
Plan fiduciary net position as a percentage of the total OPEB liability	8.44%	7.91%	7.60%	6.62%	

Note: The amounts presented for each fiscal year were determined as of June 30th of the preceding year. Only nine years of information are presented as only nine years of data were available. The Network will add an additional year of data until a total of ten years is presented.

See independent auditors' report.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF THE SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION'S
CONTRIBUTIONS - UNAUDITED
SOUTH CAROLINA RETIREE HEALTH INSURANCE TRUST FUND
AS OF JUNE 30, 2025
LAST TEN FISCAL YEARS**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Contractually required contribution	\$ 540,589	\$ 588,036	\$ 498,498	\$ 476,392	\$ 435,830
Contributions in relation to the contractually required contribution	<u>540,589</u>	<u>588,036</u>	<u>498,498</u>	<u>476,392</u>	<u>435,830</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SCETV covered payroll	8,513,213	9,260,409	7,975,968	7,622,272	6,973,285
Contributions as a percentage of the covered payroll	6.35%	6.35%	6.25%	6.25%	6.25%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 468,582	\$ 407,578	\$ 380,748	\$ 327,415	\$ 327,764
Contributions in relation to the contractually required contribution	<u>468,582</u>	<u>407,578</u>	<u>380,748</u>	<u>327,415</u>	<u>327,764</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SCETV covered payroll	7,497,312	6,757,653	6,922,694	6,142,871	6,149,410
Contributions as a percentage of the covered payroll	6.25%	6.03%	5.50%	5.33%	5.33%

See independent auditors' report.

SUPPLEMENTARY INFORMATION

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF REVENUES - RADIO AND TELEVISION
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Radio</u>	<u>Television</u>	<u>Total</u>
Revenues			
Contributions	\$ 4,050,127	\$ 6,075,316	\$ 10,125,443
Intergovernmental - State Agencies	2,120,014	16,214,912	18,334,926
Program sales	-	14,572	14,572
Corporation for Public Broadcasting, Inc. grant	340,471	2,899,871	3,240,342
Education Improvement Act	-	690,000	690,000
Underwriting	251,100	376,650	627,750
Private grants and contracts	-	380,159	380,159
Charges for services	264	912,281	912,545
Rental fees	-	5,474,261	5,474,261
Interest income on leases	-	323,652	323,652
Interest and other investment income	5,271	170,448	175,719
Royalties	-	56,703	56,703
Miscellaneous	2,010	734,715	736,725
	<u>\$ 6,769,257</u>	<u>\$ 34,323,540</u>	<u>\$ 41,092,797</u>

See independent auditors' report.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF REVENUES - RADIO AND TELEVISION
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Radio</u>	<u>Television</u>	<u>Total</u>
Revenues			
Contributions	\$ 4,338,860	\$ 4,615,137	\$ 8,953,997
Intergovernmental - State Agencies	1,193,995	9,389,428	10,583,423
Program sales	-	17,487	17,487
Corporation for Public Broadcasting, Inc. grant	314,044	2,752,659	3,066,703
Education Improvement Act	-	300,000	300,000
Underwriting	249,738	374,608	624,346
Private grants and contracts	-	489,589	489,589
Charges for services	8,055	683,092	691,147
Rental fees	-	4,853,577	4,853,577
Interest income on leases	-	336,953	336,953
Interest and other investment income	6,456	208,744	215,200
Royalties	-	67,890	67,890
Miscellaneous	2,283	79,590	81,873
	<u>\$ 6,113,431</u>	<u>\$ 24,168,754</u>	<u>\$ 30,282,185</u>

See independent auditors' report.

**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF EXPENDITURES - RADIO AND TELEVISION
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>Radio</u>	<u>Television</u>	<u>Total</u>
Expenditures			
Internal administration	\$ 105,746	\$ 3,419,110	\$ 3,524,856
Programs and services:			
Transmissions, communications and receptions	-	11,865,360	11,865,360
Education	-	2,556,583	2,556,583
Content	2,460,008	11,345,324	13,805,332
Development, fundraising, underwriting and marketing	158,066	2,973,342	3,131,408
Capital outlay	161,700	8,864,107	9,025,807
	<u>\$ 2,885,520</u>	<u>\$ 41,023,826</u>	<u>\$ 43,909,346</u>

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**SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
SCHEDULE OF EXPENDITURES - RADIO AND TELEVISION
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Radio</u>	<u>Television</u>	<u>Total</u>
Expenditures			
Internal administration	\$ 272,708	\$ 8,817,564	\$ 9,090,272
Programs and services:			
Transmissions, communications and receptions	-	5,331,356	5,331,356
Education	-	2,170,335	2,170,335
Content	1,344,061	11,082,446	12,426,507
Development, fundraising, underwriting and marketing	-	3,476,736	3,476,736
Capital outlay	38,097	3,358,011	3,396,108
	<u>\$ 1,654,866</u>	<u>\$ 34,236,448</u>	<u>\$ 35,891,314</u>

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GOVERNMENTAL AUDITING SECTION

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INDEPENDENT AUDITORS' 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*

Mrs. Sue F. Moss, CPA
Interim State Auditor
South Carolina Office of the State Auditor
Columbia, 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 (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the South Carolina Educational Television Commission (the "Network") as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Network's basic financial statements, and have issued our report thereon dated March 3, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Network'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 internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any

deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Network's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 Network'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 Network's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Columbia, South Carolina

March 3, 2026

The Halle Group, P.A.

SCHEDULE OF FINDINGS AND RESPONSES
SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
For the Year Ended June 30, 2025

Financial Statement Findings:

None noted.

Compliance Findings:

None noted.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
SOUTH CAROLINA EDUCATIONAL TELEVISION COMMISSION
For the Year Ended June 30, 2025

Financial Statement Findings:

None noted.

Compliance Findings:

None noted.