

Audited Financial Statements and Other Financial Information
Year Ended June 30, 2026
With
Independent Auditors' Report

PIEDMONT TECHNICAL COLLEGE

Table of Contents

June 30, 2026

	Page Number
Organizational Information	ii
Independent Auditors' Report	1
Required Supplementary Information	
Management's Discussion and Analysis	4
Basic Financial Statements	
Statement of Net Position	12
Non-Governmental Discretely Presented Component Unit Statement of Financial Position	13
Statement of Revenues, Expenses and Changes in Net Position	14
Non-Governmental Discretely Presented Component Unit Statement of Activities	15
Statement of Cash Flows	16
Notes to Financial Statements	17
Required Supplementary Information	
Schedule of Proportionate Share of the South Carolina Retirement System Net Pension Liabilities	43
Schedule of Retirement Systems Contributions	45
Schedule of Proportionate Share of the South Carolina Retiree Health Insurance Trust Fund Other Postemployment Benefits Liabilities	47
Schedule of South Carolina Retiree Health Insurance Trust Fund Contributions	48
Notes to Required Supplementary Information	49
Other Financial Information	
Schedule of Reconciliation of Revenues and Cash Reimbursements Received from State Board	50
Schedule of Local Government Appropriations	51
Other Compliance Reports	
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*	52
Independent Accountants' Report on State Lottery Tuition Assistance	54

PIEDMONT TECHNICAL COLLEGE
Organizational Information
June 30, 2026

PIEDMONT TECHNICAL EDUCATION COMMISSION	Office	Term Expires	County Represented
Dennis Lambries, Ph.D.	Chairman	2027	Saluda
Jane J. Herlong	Vice Chairman	2029	Edgefield
Anita M. Butler	Secretary	2026	Abbeville
Cherry Houston Brown	Member	2027	McCormick
J. Richard Cain	Member	*2026	Laurens
George P. Cone, Jr., MD	Member	2029	Greenwood
Blake Davis	Member	2027	Laurens
H. George Piersol, II	Member	2029	Newberry
Thelma S. Woody	Member	*2026	Abbeville
Hannah Metts	Member	*2026	Greenwood
Roger Richburg	Member	2029	Greenwood
Y.J. Ahn	Member	2029	Greenwood

*Awaiting notification of reappointment by the Governor's Office

KEY ADMINISTRATIVE STAFF

Hope E. Rivers, Ph.D.	President
K. Paige Childs, CPA, CGMA	Vice President, Business and Finance
Keli Fewox, Ed.D.	Vice President, Academic Affairs; Chief Academic Officer
Joshua Black	Vice President, Student Affairs
Alesia Brown	Vice President, Human Resources

PRESIDENT'S LEADERSHIP TEAM

Jacki Berkshire	Associate Vice President, Advancement
Caroline Chappell	Associate Vice President, Executive Affairs
Jason Collins	Assistant Vice President, Information Technology
Rusty Denning	Associate Vice President, Economic Development & Facilities Management
Donna Foster, Ph.D.	Associate Vice President, Institutional Effectiveness & Compliance
Russell Martin	Assistant Vice President, Marketing & Public Relations
Shannon McClinton	Executive Assistant, President's Office
David Starkey, CPA	Associate Vice President, Business and Finance

AREA SERVED BY THE COMMISSION
Counties of: Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry and Saluda

ENTITIES PROVIDING FINANCIAL SUPPORT FOR THE INSTITUTION
Counties of: Abbeville, Edgefield, Greenwood, Laurens, McCormick, Newberry, and Saluda
S.C. State Fiscal Accountability Authority
U.S. Department of Education
U.S. Department of Labor
U.S. Economic Development Administration
National Science Foundation

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INDEPENDENT AUDITORS' REPORT

Members of the Area Commission for Piedmont Technical College
Piedmont Technical College
620 North Emerald Road
Greenwood, South Carolina 29648

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business type activities of Piedmont Technical College (the "College"), a component unit of the State of South Carolina and a member institution of the South Carolina Technical College System, as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the College's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the College, as of June 30, 2026, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Piedmont Technical College Foundation (the "Foundation"), which is a discretely presented component unit and 100 percent, 100 percent, and 100 percent, respectively of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Foundation is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 College's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the South Carolina Retirement Systems Net Pension Liabilities, Schedule of Retirement Systems Contributions, Schedule of Proportionate Share of the South Carolina Retiree Health Insurance Trust Fund Other Postemployment Benefits Liabilities, and Schedule of South Carolina Retiree Health Insurance Trust Fund Contributions on pages 4-11 and 43-48 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 audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the College's basic financial statements. The Schedule of Reconciliation of Revenues and Cash Reimbursements Received from State Board and the Schedule of Local Government Appropriations are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, based on our audit, the Schedule of Reconciliation of Revenues and Cash Reimbursements Received from State Board and the Schedule of Local Government Appropriations 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 October 6, 2026, on our consideration of the College's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the College's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the College's internal control over financial reporting and compliance.



West Columbia, South Carolina
October 6, 2026

PIEDMONT TECHNICAL COLLEGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

We present Management's Discussion and Analysis of Piedmont Technical College's (the College) financial performance during the fiscal year ended June 30, 2026, to assist the reader in understanding the College's operations. This discussion should be read in conjunction with the College's basic financial statements, the component unit's financial statements, and the accompanying note disclosures.

Overview of the Financial Statements

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

The Statement of Net Position presents the financial position of the College at the end of the fiscal year and classifies assets and liabilities into current and non-current components. Governmental Accounting Standards Board (GASB) codification allows for Statement of Net Position categories entitled "deferred outflows of resources" and "deferred inflows of resources", considered neither assets nor liabilities, but in limited circumstances affect in which fiscal year certain financial accruals of actual or potential transactions are recorded. Deferred inflows and outflows are recorded in relation to pension liabilities and other post-employment benefit liabilities. The difference between total assets and deferred outflows, less total liabilities and deferred inflows is net position, which is displayed in three broad categories: invested in capital assets (net of related debt), restricted, and unrestricted. Net Position is one indicator of the current financial condition of the College, while the change in net position is an indicator that the overall financial condition has increased or decreased during the year. The Statement of Net Position is presented on an accrual basis of accounting where capital assets are recorded and depreciated. The Statement of Net Position provides a snapshot of the College's assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position at the end of the fiscal year; and may serve over time as a useful indicator of an entity's financial position.

The Statement of Revenues, Expenses, and Changes in Net Position is a statement that presents the College's results of operations. Operating revenues and operating expenses net into the operating gain or loss, which is then netted against noncapital subsidies (which include State and local operating appropriations and federal, State, and local grants) and finally netted against other nonoperating revenues and expenses (which include interest income and federal, State, and local capital appropriations).

The Statement of Cash Flows will aid readers in identifying the sources and uses of cash by the major categories of operating, non-capital financing, capital and related financing, and investing activities. This statement also emphasizes the College's dependence on state appropriations, county appropriations, and grants by separating them from operating cash flows. As a result of reporting the non-cash related net pension liability, noted above, the Statement of Cash Flows will take on increased importance as an indicator of the College's financial viability. The current Statement of Cash Flows will remain more directly comparable to future fiscal year presentations, since annual changes in the net pension liability, net of contributions, will be a non-cash entry, unless changed by the South Carolina Legislature.

Component Units

Piedmont Technical College includes the financial statements of the Piedmont Technical College Foundation within the financials of the College in accordance with GASB Statement No. 34, paragraph 10. Financial statements for the Foundation can be obtained by mailing a request to Piedmont Technical College Foundation, P.O. Box 1467, Greenwood, SC, 29648.

Financial Summary and Detailed Analysis

The following schedule is a condensed version of the College's assets, liabilities, and net position and is prepared from the Statement of Net Position:

Statement of Net Position
(with comparative amounts for the year ended June 30, 2025)

	2026	2025 (as Restated)
ASSETS		
Current Assets	$ 105,107,283	$ 104,162,378
Noncurrent Assets	67,320,951	54,540,416
Total Assets	172,428,234	158,702,794
DEFERRED OUTFLOWS OF RESOURCES	14,182,848	15,715,439
Total Assets and Deferred Outflows of Resources	186,611,082	174,418,233
LIABILITIES		
Current Liabilities	17,190,603	13,960,922
Noncurrent Liabilities	60,472,312	66,617,859
Total Liabilities	77,662,915	80,578,781
DEFERRED INFLOWS OF RESOURCES	15,610,626	14,361,177
Total Liabilities and Deferred Inflows of Resources	93,273,541	94,939,958
NET POSITION		
Net Investment in Capital Assets	65,881,953	52,757,271
Restricted - Capital Appropriations	64,026,521	62,513,430
Unrestricted - Plant Funds	5,022,234	5,332,583
Unrestricted - Unfunded Pension Obligation	(28,240,686)	(31,163,531)
Unrestricted - Unfunded OPEB Obligation	(32,052,250)	(32,068,543)
Unrestricted - Other	18,699,769	22,107,065
Total Net Position	$ 93,337,541	$ 79,478,275

The assets of Piedmont Technical College exceeded its liabilities as of June 30, 2026, by $93,337,541.

The majority of the College's assets as of June 30, 2026 consist of $31,036,235 in cash and cash equivalents, $68,589,637 in accounts receivable, and $65,810,781 in capital assets.

Of the $68,589,637 in accounts receivable, $61,728,618 are receivables from the State for capital improvement projects that have been appropriated in the current and past several fiscal years. These projects include the new Family Life and Conference Center, the Self Regional Healthcare Center for Health Sciences, and Library and Student Engagement Center renovations on the Greenwood campus, the Saluda Center for Manufacturing Excellence on the Saluda campus, and the Edgefield Advanced Manufacturing Center on the Edgefield campus. These projects are reimbursed by the State once the monies have been expended by the College.

The $65,810,781 in capital assets consists of mostly $41,898,873 in buildings, net of depreciation, and $18,080,740 in buildings under construction. See Note 5 on page 25 for more detail.

On June 30, 2026, the College reported $31,578,502 for its proportionate share of the net pension liabilities of SCRS and PORS. The net pension liability defined of the SCRS defined benefit pension plan was determined based on July 1, 2024, actuarial valuations projected forward to June 30, 2025, and financial information of the pension trust funds as of June 30, 2025, using generally accepted actuarial procedures. The College's portion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. On June 30, 2026, the College's SCRS proportion was 0.143023%, and its PORS proportion was 0.024323%.

On June 30, 2026, the College reported a liability of $27,286,656 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. On June 30, 2026, the College's proportion was 0.180488%.

The College has recognized a net pension obligation of $28,240,686 and a net other post-employment benefit (OPEB) obligation of $32,052,250. These total $60,292,936 and consist of most of the College's noncurrent liabilities and all of its deferred outflows and inflows of resources combined. These net obligations are not legal liabilities and cannot be collected by the South Carolina Retirement System (SCRS); they are reported in accordance with GASB standards on the Statement of Net Position. As previously communicated by the South Carolina Public Employee Benefit Authority (PEBA), the financial reporting changes required by GASB 68 and GASB 75 are likely to result in increased volatility in employers reported proportionate share of the net liabilities from one year to the next. Regardless of the net pension liability and net other post-employment benefit liability reported on the employer's financial statements, the employer is responsible only for making the contributions required by state law during any given year. Employers cannot pay down or pay off their proportionate share of these liabilities.

Lastly, the College reports $18,699,769, in unrestricted net position, which may be used to meet ongoing operational and strategic obligations.

The following schedule is a summary of the College's operating results for the fiscal year:

Operating Results
(with comparative amounts for the year ended June 30, 2025, as restated)

	FY 2026	FY 2025 (as Restated)
Operating Revenue		
Student Tuition and Fees	$ 8,329,608	$ 7,542,030
Federal Pell Grants	16,440,580	16,578,587
State Lottery Grants	6,121,986	6,292,824
Auxiliary Enterprises	298,987	278,937
Other	334,431	480,128
Total Operating Revenues	31,525,592	31,172,506
Less Operating Expenses	61,468,335	61,332,868
Operating Loss	(29,942,743)	(30,160,362)
Noncapital Subsidies		
State Appropriations	16,481,105	14,736,865
County Appropriations	3,718,053	3,252,670
Federal Grants (Less Pell Grants)	2,417,025	4,767,195
State Grants (Less Lottery Grants)	8,269,560	4,106,798
Local Grants	129,804	235,865
Total Noncapital Subsidies	31,015,547	27,099,393
Operating Loss and Noncapital Subsidies	1,072,804	(3,060,969)
Other Nonoperating Revenues (Expenses)		
Interest Income	993,589	1,056,131
Federal Capital Grants	4,004,383	-
State Capital Appropriations	7,217,247	12,722,345
Other Capital Contributions	571,243	154,601
Asset Transfer per Grant	-	(943,905)
Increase in Net Position	13,859,266	9,928,203
Net Position, Beginning of Year, as Restated	79,478,275	69,550,072
Net Position, End of Year	$ 93,337,541	$ 79,478,275

A large portion of the revenue included in the Federal Grants categories represents student financial assistance, which is used to pay tuition and fees for students to attend the College. An approximation of tuition and fees paid from this source of funds has been recognized as a reduction of tuition and fees in the form of scholarship allowances, to eliminate duplication of revenues.

The College's net position increased by $13,859,266 from the prior year, primarily due to State operating appropriations of $16,481,105, which was an increase of $1,744,240 from the prior year, and State capital appropriations of $7,217,247 for renovations and equipment. The State has generally been increasing all higher education appropriations and grants over the last decade, as State revenues have

grown over that time. As such, the College received State grants of $8,269,560, which was an increase of $4,162,762 from the prior year.

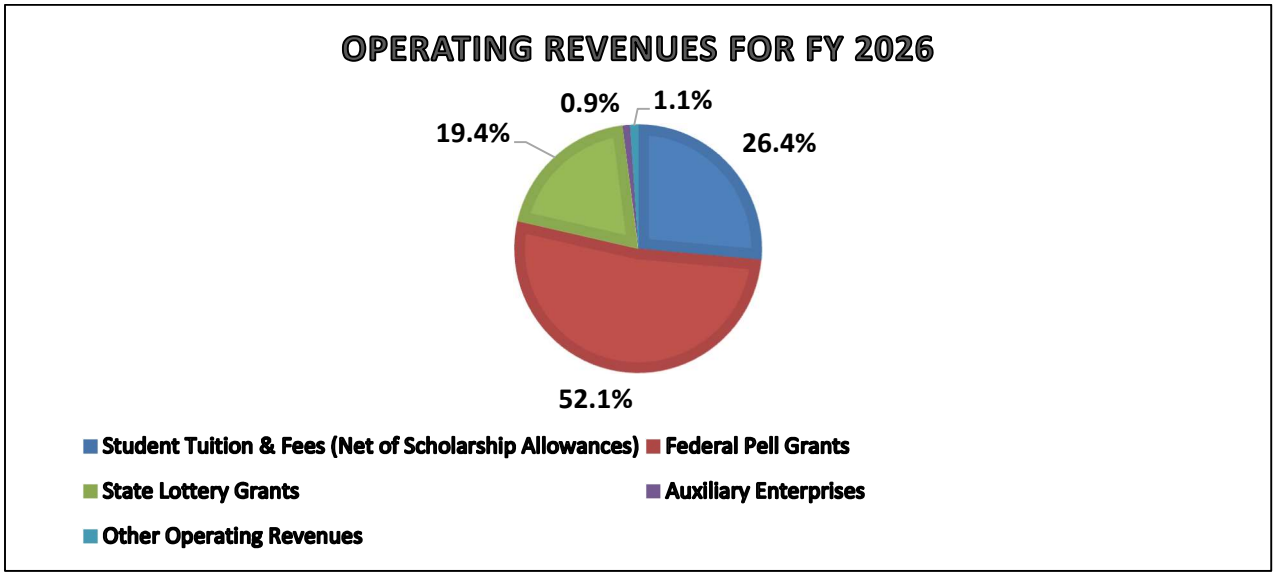
Operating expenses of the College remained stable at $61.5 million in the 2026 fiscal year, which was a $200,000, or 0.2%, increase from the 2025 fiscal year. This modest increase was due to a stable workforce count along with limited net increases in depreciable capital assets.

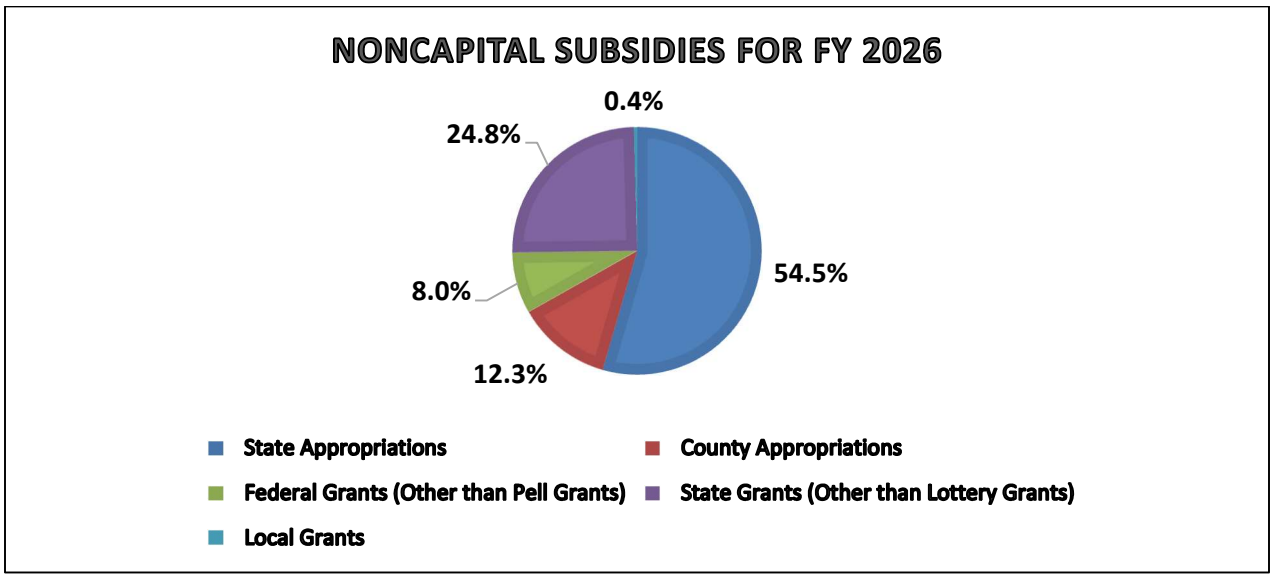
The College experienced an operating loss of $29,942,743, however the loss was offset by noncapital subsidies of State and county appropriations, federal and State grants, State and other capital appropriations and contributions, and investment income totaling $43,802,009, which continue to be essential sources of support for the College's operations and financial stability. It should be noted that all of the State's colleges and universities have large operating losses that are offset by State, federal, and local appropriations and grants.

The College continued to offer competitive tuition rates and maintained its commitment to affordability and access. Piedmont Technical College sustained a strong financial position, supported by consistent state and federal funding. The College remains well-positioned to provide adequate resources to serve its students effectively. As the higher education landscape continues to evolve post-pandemic, the College is actively monitoring enrollment trends, workforce demands, and funding opportunities. Strategic adjustments to operations and programming are being considered to ensure continued financial health and alignment with regional economic needs.

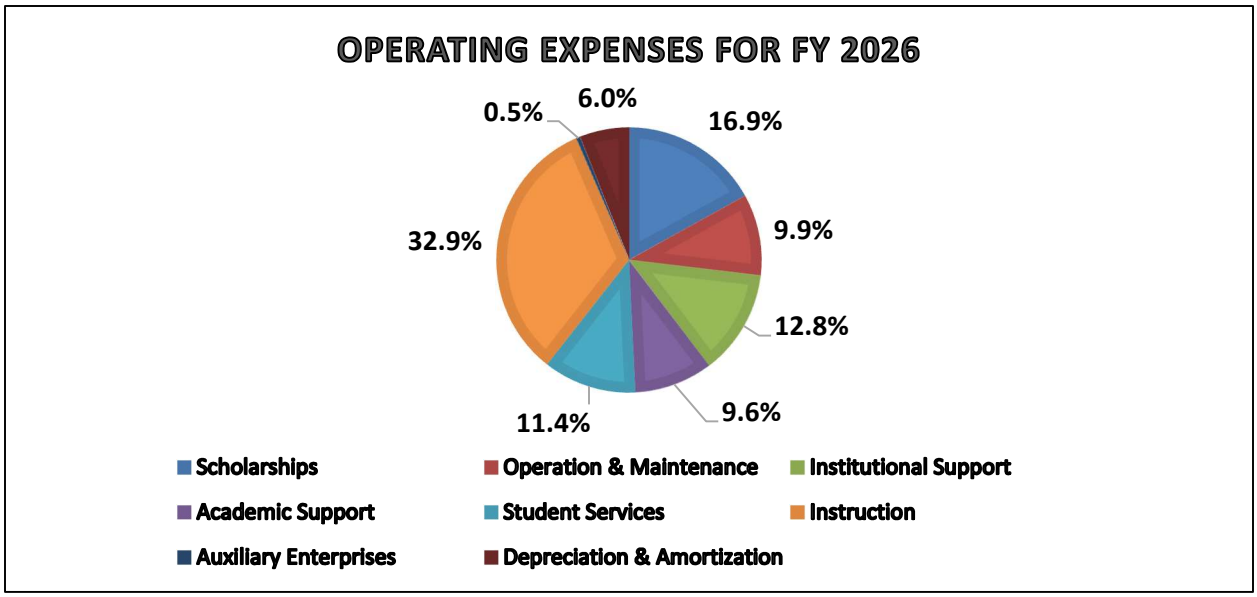
The following are graphic illustrations of revenues and expenses by source:

Revenues by Source





Operating Expenses by Function



Approximately $43.5 million or 70.8% of the College's operating expenses occurred in Instruction, Student Services, Academic Support, and Scholarships classifications.

Cash Flows

The Statement of Cash Flows is the final statement to be presented. It provides detailed information about the cash activities of the College during the fiscal year and provides the reader with the sources and uses of cash by the major categories of operating, non-capital financing, capital and related financing, and investing activities. The statement shows a net use of cash in the section "Cash Flows from Operating Activities" due to the College's dependence on state and local appropriations.

Condensed Summary of Cash Flows
(with comparative amounts for the year ended June 30, 2025)

	2026	2025
Net Cash Used by Operating Actvities	$ (22,882,647)	$ (27,245,945)
Net Cash Provided by Non-Capital Activities	31,015,547	34,918,671
Net Cash Used by Capital and Related Financing Activities	(10,845,586)	(2,921,060)
Net Cash Provided by Capital and Related Financing Activities	793,930	852,503
Net Change in Cash	$ (1,918,756)	$ 5,604,169
Cash and Cash Equivalents - Beginning of Year	32,954,991	27,350,822
Cash and Cash Equivalents - End of Year	$ 31,036,235	$ 32,954,991

Significant Capital Asset Activity

During the fiscal year ended June 30, 2026, Piedmont Technical College continued to invest in campus infrastructure and facilities across all campus locations to enhance both the student and community experience, while supporting academic and operational needs. Several major capital projects are currently underway, including:

- Construction of the Self Regional Healthcare Center for Health Sciences, which will expand capacity for high-demand healthcare programs.
- Construction of the Saluda Center for Manufacturing Excellence, aimed at advancing regional workforce training and technical education.
- Development of the Technical Innovation Center, designed to support emerging technologies and industry partnerships.
- Construction of the Edgefield Center for Manufacturing Excellence, aimed at advancing regional workforce training and technical education.

In addition to new construction, the College is undertaking significant renovations to existing facilities:

- The Family Event Center, being transformed into a modern venue for campus and community events.
- Library and Student Engagement Center, to enhance learning resources and student support services.
- Engineering and Industrial Technologies Building, to modernize instructional spaces and accommodate evolving program needs.

These projects reflect the College's strategic commitment to providing state-of-the-art facilities that align with academic priorities and regional economic development.

Currently Known Facts, Decisions, or Conditions

There are currently no significant or material economic conditions, events, or budgetary constraints that are affecting the current budget and current fiscal year's activities of the College. This includes conditions that would affect the planning of future budgets and future operations of the College. The College will continue to monitor events that would affect its current operating status and will adjust its operations accordingly if the current conditions change.

Conclusion

In conclusion, Piedmont Technical College remained in a strong financial position during fiscal year 2026, with total net position increasing to approximately $93.3 million, an increase of $13.9 million from the prior year. The College continued to benefit from strong support through state appropriations, grants, and capital funding, while maintaining its commitment to affordable, accessible, and high-quality education.

Significant investments in facilities and infrastructure will support future growth and workforce development across the College's service area. Management believes the College is well-positioned to meet its educational mission, respond to changing workforce needs, and sustain long-term financial stability through prudent fiscal management and strategic planning.

Sincerely,

Hope E. Rivers, Ph.D.
President

David A. Starkey, CPA
Associate Vice President of Business and Finance

Heather Wheeler
Controller of Business and Finance

PIEDMONT TECHNICAL COLLEGE
Statement of Net Position
June 30, 2026

ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents (Note 3)	$ 21,537,971
Cash and Cash Equivalents - Restricted (Note 3)	9,498,264
Investments (Note 3)	5,086,983
Accounts Receivable, Net (Note 4)	68,589,637
Prepaid Expense	394,428
Total Current Assets	105,107,283
NON-CURRENT ASSETS	
IT Subscriptions, Net of Accumulated Amortization (Notes 5 & 11)	1,510,170
Non-depreciable Capital Assets (Note 5)	19,046,398
Capital Assets, Net of Accumulated Depreciation (Note 5)	46,764,383
Total Non-Current Assets	67,320,951
Total Assets	172,428,234
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - Pension Liability (Note 6)	6,189,930
Deferred Outflows - OPEB Liability (Note 7)	7,992,918
Total Assets and Deferred Outflows of Resources	186,611,082
LIABILITIES	
CURRENT LIABILITIES	
Subscriptions Liability - Current Portion (Note 11)	565,608
Accounts Payable (Note 12)	4,893,823
Accrued Compensated Absences - Current Portion (Note 13)	759,545
Unearned Revenue	10,971,627
Total Current Liabilities	17,190,603
NON-CURRENT LIABILITIES	
Subscriptions Liability (Note 11)	873,390
Accrued Compensated Absences (Note 13)	733,764
Pension Liability (Note 6)	31,578,502
OPEB Liability (Note 7)	27,286,656
Total Non-Current Liabilities	60,472,312
Total Liabilities	77,662,915
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows - Pension Liability (Note 6)	2,852,114
Deferred Inflows - OPEB Liability (Note 7)	12,758,512
Total Liabilities and Deferred Inflows of Resources	93,273,541
NET POSITION (DEFICIT)	
Net Investment in Capital Assets	65,881,953
Restricted - Capital Appropriations	64,026,521
Unrestricted - Plant Funds	5,022,234
Unrestricted - Unfunded Pension Obligation	(28,240,686)
Unrestricted - Unfunded OPEB Obligation	(32,052,250)
Unrestricted - Other	18,699,769
Total Net Position	$ 93,337,541

See Accompanying Notes

PIEDMONT TECHNICAL COLLEGE
Non-Governmental Discretely Presented Component Unit
Statement of Financial Position
Piedmont Technical College Foundation
June 30, 2026

ASSETS	
Current Assets	
Cash and Cash Equivalents	$ 269,010
Investments, At Fair Value	9,644,568
Unconditional Promises to Give, Net	96,061
Accounts Receivable	3,037
Total Current Assets	10,012,676
Property and Equipment, Net	2,410,052
Other Assets	
Endowment Investments, At Fair Value	1,532,185
Unconditional Promises to Give, Net	57,205
Cash Surrender Value of Life Insurance	533,187
Total Other Assets	2,122,577
Total Assets	$ 14,545,305
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable and Accrued Liabilities	$ 55,778
Income Taxes Payable	3,573
Unearned Revenue	6,167
Total Current Liabilities	65,518
Net Assets	
Net Assets Without Donor Restrictions	10,435,689
Net Assets With Donor Restrictions	
Restricted by Purpose or Time	2,511,913
Restricted in Perpetuity	1,532,185
	4,044,098
Total Net Assets	14,479,787
Total Liabilities and Net Assets	$ 14,545,305

See Accompanying Notes

PIEDMONT TECHNICAL COLLEGE
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2026

OPERATING REVENUES	
Student Tuition and Fees (Net of Scholarship Allowances of $18,237,583)	$ 8,329,608
Federal Pell Grants	16,440,580
State Lottery Grants	6,121,986
Auxiliary Enterprises	298,987
Other Operating Revenues	334,431
Total Operating Revenues	31,525,592
OPERATING EXPENSES	
Salaries	25,280,920
Benefits - Other	10,978,549
Benefits - Pension	(2,922,844)
Benefits - OPEB	(16,293)
Scholarships (Net of Scholarship Allowances of $18,237,583)	10,414,603
Utilities	1,122,578
Supplies and Other Services	12,909,379
Lease Amortization	1,490
Subscriptions Amortization	610,367
Depreciation	3,089,586
Total Operating Expenses	61,468,335
Operating Loss	(29,942,743)
NONCAPITAL SUBSIDIES	
State Appropriations	16,481,105
County Appropriations	3,718,053
Federal Grants (Other than Pell Grants)	2,417,025
State Grants (Other than Lottery Grants)	8,269,560
Local Grants	129,804
Total Noncapital Subsidies	31,015,547
Operating Loss and Noncapital Subsidies	1,072,804
OTHER NONOPERATING REVENUES	
Interest Income	993,589
Federal Capital Grants	4,004,383
State Capital Appropriations	7,217,247
Other Capital Contributions	571,243
Total Other Nonoperating Revenues	12,786,462
Increase in Net Position	13,859,266
Net Position - Beginning of Year, as Previously Presented	16,964,845
Restatement of Beginning of Year Net Position	62,513,430
Net Position - Beginning of Year, as Adjusted	79,478,275
Net Position - End of Year	$ 93,337,541

See Accompanying Notes

PIEDMONT TECHNICAL COLLEGE
Non-Governmental Discretely Presented Component Unit
Statement of Activities
Piedmont Technical College Foundation
For the Year Ended June 30, 2026

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Contributions	$ 380,650	$ 294,254	$ 674,904
Investment Income (Loss) - Net	995,923	319,210	1,315,133
Special Events			
Golf Tournament Income	5,709	-	5,709
Contributed Nonfiancial Assets	91,627	-	91,627
Distance Learning Revenue	378,000	-	378,000
Rental Income	13,233	-	13,233
Other Income	13,328	-	13,328
Net Assets Released from Restrictions	524,171	(524,171)	-
Total Revenues, Gains, and Other Support	2,402,641	89,293	2,491,934
EXPENSES			
Program Services			
Distance Learning Program Expenses	146,436	-	146,436
Scholarships and Grants	624,545	-	624,545
Other Program Services	180,913	-	180,913
Total Program Services	951,894	-	951,894
Support Services			
Management and General	235,344	-	235,344
Total Support Services	235,344	-	235,344
Total Expenses	1,187,238	-	1,187,238
Change in Net Assets	1,215,403	89,293	1,304,696
Net Assets - Beginning of Year	9,220,286	3,954,805	13,175,091
Net Assets - End of Year	$ 10,435,689	$ 4,044,098	$ 14,479,787

See Accompanying Notes

PIEDMONT TECHNICAL COLLEGE

Statement of Cash Flows

For the Year Ended June 30, 2026

CASH FLOWS FROM OPERATING ACTIVITIES	
Tuition and Fees	$ 8,299,505
Federal, State and Local Grants and Contracts	25,323,596
Auxiliary Enterprise Charges	298,987
Other Receipts	334,431
Payments to Vendors	(31,946,924)
Payments to Employees	(25,192,242)
Student Loan Receipts from Lenders	9,801,414
Disbursements to Students on Behalf of Lenders	(9,801,414)
Net Cash Used by Operating Activities	(22,882,647)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
State Appropriations	16,481,105
County Appropriations	3,718,053
State, Local and Federal Grants, Gifts and Contracts - Non-Operating	10,816,389
Net Cash Provided by Non-capital Financing Activities	31,015,547
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Federal, State and Other Grants for Capital	5,980,539
Purchase of Capital Assets	(16,297,753)
IT Subscriptions	(528,372)
Net Cash Used by Capital and Related Financing Activities	(10,845,586)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Income	993,589
Net Purchase/Proceeds of Certificates of Deposit	(199,659)
Net Cash Provided by Capital and Related Financing Activities	793,930
Net Change in Cash and Cash Equivalents	(1,918,756)
Cash - Beginning of Year (All Unrestricted)	32,954,991
Cash - End of Year (Including $9,498,264 in Restricted Cash)	$ 31,036,235
Reconciliation of Net Operating Revenue (Expenses) to Net Cash Used by Operating Activities:	
Operating Loss	$ (29,942,743)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation Expense	3,089,586
Lease Amortization Expense	1,490
Subscription Amortization Expense	610,367
Receivables, Net	2,391,447
Prepaid Expense	(107,786)
Changes in Pension/OPEB Related Items	(2,939,137)
Accounts Payable	3,585,971
Accrued Compensated Absences	88,678
Unearned Revenue	339,480
Net Cash Used by Operating Activities	$ (22,882,647)

See Accompanying Notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Operations

Piedmont Technical College (the "College"), a member institution of the South Carolina Technical College System, provides a range of educational programs to meet the needs of the adult population of Greenwood, Abbeville, McCormick, Saluda, Laurens, Newberry and Edgefield counties. Included in this range of programs are technical and occupational associate degree, diploma and certificate curricula that are consistent with the needs of employers in the College's service area. As an integral part of this mission, the College provides a program of continuing education designed to satisfy the occupational demands of employers through retraining and upgrading the skills of individual employees. The College also provides a variety of developmental education programs, support services and offerings to assist students in meeting their personal and professional educational objectives.

B. Reporting Entity

The financial reporting entity, as defined by the Governmental Accounting Standards Board (GASB) consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion could cause the financial statements to be misleading or incomplete. Accordingly, the financial statements include the accounts of Piedmont Technical College, a non-major discreetly presented component unit of the state of South Carolina, and the accounts of Piedmont Technical College Foundation (the "Foundation"), its discreetly presented component unit.

The Foundation is a legally separate, tax-exempt organization with a self-perpetuating Board of Directors. The Foundation acts primarily as a fund-raising organization to supplement the resources that are available to the College in support of its programs. The Foundation's board is composed of members from the College's seven county region. Although the College does not control the timing or amount of receipts from the Foundation, the majority of resources, or income thereon, which the Foundation holds and invests, is restricted by the donors to benefiting the College or its students. Because these restricted resources held by the Foundation can only be used by, or for the benefit of, the College, the Foundation is considered a discretely presented component unit of the College. The Foundation's financial information is presented in separate financial statements because of the difference in its reporting model, as further described below.

The Foundation is a private not-for-profit organization that reports its financial results under guidance issued by the Financial Accounting Standards Board (FASB) through its Accounting Standards Codification (ASC). Under this guidance, certain revenue recognition criteria and presentation features are different from GASB revenue recognition criteria and presentation features. The financial information has been obtained from the Foundation and presented for the same periods. Significant note disclosures to the Foundation's financial statements have been incorporated into the College's notes.

A complete set of the financial statements for the Foundation can be obtained by mailing a request to Piedmont Technical College Foundation, P.O. Box 1467, Greenwood, SC, 29648.

C. Financial Statements

The financial statement presentation for the College meets the requirements of The Governmental Accounting Standards Board (GASB). As such, this financial statement presentation provides a comprehensive, entity-wide perspective of the College's net position, revenues, expenses and changes in net position and cash flows.

D. Basis of Accounting

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

E. Cash and Cash Equivalents

For purposes of the statement of cash flows, the College considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Restricted cash and cash equivalents refer to monies held by the College, which must be spent on specific purposes as determined by the awarding entity. Currently, the College's restricted cash and cash equivalents balance mostly consists of South Carolina Workforce Industry Needs Scholarship (SCWINS) monies, which have been awarded to the College by the State of South Carolina and must be spent on certain workforce development programs. SCWINS program monies also have restrictions on covered expenses, residency requirements, and an annual $5,000 per student cap.

F. Deposits

State law requires that a bank or savings and loan association receiving State funds must secure the deposits by deposit insurance, surety bonds, collateral securities, or letters of credit to protect the State against any loss. To address the custodial credit risk and compliance with the above-mentioned law, the College has a written policy that collateral securities are held in the name of the College for any deposits with financial institutions that are in excess of the amount covered by the Federal Deposit Insurance Corporation (FDIC).

G. Investments

College:

The College accounts for its investments at fair value. Changes in unrealized gain (loss) on the fair value of investments are reported as a component of investment income in the statement of revenues, expenses, and changes in net position.

The College is authorized by the South Carolina Code of Laws to invest in obligations of the United States and its agencies, obligations of the State of South Carolina and its political subdivisions, collateralized or federally insured certificates of deposit, and collateralized repurchase agreements.

Custodial Credit Risk for investments is the risk that, in the event of the failure of the custodian, the College will not be able to recover the value or will not be able to recover sufficient alternative securities that are in the possession of an outside party. For additional information on the College's procedures relating to custodial credit risk, refer to *Note 3*.

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of a deposit. Piedmont Technical College does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the College is not exposed to this risk. It is the policy of the College that all deposits and investments be denominated in United States Dollars.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The College has no rated debt investments. The credit risk exposure of the College is limited to the deposits exposure.

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment or the earnings potential of an investment. As interest rates rise during a holding period the price potential purchasers are willing to pay for a lower rate security decreases. The College's investment policies address the selection of securities including certificates of deposit based on the best available rate for the needed term as determined through cash management techniques. The exposure to interest rate risk through stated fixed rates and length of maturity are disclosed in *Note 3*.

Foundation:

The Foundation's policy is to carry investments, other than real estate, at fair value. Gains or losses that result from market fluctuations are recorded in investment income (loss) in the period in which the fluctuations occur. See Note 3 for additional information on fair value measurements. Investments are exposed to various risks such as significant world events, interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amount reported in the consolidated statement of financial position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Accounts Receivable

Accounts receivable consists of tuition and fee charges to students, gift pledges and auxiliary enterprise services provided to students, faculty and staff. Accounts receivable also include amounts due from the Federal government, state and local governments, or private sources, in connection with reimbursement of allowable expenditures made pursuant to the College's grants and contracts. Accounts receivable are recorded net of an allowance for estimated uncollectible amounts. The allowance for losses for student accounts receivable are established based upon actual losses experienced in prior years and evaluations of the current account portfolio.

I. Capital Assets and Property & Equipment

College:

Capital assets are recorded at cost at the date of acquisition or fair market value at the date of donation in the case of gifts. The College follows capitalization guidelines established by the State of South Carolina. All land is capitalized, regardless of cost. Qualifying improvements that rest in or on the land itself are recorded as depreciable land improvements. Major additions, renovations and other improvements that add to the usable space, prepare existing buildings for new uses, or extend the useful life of an existing building are capitalized. The College capitalizes movable personal property with a unit value in excess of $5,000 and a useful life in excess of two years and depreciable land improvements, buildings and improvements, and intangible assets costing in excess of $100,000. Routine repairs and maintenance and library materials, except individual items costing in excess of $5,000, are charged to operating expenses in the year in which the expense was incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, generally 15 to 40 years for buildings and improvements and land improvements and 3 to 25 years for machinery, equipment, and vehicles. Depreciation is taken at the beginning of the month and year the asset is placed in service and no depreciation is taken in the year of disposition.

Foundation:

Property and equipment are recorded at cost. Donated land, buildings, and equipment are recorded at the approximate fair market value of the asset on the date of donation. Improvements or betterments of a permanent nature are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets retired or otherwise disposed of, and the related accumulated depreciation, are eliminated from the account in the year of disposal. Gains or losses resulting from property disposals are credited or charged to operations currently. Buildings and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. Property and equipment are reviewed on an ongoing basis for impairment based on a comparison of their carrying value to fair value.

J. Unearned Revenues

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

K. Compensated Absences

The College adheres to GASB Statement No. 101, which is effective for fiscal years beginning after December 15, 2024, for the accounting and reporting of compensated absences. Upon implementation, the impact on prior-period financial statements was evaluated and determined not to be material; therefore, prior periods were not restated, and no restatement is presented. In accordance with State of South Carolina policy, full-time employees may accrue up to 45 days of annual leave and 180 days of sick leave based on years of service. Upon separation, employees are compensated for accrued annual leave up to 45 days. Class II SCRS and PORS members may apply up to 90 days of unused sick leave as service credit at retirement, while all other employees are not eligible for payment of unused sick leave upon termination. Unpaid accrued annual leave is recognized as a liability at fiscal year-end and is reported in both current and long-term liabilities on the statement of net position, with a corresponding amount recorded as a benefit expense in the statement of revenues, expenses, and changes in net position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

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

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

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

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

Within the unrestricted net position classification is an amount required by State policy for 30 days operating expenditures. The balance reported must equal this 30-day requirement for the College to be in compliance with this policy. In addition, project planning is performed with a greater than one year horizon for which resources have been tentatively committed.

The College's policy for spending either restricted or unrestricted resources is delegated to the departmental administrative level. General practice is to first apply the expense to restricted resources and then to unrestricted resources.

The Foundation's net assets are classified into the following two classes:

Without donor restrictions: are net assets that are not subject to or are no longer subject to donor-imposed stipulations.

With donor restrictions:
Restricted by purpose or time are net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. Restricted in perpetuity are net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise be removed by actions of the Foundation.

M. Income Taxes
The College is exempt from income taxes under the Internal Revenue Code. The Foundation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, income earned in furtherance of the Foundation's tax-exempt purpose is exempt from federal and state income taxes. Any activities not directly related to the Foundation's tax-exempt purpose are subject to taxation as unrelated business income.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

N. Classification of Revenues

The College has classified its revenues as either operating, non-operating, or, non-capital subsidy revenues according to the following criteria:

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

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

***Non-capital subsidy revenues**:* Non-capital subsidies are non-exchange resources received or provided for ongoing operations where the college does not give goods or services in return, and which directly or indirectly keeps student tuition, fees, or charges lower than they would otherwise be.

The Foundation has classified and recognized revenue and expenses according to the following criteria:

Revenues are reported as increases in net assets without donor restrictions classification unless use of the related assets is limited by donor-imposed restrictions. Contributions, including unconditional promises to give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions for in-kind gifts from outside sources are not recorded in the Foundation's financial records, but are accounted for and acknowledged separately.

Expenses are reported as decreases in net assets without donor restrictions or net assets with donor restrictions as appropriate. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in without donor restrictions net assets unless their use is restricted by explicit donor stipulation or by law.

O. Auxiliary Enterprises and Internal Service Activities

Auxiliary enterprise revenues primarily represent revenues generated by bookstore and canteen services. Revenues of internal service and auxiliary enterprise activities and the related expenditures of College departments have been eliminated.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The College currently reports deferred outflows of resources of $14,182,848 as of June 30, 2026.

In addition to the liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separated financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The College currently reports deferred inflows of resources of $15,610,626 as of June 30, 2026.

NOTE 2 - STATE APPROPRIATIONS

State funds for operations for the South Carolina Technical College System are appropriated to the State Board for Technical and Comprehensive Education (the "Board") and the Board allocates funds budgeted for the technical colleges in a uniform and equitable manner. The following is a detail schedule of State appropriations revenue reported in the financial statements for the fiscal year ended June 30, 2026.

Non-capital appropriations	
Current year appropriations	
Original appropriations per Annual Appropriations Act	$ 15,953,761
Health/Pay plan allocations	527,344
Total non-capital appropriations	16,481,105
Capital appropriations	
MRR Funding	7,000,000
Lottery Technology	217,247
Total capital appropriations	7,217,247
Total appropriations recorded as current year revenue	$ 23,698,352

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits
The bank balances for deposits of the College at June 30, 2026, were $38,173,677. Of these, $5,405,613 is covered by the Federal Deposit Insurance Corporation (FDIC). In addition, $31,888,983 is collateralized by securities held by the institution pledged in the College's name. The College recognized no loss due to default by counterparties to investment transactions and amounts recovered from prior period losses.

The Foundation reports a bank balance of $269,010 at June 30, 2026. $250,000 of which is covered by the FDIC, and $19,010 were undercollateralized.

Investments
The College's investments as of year-end consisted of certificates of deposits and US Treasury and Agency Notes. Details for interest rate and maturity risk exposure are as follows:

Institution	Face rate	Fair Value	Maturing
First Citizens portfolio	Various	$ 5,086,983	Various

The Foundation pools assets of restricted and unrestricted funds in order to maximize potential earnings. Income, realized gains and losses, and unrealized gains and losses are allocated among the various funds in the pool of assets. Major classifications in investments at June 30, 2026, are as follows:

Pooled Investments	Fair Value
Money market funds	$ 2,685,591
U.S. Government obligations	523,546
Preferred stock	36,058
Corporate bonds and notes	1,149,271
Corporate common stocks	4,045,960
Exchange traded funds	2,129,279
Mutual funds	607,048
Totals	$ 11,176,753

NOTE 3 – DEPOSITS AND INVESTMENTS, Continued

The Foundation's investment income for the year ended June 30, 2026 consisted of $157,776 in dividends and interest and $1,157,357 in realized/unrealized gains.

The following schedule reconciles cash and investments as reported in the Statement of Net Position to the footnote disclosures provided for deposits and investments:

Statement of net position	
Current assets	
Cash and cash equivalents	$ 21,537,971
Cash and cash equivalents- Restricted	9,498,264
Investments	5,086,983
Total College	36,123,218
Statement of financial position	
Current assets	
Cash and cash equivalents	269,010
Investments, At Fair Value	9,644,568
Noncurrent assets	
Endowment Investments, At Fair Value	1,532,185
Total discretely presented component unit	11,445,763
Total reporting entity	$ 47,568,981
Note disclosure	
Cash on hand	$ 3,300
Deposits with banks	31,032,935
Investments	5,086,983
Total College	36,123,218
Deposits with banks	269,010
Investments and Endowments, At Fair Value	11,176,753
Total discreetly presented component unit	11,445,763
Total reporting entity	$ 47,568,981

NOTE 4 - ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2026, are summarized as follows:

Student accounts	$ 1,880,186
Federal capital grants	4,004,383
Federal grants and contracts	459,470
State capital appropriations	61,728,618
State grants and contracts	738,270
Local grants and contracts	78,710
Accounts receivable	68,889,637
Allowance for uncollectible	(300,000)
Accounts receivable, net	$ 68,589,637

NOTE 4 - ACCOUNTS RECEIVABLE, Continued

The Foundation's unconditional promises to give receivable as of June 30, 2026 consist of without donor restrictions and with donor restrictions promises to give. These unconditional promises to give are to be received by the Foundation for years subsequent to June 30, 2026 and are deemed to be fully collectible by management. The following schedule summarizes the Foundation's unconditional promises to give at June 30, 2026:

Less than one year	$ 100,000
One to five years	65,000
	165,000
Less: discount to net present value	(11,734)
Unconditional promises to give, net	$ 153,266

Unconditional promises to give are reflected at the present value of estimated future cash flows using a discount rate of 4.10 percent for unconditional promises to give within one to three years and 4.35 percent to give within four to five years.

NOTE 5 - CAPITAL ASSETS

	Ending Balance June 30, 2025	Increases	Decreases	Ending Balance June 30, 2026
Capital assets not being depreciated:				
Land	$ 965,658	$ -	$ -	$ 965,658
Construction in progress	3,264,025	14,816,715	-	18,080,740
Total capital assets not being depreciated	4,229,683	14,816,715	-	19,046,398
Other capital assets:				
Depreciable land improvements	2,214,074	-	-	2,214,074
Buildings and improvements	77,353,507	-	-	77,353,507
Machinery, equipment, and other	15,378,730	1,481,038	(385,422)	16,474,346
Vehicles	881,476	-	(26,718)	854,758
Software	682,892	-	-	682,892
Leased assets:				
Equipment	14,306	-	(14,306)	-
Subscription assets	2,975,545	184,225	(216,915)	2,942,855
Total depreciable assets at historic cost	99,500,530	1,665,263	(643,361)	100,522,432
Less accumulated depreciation For:				
Depreciable land improvements	(1,250,875)	(134,779)	-	(1,385,654)
Buildings and improvements	(33,719,628)	(1,735,006)	-	(35,454,634)
Machinery, equipment, and other	(11,821,984)	(1,137,932)	385,422	(12,574,494)
Vehicles	(662,369)	(81,869)	26,718	(717,520)
Software	(682,892)	-	-	(682,892)
Leased assets:				
Equipment	(12,816)	(1,490)	14,306	-
Subscription assets	(1,039,233)	(610,367)	216,915	(1,432,685)
Total accumulated depreciation	(49,189,797)	(3,701,443)	643,361	(52,247,879)
Other capital assets, net	50,310,733	(2,036,180)	-	48,274,553
Capital assets, net	$ 54,540,416	$ 12,780,535	$ -	$ 67,320,951

Depreciation expense for the current year totaled $3,089,586, while lease amortization totaled $1,490, and subscriptions amortization totaled $610,367.

NOTE 6 - PENSION PLAN(S)

South Carolina Retirement System

The majority of employees of Piedmont Technical College are covered by a retirement plan through the South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan administered by the Retirement Division of the South Carolina Public Employee Benefit Authority (PEBA), a public employee retirement system. Generally, all full-time or part-time equivalent State employees in a permanent position are required to participate in and contribute to the SCRS as a condition of employment unless exempted by law as provided in Section 9-1-480 of the South Carolina Code of Laws, as amended, or are eligible and elect to participate in the State Optional Retirement Program (ORP). The SCRS plan provides a life-time monthly retirement annuity benefits to members as well as disability, survivor options, annual benefit adjustments, death benefits, and incidental death benefits to eligible employees and retired members.

The Retirement Division maintains five independent defined benefit plans and issues its own publicly available Annual Comprehensive Financial Report (ACFR) which includes financial statements and required supplementary information. A copy of the separately issued ACFR may be obtained by writing to the South Carolina Public Employee Benefit Authority, P.O. Box 11960, Columbia, South Carolina 29211-1960. Furthermore, the Division and the five pension plans are included in the State of South Carolina's ACFR.

Under the SCRS, Class II members are eligible for a full-service retirement annuity upon reaching age 65 or completion of 28 years of credited service regardless of age. Employees who first became members of the System after June 30, 2012 are considered Class III members and are eligible for a full-service retirement annuity upon reaching age 65 or upon meeting the rule of 90 requirement (i.e., the members age plus the years of service add up to a total of at least 90). The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 1.82 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual earnable compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay at retirement for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. Early retirement options with reduced benefits are available as early as age 55 for Class II members and age 60 for Class III members. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Disability annuity benefits are payable to Class II members if they have permanent incapacity to perform regular duties of the member's job and they have at least 5 years of earned service (this requirement does not apply if the disability is a result of a job-related injury). Class III members qualify for disability annuity benefits provided they have a minimum of eight years of credited service. For disability applications received after December 31, 2013, a member SCRS will have to be approved for disability benefits from the social security administration in order to be eligible for SCRS disability retirement benefits. An incidental death benefit equal to an employee's annual rate of compensation is payable upon the death of an active employee with a minimum of one year of credited service or to a working retired contributing member. There is no service requirement for death resulting from actual performance of duties for an active member. For eligible retired members, a lump-sum payment is made to the retiree's beneficiary of up to $6,000 based on years of service at retirement.

Effective July 1, 2023, employees participating in the SCRS were required to contribute 9.00% of all earnable compensation. The employer contribution rate for SCRS was 18.56%. Included in the total SCRS employer contribution rate is a base retirement contribution of 18.41%, 0.15% for the incidental death program. Piedmont Technical College's actual retirement and incidental death program contributions to the SCRS for the years ended June 30, 2026, 2025, and 2024 were:

	Retirement		Incidental Death	
Fiscal Year Ended	Rate	Contribution	Rate	Contribution
2026	18.410%	$3,695,461	.15%	$ 30,110
2025	18.410%	$3,508,826	.15%	$ 28,589
2024	18.410%	$3,375,724	.15%	$ 27,505

NOTE 6 - PENSION PLAN(S), Continued

Police Officers Retirement System

The South Carolina Police Officers Retirement System (PORS) is a cost-sharing multiple employer defined benefit public employee retirement system. Generally, all full-time employees whose principal duties are the preservation of public order or the protection or prevention and control of property destruction by fire are required to participate in and contribute to PORS as a condition of employment. This plan provides lifetime monthly annuity benefits as well as disability, survivor benefits and incidental benefits to eligible employees and retirees. In addition, participating employers in the PORS contribute to the accidental death fund which provides annuity benefits to beneficiaries of police officers and firemen killed in the actual performance of their duties. These benefits are independent of any other retirement benefits available to the beneficiary.

Under the PORS, Class II members are eligible for a full-service retirement annuity upon reaching age 55 or completion of 25 years of credited service regardless of age. Class III members are eligible for a full-service retirement annuity upon reaching age 55 or 27 years of credited service. The benefit formula for full benefits effective since July 1, 1989 for the SCRS is 2.14 percent of an employee's average final compensation (AFC) multiplied by the number of years of credited service. For Class II members, AFC is the average annual compensation during 12 consecutive quarters and includes an amount for up to 45 days termination pay for unused annual leave. For Class III members, AFC is the average annual earnable compensation during 20 consecutive quarters and termination pay for unused annual leave at retirement is not included. PORS does not have an early retirement option. Class II members are vested for a deferred annuity after five years of earned service. Class III members are vested for a deferred annuity after eight years of earned service. Members qualify for a survivor's benefit upon completion of 15 years of credited service (five years effective January 1, 2002).

Effective July 1, 2023, employees participating in the PORS were required to contribute 9.75% of all earnable compensation. The employer contribution rate for PORS was 21.24%. Included in the total PORS employer contribution rate is a base retirement contribution of 20.84%, 0.20% for the incidental death program, 0.20% for the accidental death program. Piedmont Technical College's actual retirement, incidental death program and accidental death program contributions to the PORS for the years ended June 30, 2026, 2025, and 2024 were:

	Retirement		Incidental Death		Accidental Death	
Fiscal Year Ended	Rate	Contribution	Rate	Contribution	Rate	Contribution
2026	20.840%	$ 97,183	.20%	$ 983	.20%	$ 983
2025	20.840%	$106,449	.20%	$ 1,022	.20%	$ 1,022
2024	20.840%	$114,747	.20%	$ 1,101	.20%	$ 1,101

Optional Retirement Program

As an alternative to membership to SCRS, newly hired State employees may elect to participate in the State Optional Retirement Program (ORP), a defined contribution plan. The ORP was established in 1987 under Title 9, Chapter 20, of the South Carolina Code of Laws. State ORP participants direct the investment of their funds into a plan administered by one of four investment providers. The State assumes no liability for State ORP plan other than for payment of contributions to designated companies. To elect participation in the ORP, eligible employees must elect membership within their first 30 days of employment. Under State law, contributions to the ORP are required at the same rates as for the SCRS, 18.41%. Of the 18.41% employer retirement contribution rate, the employer remits 5.00% directly to the participant's ORP account and the remaining 13.41% and 0.15% incidental death program contribution amounts are remitted to SCRS. For fiscal year 2026, total contributions to the ORP were approximately $394,842 from Piedmont Technical College.

The amounts paid by Piedmont Technical College for pension, incidental death program, and accidental death program contributions are reported as employer contribution expenditures within the applicable functional expenditure categories to which the related salaries are charged.

NOTE 6 - PENSION PLAN(S), Continued

Article X, Section 16, of the South Carolina Constitution requires that all State-operated retirement systems be funded on a sound actuarial basis. Title 9 of the South Carolina Code of Laws of 1976, as amended, prescribes requirements relating to membership, benefit, and employee/employer contributions for each retirement system. Employee and employer contribution rates to SCRS and PORS are actuarially determined.

The surcharges to fund retiree health and dental insurance are not part of the actuarially established rates.

Deferred Compensation Plans
Several optional deferred compensation plans are available to State employees and employers of its political subdivisions. Certain employees of the College have elected to participate. The multiple-employer plans, created under Internal Revenue Code Sections 457, 401(k), and 403(b), are administered by third parties and are not included in the Comprehensive Annual 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.

Pension Liability
At June 30, 2026 the College reported $31,578,502 for its proportionate share of the net pension liabilities of SCRS and PORS. The June 30, 2025 net pension liability was determined by actuary Gabriel Roeder Smith & Company and is based on an actuarial valuation performed as of July 1, 2024. The College's portion of the net pension liability was based on the College's share of contributions to the pension plan relative to the contributions of all participating entities. At June 30, 2026, the College's SCRS proportion was 0.143023%, and its PORS proportion was 0.024323%. For the year ended June 30, 2026, the College recognized a decrease in pension expense of $2,933,548 for SCRS and an increase in pension expense of $10,704 for PORS.

NOTE 6 - PENSION PLAN(S), Continued

At June 30, 2026, the College reported deferred outflows of resources and deferred inflows of resources to pensions from the following sources:

	SCRS	PORS	Total
Deferred outflows of resources			
Differences between expected and actual experience	$ 1,450,035	$ 78,964	$ 1,528,999
Assumption changes	365,265	8,938	374,203
Differences between employer contributions & proportionate share	-	67,266	67,266
Contributions made from measurement date to June 30, 2026	4,120,413	99,049	4,219,462
Total deferred outflows of resources	$ 5,935,713	$ 254,217	$ 6,189,930
Deferred inflows of resources			
Net difference between projected and actual investment earnings	$ 1,984,273	$ 63,344	$ 2,047,617
Differences between employer contributions & proportionate share	730,248	74,249	804,497
Total deferred inflows of resources	$ 2,714,521	$ 137,593	$ 2,852,114
Net deferred outflows/(inflows)	$ 3,221,192	$ 116,624	$ 3,337,816

$4,120,413 and $99,049 for SCRS and PORS respectively reported as deferred outflows of resources related to pensions resulting from the College's contributions subsequent to the measurement dates will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year ended June 30,	SCRS	PORS	Total
2027	$ 661,537	$ 64,679	$ 726,216
2028	(378,012)	617	(377,395)
2029	(725,289)	(33,295)	(758,584)
2030	(457,457)	(14,426)	(471,883)
	$ (899,221)	$ 17,575	$ (881,646)

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, 2025 is based on the experience study report for the period ending June 30, 2023.

The June 30, 2025, total pension liability (TPL), net pension liability (NPL), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel Roeder Smith & Company (GRS) and are based on an actuarial valuation performed as of July 1, 2024. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2025, using generally accepted actuarial principles. There was no legislation enacted during the 2025 legislative session that had a material change in the benefit provisions for any of the systems.

NOTE 6 - PENSION PLAN(S), Continued

The following table provides a summary of the actuarial assumptions and methods used to calculate the total pension liability as of June 30, 2025:

	SCRS	PORS
Actuarial Cost Method	Entry age normal	Entry age normal
Actuarial Assumptions:		
Investment Rate of Return	7%	7%
Includes Inflation Rate at:	2.25%	2.25%
Projected Salary Increase	3.0% to 11.25% (varies by service)	3.5% to 11.0% (varies by service)
Benefit Adjustment	Lesser of 1% or $500 annually	Lesser of 1% or $500 annually

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, 2025 total pension liability are as follows:

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

The long-term expected rate of return on pension plan investments is based upon 30-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 the 2024 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7 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.

NOTE 6 - PENSION PLAN(S), Continued

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Asset Allocation	Expected Arithmetic Real Rate of Return	Long Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.23%	2.70%
Bonds	26.0%	2.60%	0.83%
Private Equity	9.0%	9.60%	0.77%
Private Debt	7.0%	6.90%	0.52%
Real Assets	**12.0%**		
Real Estate	9.0%	4.30%	0.45%
Infrastructure	3.0%	7.30%	0.23%
Total expected real return	100.0%		5.50%
Inflation for actuarial purposes			2.25%
Total expected nominal return			**7.75%**

The discount rate used to measure the TPL was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all 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.

The following table presents the College's proportionate share of the net SCRS and PORS pension liabilities as of June 30, 2025 calculated using the discount rate of 7 percent, as well as what the College's respective net pension liabilities would be if it were calculated using a discount rate that is 1.00 percent lower (6 percent) or 1.00 percent higher (8 percent) than the current rate:

Plan	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
SCRS	$ 41,764,459	$ 30,905,900	$ 21,869,944
PORS	1,023,730	672,602	384,536

NOTE 7 – OPEB AND OTHER BENEFITS

Plan Description

The majority of employees of the College are covered by the South Carolina Retiree Health Insurance Trust Fund (SCRHITF), which was 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 SCRHITF is administered by the PEBA Insurance Benefits (IB), 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 SCRHITF is a cost-sharing multiple-employer defined benefit plans. Article 5 of the State Code of Laws defines the plan and authorizes the Trustee to at any time adjust the plans, including its benefits and contributions, as necessary to insure the fiscal stability of the plans. In accordance with the South Carolina Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental benefits to retired State and school district employees and their covered dependents.

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.

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

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

Funding Policies

Section 1-11-710 of the South Carolina Code of Laws of 1976, as amended, requires these postemployment and long-term disability benefits to be funded through annual appropriations by the General Assembly for active employees to the PEBA, IB and participating retirees to PEBA, except for the portion funded through the pension surcharge and provided from the other applicable sources of the PEBA IB. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. The covered payroll surcharge for the year ended June 30, 2026 was 6.35%. The South Carolina Retirement System collects the monthly surcharge for all participating employers and remits it directly to the SCRHITF. Other sources of funding for the SCRHITF include mandatory transfers of accumulated PEBA, Insurance Benefits' reserves and income generated from investments. Contributions to the OPEB plan from the College were $1,430,527 for the year ended June 30, 2026. Employees are not required to contribute to the OPEB plan.

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

NOTE 7 – OPEB AND OTHER BENEFITS, Continued

OPEB Liability

At June 30, 2026, the College reported a liability of $27,286,656 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The College's proportion of the net OPEB liability was based on a projection of the College's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2026, the College's proportion was 0.180488%.

For the year ended June 30, 2026, the College recognized a decrease in OPEB expense in the amount of $16,293. At June 30, 2026, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,179,189	$ 3,229,381
Net difference between projected and actual earnings	-	29,710
Assumption changes	4,277,015	7,714,460
Differences between employer contributions & proportionate share	106,187	1,784,961
Contributions made from measurement date to June 30, 2026	1,430,527	-
Total	$ 7,992,918	$ 12,758,512

$1,430,527 reported as deferred outflows of resources related to OPEB resulting from Fund contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2027.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Net
2027	$ (1,177,862)
2028	(1,931,205)
2029	(2,291,990)
2030	(537,039)
2031	61,120
Thereafter	(319,145)
	$ (6,196,121)

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.

NOTE 7 – OPEB AND OTHER BENEFITS, Continued

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

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date:	June 30, 2024
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:	5.05% as of June 30, 2025
Demographic Assumptions:	Based on the experience study performed for the South Carolina Retirement Systems for the 5-year period ending June 30, 2023.
Mortality Assumptions:	For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with multipliers based on plan experience. The rates are projected on a fully generational basis using 80% of the ultimate rates of Scale MP-2019 to account for future mortality improvements.
Health Care Trend Rate:	Initial trend starting at 6.80% and gradually decreasing to an ultimate trend rate of 4.25% over a period of 15 years
Aging Factors:	Based on plan specific experience
Participation Assumptions:	75% participation for retirees who are eligible for funded premiums 60% 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 3.97% as of June 30, 2024 to 5.05% as of June 30, 2025.

The actuarial valuation was performed as of June 30, 2024. Update procedures were used to roll forward the total OPEB liabilities to June 30, 2025.

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

NOTE 7 – OPEB AND OTHER BENEFITS, Continued

This information is summarized in the following table:

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

The Single Discount Rate of 5.05% was used to measure the total OPEB liability for the SCRHITF. The accounting policy for this plan is to set the Single Discount Rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be less than several basis points (several hundredths of one percent).

The following table presents the College's proportionate share of net OPEB liability calculated using a Single Discount Rate of 5.05%, as well as what the College's proportionate share of net OPEB liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (4.05%)	Current Discount Rate (5.05%)	1% Increase (6.05%)
Net OPEB Liability	$ 31,969,719	$ 27,286,656	$ 23,596,450

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

	1% Decrease (5.80% decreasing to 3.25%)	Current Healthcare Cost Trend Rate (6.80% decreasing to 4.25%)	1% Increase (7.80% decreasing to 5.25%)
Net OPEB Liability	$ 22,843,888	$ 27,286,656	$ 33,063,076

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued SCRHITF financial report.

Other Employee Benefits

In accordance with the South Carolina Code of Laws and the annual Appropriation Act, the State of South Carolina provides certain health care, dental, and life insurance benefits to all permanent full-time and certain permanent part-time employees of the College. These benefits are provided on a reimbursement basis by the employer agency based on rates established at the beginning of the service period by the Employee Insurance Program within the SC Budget and Control Board.

The College recorded benefit expenses for these insurance benefits for active employees in the amount of $2,901,664 for the year ended June 30, 2026.

NOTE 8 - RISK MANAGEMENT

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

The State of South Carolina believes it is more economical to manage certain risks internally and set aside assets for claim settlement. Several state funds accumulate assets and the State itself assumes substantially all the risk for the following claims of covered employees:

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

Employees elect health insurance coverage through either a health maintenance organization or through the State's self-insured plan. See *Note 7* for discussions of amounts paid.

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

Theft, damage to, or destruction of assets
Real property, its contents, and other equipment
Motor vehicles and watercraft
Torts
Natural disasters
Medical malpractice claims against the Infirmary

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

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

NOTE 9 - CONTINGENCIES, LITIGATION, AND PROJECT COMMITMENTS

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

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

Project Commitments
As of June 30, 2026, the College had various open project commitments with remaining balances approximating $5,022,234. The amount and timing of payment depends on the availability of the vendor and consideration of the inconvenience to students while the work is being performed.

NOTE 10 - LEASE OBLIGATIONS

Facilities Leased to Others

The College leased certain office space to another State agency under a 12-month non-cancellable lease. The monthly lease payment of $2,195 was determined based on square footage used. The required future minimum payments to be received are $26,343 for Fiscal Year 2027.

The College recognized $26,343 as revenue under these operating leases during the fiscal year ended June 30, 2026.

NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Subscriptions Payable

For the year ended June 30, 2026, the financial statements continue to include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible subscription asset. For additional information, refer to the disclosures below.

On October 25, 2025, Piedmont Technical College, SC entered into a 36-month subscription for the use of TargetX CRM Recruitment Suite. An initial subscription liability was recorded in the amount of $184,225. As of June 30, 2026, the value of the subscription liability is $121,225 with an interest rate of 2.610%. Piedmont Technical College, SC is required to make annual fixed payments of $63,000. The value of the subscription asset as of June 30, 2026, of $184,225 with accumulated amortization of $41,962, is included with Subscription assets in Note 5 – Capital Assets.

On July 1, 2024, Piedmont Technical College, SC entered into a 60-month subscription for the use of Ellucian - Oracle Relational Database System products. An initial subscription liability was recorded in the amount of $1,857,957. As of June 30, 2026, the value of the subscription liability is $1,163,128. Piedmont Technical College, SC is required to make annual fixed payments of $386,018. The subscription has an interest rate of 2.9990%. The value of the subscription asset as of June 30, 2026, of $2,027,531 with accumulated amortization of $857,776, is included with Subscription assets in Note 5 – Capital Assets.

On 11/30/2022, Piedmont Technical College, SC entered into a 60-month subscription for the use of Navigate Application. An initial subscription liability was recorded in the amount of $731,099. As of June 30, 2026, the value of the subscription liability is $154,645. Piedmont Technical College, SC is required to make annual fixed payments of $159,972. The subscription has an interest rate of 3.4450%. The value of the subscription asset as of June 30, 2026 of $731,099 with accumulated amortization of $532,947, is included with Subscription assets in Note 5 – Capital Assets.

Principal and Interest Requirements to Maturity

Fiscal Year	Principal Payments	Interest Payments	Ending Balance
2027	$ 565,608	$ 43,382	$ 608,990
2028	448,182	25,954	474,136
2029	425,208	12,752	437,960
Total	$ 1,438,998	$ 82,088	$ 1,521,086

NOTE 12- ACCOUNTS PAYABLE

Accounts payable as of June 30, 2026, are summarized as follows:

Accounts payable	$ 3,655,679
Benefits payable	1,051,720
Student deposits	186,424
Total accounts payable	$ 4,893,823

NOTE 13 - LONG-TERM LIABILITIES

Long-term liabilities activity for the year ended June 30, 2026 was as follows:

	June 30, 2025	Additions	Reductions	June 30, 2026	Due Within One Year
Accrued compensated absences	$ 1,404,631	$ 1,022,464	$ (933,786)	$ 1,493,309	$ 759,545

NOTE 14 - STUDENT INSTRUCTIONAL FEES

Since the College receives financial support from county, state and federal sources, students pay only a small portion of the total cost of their education. Instructional fees are based on the extent of financial support provided by the county in which the student resides and were as follows for the 2025-2026 academic year:

Tuition for students from fully supporting counties Greenwood, McCormick, Newberry and Saluda	$2,342
Tuition for students from non-fully supporting counties will be increased by $22.50 per credit hour for students from counties listed below which contribute only partial support:	
Abbeville, Edgefield and Laurens	$2,612
Other South Carolina counties	$2,747
Out of state	$3,416
Out of country	$4,370

NOTE 15 - OPERATING EXPENSES BY FUNCTION

Operating expenses by functional classification for the year ended June 30, 2026 are summarized as follows:

	Salaries	Benefits	Scholarships	Utilities	Supplies and Other Services	Depreciation and Amortization	Total
Instruction	$ 10,535,922	$ 4,358,391	$ -	$ -	$ 5,323,779	$ -	$ 20,218,092
Academic support	3,935,548	1,647,395	-	-	295,437	-	5,878,380
Student services	4,109,664	1,704,585	-	-	1,164,382	-	6,978,631
Operation and maintenance of plant	1,268,314	570,741	-	1,122,578	3,148,804	-	6,110,437
Institutional support	5,293,427	(297,630)	-	-	2,865,620	-	7,861,417
Scholarships	-	-	10,414,603	-	-	-	10,414,603
Auxiliary enterprises	138,045	55,930	-	-	111,357	-	305,332
Depreciation and Amortization	-	-	-	-	-	3,701,443	3,701,443
Total operating expenses	$ 25,280,920	$ 8,039,412	$ 10,414,603	$ 1,122,578	$ 12,909,379	$ 3,701,443	$ 61,468,335

NOTE 16 - REQUIRED INFORMATION ON BUSINESS - TYPE ACTIVITIES

The following information is provided in accordance with the South Carolina Office of Comptroller General's 2026 Audited Financial Statement Manual:

	2026
Charges for services	$ 31,525,592
Grants and contributions	15,528,031
Capital appropriations and contributions	11,792,873
Less: expenses	(61,468,335)
Net program revenue (expense)	(2,621,839)
Transfers:	
Non-capital appropriations	16,481,105
Change in net assets	13,859,266
Net Assets - Beginning, as restated	79,478,275
Net Assets - Ending	$ 93,337,541

NOTE 17 – RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS

Certain separately chartered legal entities whose activities are related to those of the College exist primarily to provide financial assistance and other support to the College and its educational program. Financial statements for these entities are audited by independent auditors and retained by them. They include the Piedmont Technical College Foundation.

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

NOTE 17 – RELATED ORGANIZATIONS, RELATED PARTY TRANSACTIONS, AND TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNITS, Continued

The Foundation paid a total of $570,000 in scholarships, grants, and supplements to the College during 2026. The Foundation reimburses the College for any purchases made by the College on behalf of the Foundation. The College provides office space and management services to the Foundation. The value of this office space and management services totaled $77,000 for the year ended June 30, 2026.

Piedmont Technical College is one of the partners in network with other educational institutions in the seven-county area serviced by Piedmont Technical College in distance learning technology (PEN) for the delivery of classes. Piedmont Technical College paid the Foundation $378,000 for the use of seventeen rooms and for use of the PEN system.

There were no related receivables or payables as of June 30, 2026.

NOTE 18 – FAIR VALUE

College:
The College categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The College has the following recurring fair value measurements as of June 30, 2026:

- Investments are valued using quoted market prices (Level 1 inputs).

Foundation:
The following table sets forth by level, within the fair value hierarchy, the Foundation's assets and liabilities at fair value as of June 30, 2026.

	Fair value measurements at June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Money market funds	$ -	$ 2,685,590	$ -	$ 2,685,590
U.S. Government obligations	-	523,546	-	523,546
Preferred stock	-	36,058	-	36,058
Corporate bonds and notes	-	1,149,271	-	1,149,271
Corporate common stocks	4,045,962	-	-	4,045,962
Exchange traded funds	2,129,279	-	-	2,129,279
Mutual funds	607,047	-	-	607,047
Cash surrender value of life insurance	-	533,187	-	533,187
Total assets at fair value	$ 6,782,288	$ 4,927,652	$ -	$ 11,709,940

NOTE 19 – TAX ABATEMENTS

The State of South Carolina has enacted the Fee-in-Lieu of Tax Program, the Special Source Revenue Credit Program, and the Infrastructure Program as part of Title 12 of the South Carolina Code of Laws in support of economic development. The legislation allows the counties to enter into negotiated fee-in-lieu of tax (FILOT) arrangements with entities in exchange for making investments in facilities and jobs in the county. The FILOT's typically include millage caps and reduced assessment ratios for entities who commit to certain investment and employment targets. Some FILOT's also include Special Source Revenue Credits which further reduce the negotiated fee by a percentage for a specified time period.

The College is subjected to tax abatements granted by Greenwood County since Greenwood County provides funding to the College based on tax millage. For the fiscal year ended June 30, 2026, Greenwood County abated property taxes of which $315,038 would have been paid to the College without such abatements. See the chart below for further details:

Tax abatement Program	Amount of Taxes Abated during the Fiscal Year
Fee-in-Lieu of Taxes Program (FILOT)	$ 15,687
Special Source Revenue Credit Program (SSRC)	5,020
(FILOT + SSRC)	290,793
Special Source Revenue Credit and Infrastructure Program (SSRC + IP)	3,538
	$ 315,038

Newberry County abated property taxes totaling $6,495,133 of which $156,677 would have been paid to the College without such abatements.

Laurens County abated property taxes totaling $484,245 of which $6,316 would have been paid to the College without such abatements.

Saluda County abated property taxes totaling $2,713,214 of which $34,323 would have been paid to the College without such abatements.

NOTE 20 – RESTATEMENT OF NET POSITION

During the year ended June 30, 2026, the College implemented a change in its method of accounting for State capital appropriations to comply with the new directives issued by the State of South Carolina.

Previously, the College recognized capital appropriation revenue and related receivables as qualifying expenditures were incurred, which represented a supportable and reasonable application of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Accordingly, the prior accounting treatment did not constitute a misstatement or an error in previously issued financial statements.

To align with the State's updated directive for technical colleges, the College has adopted a new recognition methodology. Capital appropriations and their corresponding receivables are now recognized immediately upon the formal enactment of the appropriation by the State. In accordance with GASB Statement No. 100, *Accounting Change and Error Corrections*, this transaction is classified and reported as a change in accounting principle.

NOTE 20 – RESTATEMENT OF NET POSITION, Continued

Because it is practicable to determine the cumulative effect of applying this new methodology retroactively, the College has restated its beginning net position to reflect prior-year capital appropriations that would have been recognized under the new framework. The impact of this restatement on the beginning balance of the College's net position is detailed below:

	Balance at June 30, 2025, as Previosuly Reported	Effect of Change in Accounting Principle	Balance at June 30, 2025, as Restated
NET POSITION			
Net Investment in Capital Assets	52,757,271	-	52,757,271
Restricted - Capital Appropriations	-	62,513,430	62,513,430
Unrestricted - Plant Funds	5,332,583	-	5,332,583
Unrestricted - Unfunded Pension Obligation	(31,163,531)	-	(31,163,531)
Unrestricted - Unfunded OPEB Obligation	(32,068,543)	-	(32,068,543)
Unrestricted - Other	22,107,065	-	22,107,065
Total Net Position	$ 16,964,845	$ 62,513,430	$ 79,478,275

NOTE 21 – SUBSEQUENT EVENTS

Subsequent events were evaluated through October 6, 2026, which is the date the financial statements were available for issuance. Events occurring after that date have not been evaluated to determine whether a change in the financial statements would be required.

PIEDMONT TECHNICAL COLLEGE
Schedule of Proportionate Share of the South Carolina
Retirement Systems Net Pension Liabilities
June 30, 2026

SOUTH CAROLINA RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net pension Liability	0.143023%	0.145648%	0.146852%	0.150730%	0.153032%	0.157800%	0.154461%	0.151182%	0.157390%	0.165428%
College's proportionate share of the net pension liability	$ 30,905,900	$ 34,154,970	$ 35,504,979	$ 36,540,199	$ 33,118,052	$ 40,320,743	$ 35,269,925	$ 33,875,130	$ 35,431,020	$ 35,335,175
College's covered payroll	$ 19,059,349	$ 18,336,361	$ 17,139,434	$ 16,745,187	$ 16,055,912	$ 16,286,463	$ 15,154,417	$ 14,817,463	$ 15,282,691	$ 15,415,291
College's proportionate share of the net pension liability as a percentage of its covered employee-payroll	162.16%	186.27%	207.15%	218.21%	206.27%	247.57%	232.74%	228.62%	231.84%	229.22%
Plan fiduciary net position as a percentage of the total pension liability	66.21%	61.79%	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%

* - The amounts presented for each fiscal year were determined as of July 1 of two years prior, using membership data as of the day, projected forward to June 30 of the previous year.

PIEDMONT TECHNICAL COLLEGE
Schedule of Proportionate Share of the South Carolina
Retirement Systems Net Pension Liabilities
June 30, 2026

POLICE OFFICERS RETIREMENT SYSTEM
LAST TEN FISCAL YEARS*

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the net pension Liability	0.024323%	0.027915%	0.023975%	0.02154%	0.01824%	0.01640%	0.01871%	0.01859%	0.01897%	0.01826%
College's proportionate share of the net pension liability	$ 672,602	$ 837,380	$ 729,815	$ 645,963	$ 469,250	$ 543,959	$ 536,285	$ 526,622	$ 519,775	$ 463,084
College's covered payroll	$ 510,793	$ 550,611	$ 416,714	$ 340,882	$ 274,244	$ 247,792	$ 269,247	$ 257,249	$ 255,505	$ 232,757
College's proportionate share of the net pension liability as a percentage of its covered employee-payroll	131.68%	152.08%	175.14%	189.50%	171.11%	219.52%	199.18%	204.71%	203.43%	198.96%
Plan fiduciary net position as a percentage of the total pension liability	74.53%	70.53%	67.79%	66.45%	70.37%	58.79%	62.69%	61.73%	60.94%	60.44%

* - The amounts presented for each fiscal year were determined as of July 1 of two years prior, using membership data as of the day, projected forward to June 30 of the previous year.

PIEDMONT TECHNICAL COLLEGE
Schedule of Retirement Systems Contributions
June 30, 2026

SCHEDULE OF SOUTH CAROLINA RETIREMENT SYSTEM CONTRIBUTIONS

LAST TEN FISCAL YEARS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contributions	$ 3,695,462	$ 3,508,826	$ 3,375,724	$ 2,983,976	$ 2,747,885	$ 2,474,216	$ 2,509,744	$ 2,183,752	$ 1,987,022	$ 1,743,755
Contributions in relation to the contractually required contribution	(3,695,462)	(3,508,826)	(3,375,724)	(2,983,976)	(2,747,885)	(2,474,216)	(2,509,744)	(2,183,752)	(1,987,022)	(1,743,755)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 20,073,122	$ 19,059,349	$ 18,336,361	$ 17,139,434	$ 16,745,187	$ 16,055,912	$ 16,286,463	$ 15,154,417	$ 14,817,463	$ 15,282,691
Contributions as a percentage of College's covered payroll	18.410%	18.410%	18.410%	17.410%	16.410%	15.410%	15.410%	14.410%	13.410%	11.410%

PIEDMONT TECHNICAL COLLEGE
Schedule of Retirement Systems Contributions
June 30, 2026

SCHEDULE OF POLICE OFFICERS RETIREMENT SYSTEM CONTRIBUTIONS

LAST TEN FISCAL YEARS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contributions	$ 97,183	$ 106,449	$ 114,747	$ 82,676	$ 64,222	$ 48,925	$ 44,206	$ 45,341	$ 40,748	$ 35,362
Contributions in relation to the contractually required contribution	(97,183)	(106,449)	(114,747)	(82,676)	(64,222)	(48,925)	(44,206)	(45,341)	(40,748)	(35,362)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 466,331	$ 510,793	$ 550,611	$ 416,714	$ 340,882	$ 274,244	$ 247,792	$ 269,247	$ 257,249	$ 255,505
Contributions as a percentage of College's covered payroll	20.840%	20.840%	20.840%	19.840%	18.840%	17.840%	17.840%	16.840%	15.840%	13.840%

PIEDMONT TECHNICAL COLLEGE

Schedule of Proportionate Share of the South Carolina Retiree Health Insurance Trust Fund Other Postemployment Benefits Liabilities

June 30, 2026

LAST TEN FISCAL YEARS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
College's proportion of the OPEB Liability	0.180488%	0.183565%	0.186532%	0.191370%	0.194746%	0.200159%	0.196490%	0.190367%	0.196818%	0.196818%
College's proportionate share of the net OPEB liability	$ 27,286,656	$ 29,593,986	$ 24,419,811	$ 29,110,900	$ 40,552,312	$ 36,131,595	$ 29,712,284	$ 26,976,117	$ 26,658,676	$ 28,476,870
College's covered payroll	$ 22,251,907	$ 21,184,328	$ 19,554,735	$ 18,809,709	$ 18,161,595	$ 18,450,325	$ 17,184,680	$ 16,416,750	$ 16,597,396	$ 16,751,821
College's proportionate share of the net OPEB liability as a percentage of its covered employee-payroll	122.63%	139.70%	124.88%	154.77%	223.29%	195.83%	172.90%	164.32%	160.62%	169.99%
Plan fiduciary net position as a percentage of the total OPEB liability	11.33%	9.91%	11.24%	9.64%	7.48%	8.39%	8.44%	7.91%	7.60%	6.62%

PIEDMONT TECHNICAL COLLEGE

Schedule of South Carolina Retiree Health Insurance Trust Fund Contributions

June 30, 2026

LAST TEN FISCAL YEARS

	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contributions	$ 1,430,527	$ 1,412,996	$ 1,345,205	$ 1,222,171	$ 1,175,607	$ 1,135,100	$ 1,153,145	$ 1,039,673	$ 902,921	$ 884,641
Contributions in relation to the contractually required contribution	(1,430,527)	(1,412,996)	(1,345,205)	(1,222,171)	(1,175,607)	(1,135,100)	(1,153,145)	(1,039,673)	(902,921)	(884,641)
Contribution deficiency/(excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
College's covered payroll	$ 23,451,264	$ 22,251,907	$ 21,184,328	$ 19,554,735	$ 18,809,709	$ 18,161,595	$ 18,450,325	$ 17,184,680	$ 16,416,750	$ 16,597,396
Contributions as a percentage of College's covered payroll	6.100%	6.350%	6.350%	6.250%	6.250%	6.250%	6.250%	6.050%	5.500%	5.330%

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Changes of Assumptions

Amounts reported for the year ended June 30, 2026 are based on an actuarial valuation performed as of July 1, 2024 based on the actuarial experience study report for the period ending June 30, 2023 for Pension and OPEB.

Schedule of Reconciliation of Revenues and Cash Reimbursements Received from State Board
For the Year Ended June 30, 2026

Schedule 1

	CURRENT FUND	
	UNRESTRICTED	**RESTRICTED**
NET REIMBURSEMENTS REQUESTED		
(PER COLLEGE RECORDS)		
State Operational Allocation	$ 16,481,105	$ -
State Grants (Other than Lottery Grants)		8,269,560
State Capital Appropriations		7,217,247
Total Net Reimbursements Requested	**$ 16,481,105**	**$ 15,486,807**
RECONCILIATION - RECEIPTS TO REQUESTS		
Cash Received from State Board:		
State Operational Allocation	$ 16,481,105	$ -
State Grants (Other than Lottery Grants)		8,269,560
State Capital Appropriations		7,217,247
	$ 16,481,105	**$ 15,486,807**
Total Reconciliation - Receipts to Requests	**$ 16,481,105**	**$ 15,486,807**

PIEDMONT TECHNICAL COLLEGE Schedule 2

Schedule of Local Government Appropriations
For the Year Ended June 30, 2026
(with comparative amounts for the year ended June 30, 2025)

LOCAL GOVERNMENT	2026	2025
Greenwood County	$ 2,102,870	$ 1,818,356
Laurens County	366,526	240,025
Abbeville County	196,281	181,742
Newberry County	562,408	551,380
Saluda County	314,838	286,037
McCormick County	85,130	85,130
Edgefield County	90,000	90,000
Total Support	$ 3,718,053	$ 3,252,670

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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*

Members of the Area Commission for Piedmont Technical College
Piedmont Technical College
620 North Emerald Road
Greenwood, South Carolina 29648

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, the aggregate discretely presented component unit of Piedmont Technical College (the "College"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the College's basic financial statements, and have issued our report thereon dated October 6, 2026. Our report includes a reference to other auditors who audited financial statements of Piedmont Technical College Foundation, as described in our report on the College's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Foundation were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with the Foundation or that are reported on separately by those auditors who audited the financial statements of the Foundation.

Report on Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the College'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 College's internal control. Accordingly, we do not express an opinion on the effectiveness of the College's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the College'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 may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



West Columbia, South Carolina
October 6, 2026

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE STATE LOTTERY TUITION ASSISTANCE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

Members of the Area Commission for Piedmont Technical College
Piedmont Technical College
620 North Emerald Road
Greenwood, South Carolina 29648

Report on Compliance for the State Lottery Tuition Program

We have audited Piedmont Technical College's (the "College") compliance with the types of compliance requirements described in the State Lottery Tuition Assistance Program Policy 3-2-307 and Procedure 3-2-307.1, issued by the State Board for Technical and Comprehensive Education, that could have a direct and material effect on each of the College's State Lottery Assistance Program for the year ended June 30, 2026.

In our opinion, the College complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the College's State Lottery Assistance Program for the year ended June 30, 2026.

Basis for Opinion on the State Lottery Tuition Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of the State Lottery Tuition Assistance Program Policy 3-2-307 and Procedure 3-2-307.1, issued by the State Board for Technical and Comprehensive Education. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of Compliance section of our report.

We are required to be independent of the College and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the College's State Lottery Assistance Program. Our audit does not provide a legal determination of the College's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance
Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the College's State Lottery Assistance Program

Auditor's Responsibilities for the Audit of Compliance
Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the College's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted standards, *Government Auditing Standards*. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the College's compliance with the State Lottery Tuition Assistance Program Policy 3-2-307 and Procedure 3-2-307-1.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the State Lottery Tuition Assistance Program Policy 3-2-307 and Procedure 3-2-307.1, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the College's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the College's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Lottery Tuition Assistance Program Policy 3-2-307 and Procedure 3-2-307.1, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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



West Columbia, South Carolina
October 6, 2026