FLORENCE 3
SCHOOL DISTRICT
A PREMIER DISTRICT OF CHOICE

Presentation of Annual Audit Results
November 19, 2026

MAULDIN & JENKINS
CPAs & ADVISORS

Meeting Agenda

- Engagement Team
- Results of the 2026 Audit
- Financial Trends
- Comments, Recommendations, and Other Issues
- Questions

Engagement Team

MAULDIN & JENKINS
CPAs & ADVISORS

MAULDIN & JENKINS BY THE NUMBERS

INSIDE public accounting TOP 100 FIRMS 2025

accountingTODAY 2025 Top 100 Firms

CONSISTENTLY RANKED AS A TOP ACCOUNTING FIRM IN THE U.S.

100+ year
HISTORY
OF QUALITY SERVICE

Serve 725+
GOVERNMENT CLIENTS

GOVERNMENTAL PARTNERS & DIRECTORS **43**

750+ EXPERIENCED PROFESSIONALS FIRMWIDE

PARTNERS & DIRECTORS **120+**



440+
SINGLE AUDITS PERFORMED LAST YEAR COVERING OVER $7 BILLION OF FEDERAL GRANTS

166,000+
HOURS ANNUALLY PROVIDED TO GOVERNMENTAL CLIENTS

180+ CURRENT CLIENTS AWARDED THE GFOA CERTIFICATE OF EXCELLENCE

8 STATES | **19** OFFICES



NATIONALLY FOCUSED

Engagement Team Leaders

– Brian Nicholson, Engagement Partner - Adrienne Berg, Sr. Associate - Tim Lyons QC Reviewer

Results of 2026 Audit

- Our Responsibility Under Auditing Standards Generally Accepted in the United States of America (GAAS) and *Government Auditing Standards* (GAS)
  - Our audit was performed in accordance with GAAS and GAS.
  - We considered the internal control structure for the purpose of expressing our opinion on the District's basic financial statements and not for the purpose of providing assurance on the internal control structure.
  - Our objective is to provide reasonable—not absolute—assurance that the basic financial statements are free from material misstatement.
  - The basic financial statements are the responsibility of the District's management.
- Report on 2026 Basic Financial Statements
  - **Will issues an unmodified ("clean") opinion on basic financial statements.**
  - Presented fairly in accordance with accounting principles generally accepted in the United States of America (GAAP).
  - Our responsibility does not extend beyond financial information contained in our report.
- Report on Internal Control over Financial Reporting and on Compliance in Accordance with GAS
  - **No material weaknesses or significant deficiencies in internal control reported.**
  - **One instance of noncompliance reported - CDL Drug and Alcohol Testing**

Results of 2026 Audit

- Single Audit Required by the Uniform Guidance
  - For the fiscal year ended June 30, 2026, the District was required to undergo a Single Audit as expenditures of federal awards exceeded the $1,000,000 threshold required by the Uniform Guidance (approximately $6.8 million).
  - The District is considered a low-risk auditee and thus only 20% of the total Federal expenditures are required to be audited.
  - The District's major federal programs are identified in the "Summary of Audit Results" in the Compliance Section of the report – major programs for the year: Title I Cluster $1.5 million and IDEA $1.3 million
  - The District's compliance with statutes, laws, regulations, and requirements applicable to its federal award programs are the responsibility of the District's management.
- Report on Compliance and on Internal Control over Compliance Required by the Uniform Guidance
  - **Will issue an unmodified ("clean") opinions on compliance for the District's major programs.**
  - **No reportable instances of noncompliance nor material weaknesses in internal control over compliance identified.**

Required Communications

- Significant Accounting Policies
  - The significant accounting policies used by the District are described in Note 1 to the basic financial statements.
  - In considering the policies used by the District, we noted they are in accordance with generally accepted accounting principles and similar government organizations with no significant new policies or qualitative aspects of its policies. The District is not involved in any controversial or emerging issues for which guidance is not available.
- Management Judgment/Accounting Estimates
  - The District uses various estimates as part of its financial reporting process – including the allowance for uncollectible accounts and the useful lives assigned to the District's capital assets.
  - Management's estimates used in preparation of the financial statements were deemed reasonable in relation to the financial statements taken as a whole. We considered this information and the qualitative aspects of management's calculations in evaluating the District's significant accounting estimates.

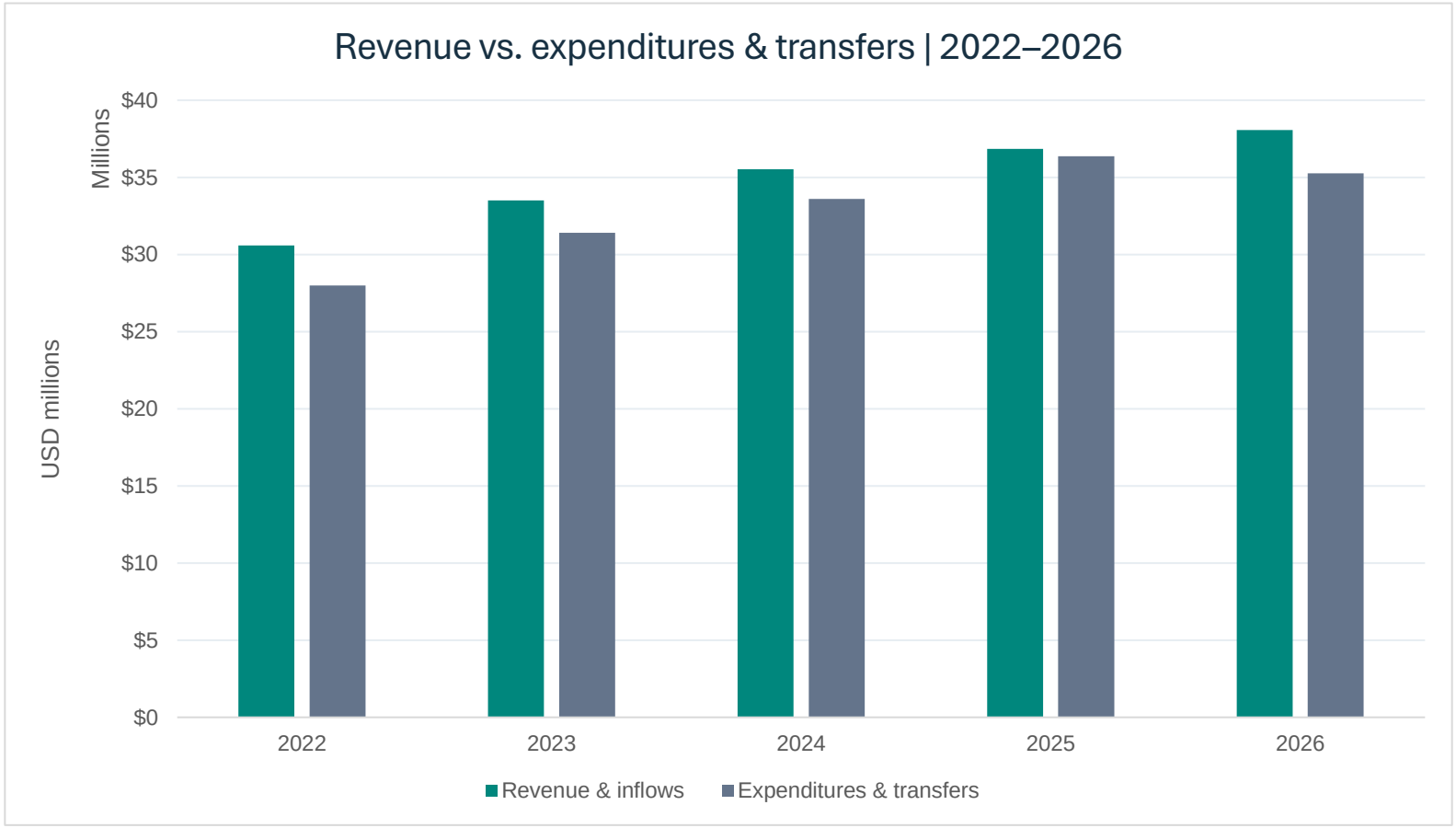
Required Communications (Continued)

- Financial Statement Disclosures
  - The footnote disclosures to the financial statements are also an integral part of the financial statements and the process used by management to accumulate the information included in the disclosures was the same process used in accumulating the statements. The overall neutrality, consistency, and clarity of the disclosures was considered as part of our audit.
- Relationship with Management
  - We received full cooperation from the District's management and staff.
  - There were no disagreements with management on accounting issues or financial reporting matters.
- Audit Adjustments
  - We had no passed audit adjustments for the current year.
  - Adjustments posted to the District's financial statements have been provided to management.
- Representation from Management
  - We requested written representations from management relating to the accuracy of information included in the financial statements and the completeness and accuracy of various information requested by us during the audit. Management provided those written representations without a problem.

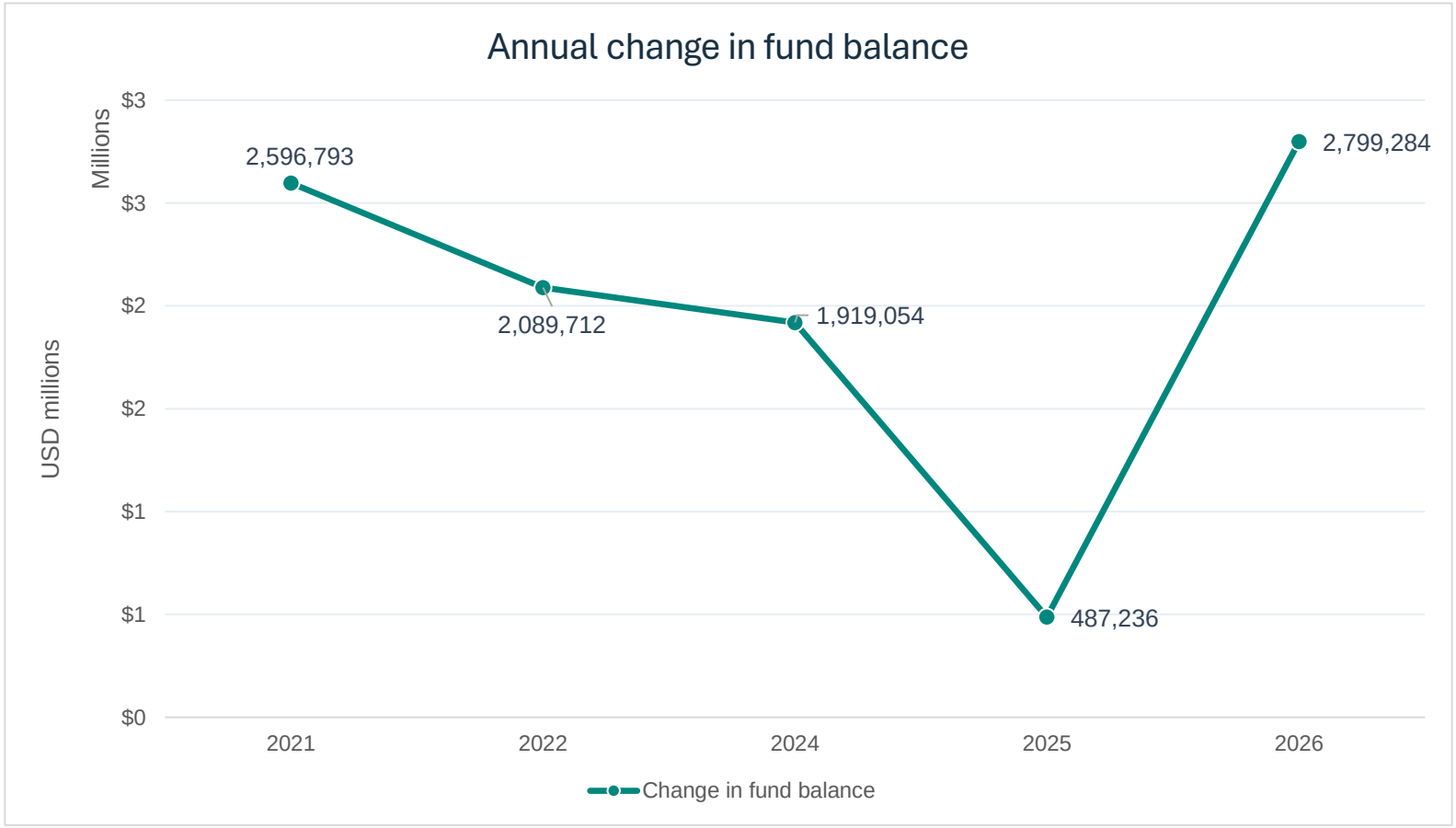
Required Communications (Continued)

- Consultation with Other Accountants
  - To the best of our knowledge, management has not consulted with, or obtained opinions from, other independent accountants during the year, nor did we face any issues requiring outside consultation.
- Significant Issues Discussed with Management
  - There were no significant issues discussed with management related to business conditions, plans, or strategies that may have affected the risk of material misstatement of the financial statements.
- Information in Documents Containing Audited Financial Statements
  - Our responsibility for other information in documents containing the District's basic financial statements and our report thereon does not extend beyond the information identified in our report. If the District intends to publish or otherwise reproduce the financial statements and make reference to our firm, we must be provided with printers' proof for our review and approval before printing. The District must also provide us with a copy of the final reproduced material for our approval before it is distributed.
- Auditor Independence
  - In accordance with AICPA professional standards, Mauldin & Jenkins is independent with regard to the District and its financial reporting process.
  - There were no fees paid to Mauldin & Jenkins for management advisory services during fiscal year 2026 that might affect our independence as auditors.

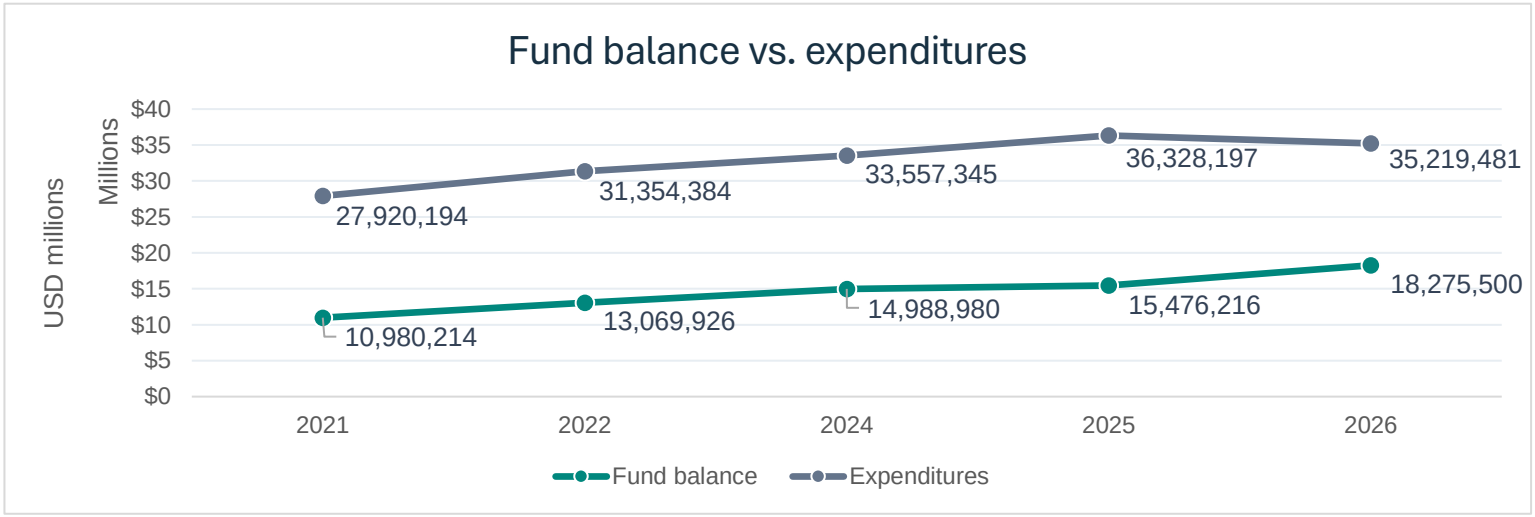
Financial Trends – General Fund Inflows and Outflows



Financial Trends – General Fund
Change in Fund Balance



Financial Trends – General Fund Expenditures vs. Fund Balance



SCDOE requires 8.33% of expenditures in fund balance and 16% is the GFOA recommended ***minimum*** *amount. At 6/30/2026, the District reports approximately 51.9%.*

Comments & Other Matters

- **New GASB Pronouncements for Future Years**
  - Financial Reporting Model and Improvements GASB Statement 103. The new standard did not have a material effect on the Districts June 30, 2026 financial statements.
- **Other Matters Currently Being Considered by GASB**

Free Client CPE!

MAULDIN & JENKINS
CPAs & ADVISORS

FREE QUARTERLY CONTINUING EDUCATION AND NEWSLETTERS FOR GOVERNMENTAL CLIENTS

Free Continuing Education. We provide free quarterly continuing education for all of our governmental clients. Each quarter we pick a couple of significant topics tailored to be of interest to governmental entities. In an effort to accommodate our entire governmental client base, we offer the sessions several times per quarter at a variety of client provided locations resulting in greater networking among our governmental clients. Examples of subjects addressed in the past few quarters include:

- CAFR Preparation - GASB Updates - Grant Accounting Processes and Controls - GASB 68 (Pensions)

- Internal controls over revenue and cash receipting and accounts payable, payroll, and cash disbursements

- American Recovery & Reinvestment Act (ARRA) information, issues and updates - Single audits for auditees

- Collateralization of Deposits and Investments - Internal Controls over Accounts Payable, Payroll and Controls

- Policies and Procedures Manuals - Segregation of Duties – GASB 75 (OPEB) – GASB 87 (Leases)

- Data Security and General Information Technology Controls and Best Practices

Communication. In an effort to better communicate our free continuing education plans and newsletters, please email Paige Vercoe at pvercoe@mjcpa.com (send corresponding copy to tlyons@mjcpa.com), and provide to her individual names, mailing addresses, email addresses and phone numbers of anyone you wish to participate and be included in our database.

Conclusion

Comments and Questions?

We appreciate the opportunity to serve the District and look forward to continuing to work with you in upcoming years!