

**REPORT TO THE BOARD OF COMMISSIONERS**

**OLD 96 DISTRICT TOURISM COMMISSION**

**JUNE 30, 2023**

# OLD 96 DISTRICT TOURISM COMMISSION

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## AUDITOR COMMUNICATIONS

Board of Commissioners  
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Laurens, South Carolina

We have audited the financial statements of the governmental activities and the major fund of Old 96 District Tourism Commission for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 26, 2023. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Old 96 District Tourism Commission are described in Note 1 to the financial statements. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure regarding the determination of the net pension liability in Note 4 to the financial statements describes the source of information and related assumptions used to estimate the liability.

The financial statement disclosures are neutral, consistent, and clear.



Board of Commissioners  
Old 96 District Tourism Commission  
October 18, 2023

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Audit Adjustments*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management.

The following adjustments detected as a result of audit procedures were recorded by management:

<i>Adjust accrued compensated absences</i>	\$	(1,872)
<i>Adjust unrestricted net assets</i>		61,744
<i>Adjust TD Visa balance</i>		(468)
<i>Net adjustments</i>	\$	<u>59,404</u>

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 18, 2023.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Board of Commissioners  
Old 96 District Tourism Commission  
October 18, 2023

*Other Matters*

We applied certain limited procedures to the budgetary comparison information, and pension plan schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the detailed budgetary comparison information for the General Fund, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing it to determine that it complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the schedule is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary schedule to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

*Restriction on Use*

This information is intended solely for the information and use of the Board of Commissioners and management of Old 96 District Tourism Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

***McKinley, Cooper & Co., LLC***

Greenville, South Carolina  
October 18, 2023

## COMMUNICATIONS WITH MANAGEMENT

Board of Commissioners  
Old 96 District Tourism Commission  
Laurens, South Carolina

Thank you for the cooperation given during our engagement with Old 96 District Tourism Commission (the "Commission").

For the year ended June 30, 2023, we present the following observations and recommendations relating to the accounting operations of Old 96 District Tourism Commission.

### Review of Financial Statements

Our report for the 2023 audit expresses an **unmodified opinion** on the fair presentation of the financial statements, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

### Organizational Structure

In planning and performing our audit of the financial statements of the governmental activities and the major fund of the Commission in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Members  
American Institute of Certified Public Accountants  
S.C. Association of Certified Public Accountants

Board of Commissioners  
Old 96 District Tourism Commission  
October 18, 2023

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. We consider the following deficiencies in the Commission's internal control to be significant deficiencies:

A fundamental concept in a good system of internal control is the segregation of duties. The basic premise is that no one employee should have access to both physical assets and the related accounting records or to all phases of a transaction. The size of the Commission's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Commissioners remain involved in the financial affairs of the Commission to provide oversight and independent review functions.

Absolute segregation of duties is rarely accomplished within small-to-medium-sized organizations simply because the justification for the additional cost necessary for proper segregation of duties is not cost beneficial. In the absence of absolute segregation of duties, management does, however, implement additional procedures which reduce the likelihood of a material misstatement. We understand that in most cases, the added cost of providing absolute segregation of duties will outweigh the projected benefits of the added internal controls and therefore, may be considered unjustified. However, we are obligated by auditing standards to bring this to your attention. The Commission is obligated to consider the validity of these comments in light of the circumstances surrounding this condition and respond as you consider necessary.

Our comments are based upon conditions noted during our audit and are not intended to be all-inclusive. They are submitted to you as constructive suggestions to assist you in strengthening controls and procedures and are not intended to reflect on the honesty or integrity of any employee.

This communication is intended solely for the information and use of the Board of Commissioners, management, and others within the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

***McKinley, Cooper & Co., LLC***

Greenville, South Carolina  
October 18, 2023