

**Statement of Non-Discrimination  
By Organizations Funded in the  
South Carolina General Appropriations Act**

To meet requirements of a provision of the South Carolina General Appropriations Act regarding your funding, please fill in the blanks below, sign and return to PRT with your other credentials. If desired, you may retype the statement on your own letterhead.

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**Statement of Non-Discrimination**

10/23/2023

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Date

Assurance is hereby given by the

Charleston County Park and Recreation Commission

(Name of Organization)

that no person shall, upon the grounds of race, creed, color or national origin be excluded from participation in, be denied the benefit of or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.

Signature

Kevin F. Bowie

Title

Executive Director

**SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION  
&  
TOURISM**

**PROCUREMENT CERTIFICATION FORM**

GRANTEE NAME: Charleston County Park & Recreation Commission

PROJECT NAME: Edisto Island Youth Recreation Center

I hereby certify that all labor, materials and contracts acquired or performed in the accomplishment of the above-named project will be accomplished in accordance with the named entity's established procurement guidelines. Any questions, concerns or grievances should be directed to this agency.

Tommy Hale  
PRINTED NAME

Director of Finance, CCPRC  
TITLE

Tommy Hale  
SIGNATURE

Oct 19, 2023  
DATE

**CHARLESTON COUNTY  
PARK AND RECREATION COMMISSION**

**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**FINANCIAL STATEMENTS  
FISCAL YEAR ENDED JUNE 30, 2022**

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**TABLE OF CONTENTS**

|                                                                                                                                                                    | <b><u>Page</u></b> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>FINANCIAL SECTION</b>                                                                                                                                           |                    |
| <b>Appointed Officials .....</b>                                                                                                                                   | <b>i</b>           |
| <b>Independent Auditor's Report .....</b>                                                                                                                          | <b>1 – 4</b>       |
| <b>Basic Financial Statements</b>                                                                                                                                  |                    |
| <b>Government-wide Financial Statements:</b>                                                                                                                       |                    |
| <b>Statement of Net Position.....</b>                                                                                                                              | <b>5</b>           |
| <b>Statement of Activities.....</b>                                                                                                                                | <b>6</b>           |
| <b>Fund Financial Statements:</b>                                                                                                                                  |                    |
| <b>Balance Sheet – Governmental Funds.....</b>                                                                                                                     | <b>7</b>           |
| <b>Reconciliation of the Governmental Funds Balance Sheet to the Statement</b><br><b>of Net Position .....</b>                                                     | <b>8</b>           |
| <b>Statement of Revenues, Expenditures and Changes in Fund Balances –</b><br><b>Governmental Funds .....</b>                                                       | <b>9</b>           |
| <b>Reconciliation of the Statement of Revenues, Expenditures and Changes in</b><br><b>Fund Balances of Governmental Funds to the Statement of Activities .....</b> | <b>10</b>          |
| <b>Statement of Fiduciary Net Position – Fiduciary Fund.....</b>                                                                                                   | <b>11</b>          |
| <b>Statement of Changes in Fiduciary Net Position – Fiduciary Fund .....</b>                                                                                       | <b>12</b>          |
| <b>Notes to Financial Statements .....</b>                                                                                                                         | <b>13 – 51</b>     |
| <b>REQUIRED SUPPLEMENTARY INFORMATION</b>                                                                                                                          |                    |
| <b>Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget</b><br><b>and Actual – GAAP Basis – General Fund .....</b>                             | <b>52</b>          |
| <b>Schedule of the Commission's Proportionate Share of the Net Pension Liability –</b><br><b>South Carolina Retirement System.....</b>                             | <b>53</b>          |
| <b>Schedule of Commission Contributions – South Carolina Retirement System.....</b>                                                                                | <b>54</b>          |
| <b>Schedule of Changes in the Commission's Net OPEB Liability and Related Ratios.....</b>                                                                          | <b>55</b>          |
| <b>Schedule of the Commission Contributions – OPEB Plan .....</b>                                                                                                  | <b>56</b>          |

**COMPLIANCE SECTION**

|                                                                                                                                                                                                                                                            |                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| <b>Independent Auditor's Report on Internal Control Over Financial Reporting</b><br><b>and on Compliance and Other Matters Based on an Audit of Financial Statements</b><br><b>Performed in Accordance with <i>Government Auditing Standards</i> .....</b> | <b>57 and 58</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|

## **FINANCIAL SECTION**

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**APPOINTED OFFICIALS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**GOVERNING BODY**

Collin Bruner, Chair

Eduardo Curry, Vice-Chair

Bradley Taggart, Secretary/Treasurer

Theodore "Teddy" L. Manos, Commissioner

Lisa S. King, Commissioner

Mattese Lecque, Commissioner

Michelle Brandt, Commissioner

Kevin Bowie, Executive Director



## INDEPENDENT AUDITOR'S REPORT

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To the Commissioners of the  
Charleston County Park and Recreation Commission  
(A Component Unit of the County of Charleston)  
Charleston, South Carolina

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the fiduciary fund of the **Charleston County Park and Recreation Commission** (the "Commission") (a component unit of the County of Charleston, South Carolina), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the fiduciary fund of the Commission, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### 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 Commission 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.

#### Emphasis of Matter

The Commission implemented Governmental Accounting Standards Board ("GASB") Statement No. 87, *Leases*, as of July 1, 2021. This standard significantly changed the accounting for the Commission's leases and the related disclosures. See Note 6. Our opinion is not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

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

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### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the General Fund schedule of revenues, expenditures and changes in fund balances – budget and actual – GAAP basis, the schedule of Commission's proportionate share of the net pension liability – South Carolina Retirement System, the schedule of Commission contributions – South Carolina Retirement System, the schedule of changes in the Commission's net OPEB liability and related ratios, and the schedule of Commission contributions – OPEB plan on pages 52 – 56, 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the appointed officials schedule but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022 on our consideration of the Commission'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 Commission'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 Commission's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
November 29, 2022

## **BASIC FINANCIAL STATEMENTS**

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

|                                                      | <b>Governmental<br/>Activities</b> |
|------------------------------------------------------|------------------------------------|
| <b>ASSETS</b>                                        |                                    |
| Cash and cash equivalents                            | \$ 34,630,030                      |
| Cash and cash equivalents - restricted               | 41,183,588                         |
| Taxes receivable, net                                | 28,451,394                         |
| Due from other governments                           | 262,903                            |
| Accounts receivable                                  | 318,562                            |
| Prepaid items and deposits                           | 3,547,707                          |
| Inventories                                          | 678,219                            |
| Lease assets, net of accumulated amortization        | 287,374                            |
| Capital assets:                                      |                                    |
| Non-depreciable                                      | 116,488,091                        |
| Depreciable, net of accumulated depreciation         | 43,724,801                         |
| Total assets                                         | <u>269,572,669</u>                 |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                |                                    |
| Pension                                              | 3,963,700                          |
| OPEB                                                 | 1,964,858                          |
| Total deferred outflows of resources                 | <u>5,928,558</u>                   |
| <b>LIABILITIES</b>                                   |                                    |
| Current liabilities:                                 |                                    |
| Accounts payable                                     | 2,170,409                          |
| Accrued payroll, related taxes and employee benefits | 653,803                            |
| Unearned revenue - rentals and other                 | 2,726,935                          |
| Accrued interest                                     | 569,752                            |
| General obligation bonds payable - current portion   | 12,825,000                         |
| Compensated absences - current portion               | 497,357                            |
| Lease liabilities - current portion                  | 200,539                            |
| Non-current liabilities:                             |                                    |
| Net pension liability                                | 21,875,009                         |
| Net OPEB liability                                   | 8,288,886                          |
| General obligation bonds payable                     | 45,457,285                         |
| Compensated absences                                 | 1,122,637                          |
| Lease liabilities                                    | 93,276                             |
| Total liabilities                                    | <u>96,480,888</u>                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                                    |
| Pension                                              | 3,406,668                          |
| OPEB                                                 | 2,389,917                          |
| Property taxes billed or received in advance         | 27,460,023                         |
| Total deferred inflows of resources                  | <u>33,256,608</u>                  |
| <b>NET POSITION</b>                                  |                                    |
| Net investment in capital assets                     | 122,967,976                        |
| Restricted for:                                      |                                    |
| Debt service                                         | 20,230,635                         |
| Recreation projects                                  | 274,140                            |
| Capital projects                                     | 4,735,353                          |
| Unrestricted                                         | (2,444,373)                        |
| Total net position                                   | <u>\$ 145,763,731</u>              |

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

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**STATEMENT OF ACTIVITIES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

| Functions/Programs                         | Expenses             | Program Revenues        |                                          |                                        | Net (Expenses)<br>Revenues and<br>Changes in<br>Net Position |
|--------------------------------------------|----------------------|-------------------------|------------------------------------------|----------------------------------------|--------------------------------------------------------------|
|                                            |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                                   |
| <b>Governmental Activities:</b>            |                      |                         |                                          |                                        |                                                              |
| General government                         | \$ 7,564,897         | \$ -                    | \$ -                                     | \$ -                                   | \$ (7,564,897)                                               |
| Park and recreation services               | 30,898,152           | 19,746,851              | 257,394                                  | 187,316                                | (10,706,591)                                                 |
| Interest on long-term debt                 | 1,105,025            | -                       | -                                        | -                                      | (1,105,025)                                                  |
| Total governmental activities              | <u>\$ 39,568,074</u> | <u>\$ 19,746,851</u>    | <u>\$ 257,394</u>                        | <u>\$ 187,316</u>                      | <u>(19,376,513)</u>                                          |
| General revenues:                          |                      |                         |                                          |                                        |                                                              |
| Taxes                                      |                      |                         |                                          |                                        |                                                              |
| Property taxes levied for general purposes |                      |                         |                                          |                                        | 18,964,686                                                   |
| Property taxes levied for debt service     |                      |                         |                                          |                                        | 8,550,147                                                    |
| Intergovernmental                          |                      |                         |                                          |                                        | 16,274                                                       |
| Miscellaneous revenues                     |                      |                         |                                          |                                        | 594,615                                                      |
| Total general revenues                     |                      |                         |                                          |                                        | <u>28,125,722</u>                                            |
| Change in net position                     |                      |                         |                                          |                                        | 8,749,209                                                    |
| Net position, beginning of year            |                      |                         |                                          |                                        | <u>137,014,522</u>                                           |
| Net position, end of year                  |                      |                         |                                          |                                        | <u>\$ 145,763,731</u>                                        |

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

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2022**

|                                                                          | General<br>Fund      | Charleston<br>County Parks<br>Foundation, Inc. | Capital<br>Projects<br>Fund | Debt Service<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------------------|----------------------|------------------------------------------------|-----------------------------|----------------------|--------------------------------|
| <b>ASSETS</b>                                                            |                      |                                                |                             |                      |                                |
| Cash and cash equivalents                                                | \$ 28,186,169        | \$ 409,897                                     | \$ 6,033,964                | \$ -                 | \$ 34,630,030                  |
| Cash and cash equivalents - restricted                                   | -                    | -                                              | 21,043,810                  | 20,139,778           | 41,183,588                     |
| Taxes receivable, net of allowance                                       | 19,638,836           | -                                              | -                           | 8,812,558            | 28,451,394                     |
| Accounts receivable, net of allowances                                   | 308,562              | 10,000                                         | -                           | -                    | 318,562                        |
| Intergovernmental receivable                                             | 195,470              | -                                              | -                           | 67,433               | 262,903                        |
| Due from other funds                                                     | 1,000                | 158,680                                        | -                           | -                    | 159,680                        |
| Inventories                                                              | 653,116              | 25,103                                         | -                           | -                    | 678,219                        |
| Prepaid expenditures                                                     | 23,207               | -                                              | -                           | -                    | 23,207                         |
| Total assets                                                             | <u>\$ 49,006,360</u> | <u>\$ 603,680</u>                              | <u>\$ 27,077,774</u>        | <u>\$ 29,019,769</u> | <u>\$ 105,707,583</u>          |
| <b>LIABILITIES , DEFERRED INFLOWS OF<br/>RESOURCES AND FUND BALANCES</b> |                      |                                                |                             |                      |                                |
| <b>LIABILITIES</b>                                                       |                      |                                                |                             |                      |                                |
| Accounts payable                                                         | \$ 1,410,223         | \$ 72,109                                      | \$ 687,831                  | \$ 246               | \$ 2,170,409                   |
| Accrued liabilities                                                      | 653,803              | -                                              | -                           | -                    | 653,803                        |
| Unearned revenue - rentals and other                                     | 2,726,935            | -                                              | -                           | -                    | 2,726,935                      |
| Due to other funds                                                       | 158,680              | 1,000                                          | -                           | -                    | 159,680                        |
| Total liabilities                                                        | <u>4,949,641</u>     | <u>73,109</u>                                  | <u>687,831</u>              | <u>246</u>           | <u>5,710,827</u>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                      |                                                |                             |                      |                                |
| Unavailable revenue - property taxes<br>billed or received in advance    | 18,937,947           | -                                              | -                           | 8,522,076            | 27,460,023                     |
| Unavailable revenue - property taxes                                     | 648,460              | -                                              | -                           | 266,812              | 915,272                        |
| Total deferred inflows of resources                                      | <u>19,586,407</u>    | <u>-</u>                                       | <u>-</u>                    | <u>8,788,888</u>     | <u>28,375,295</u>              |
| <b>FUND BALANCES</b>                                                     |                      |                                                |                             |                      |                                |
| Nonspendable - prepaids and inventories                                  | 676,323              | 25,103                                         | -                           | -                    | 701,426                        |
| Restricted for:                                                          |                      |                                                |                             |                      |                                |
| Debt service payments                                                    | -                    | -                                              | -                           | 20,230,635           | 20,230,635                     |
| Capital improvement program                                              | -                    | -                                              | 25,779,163                  | -                    | 25,779,163                     |
| Genesis swim safety fund                                                 | -                    | 178,441                                        | -                           | -                    | 178,441                        |
| Park and recreation opportunity fund                                     | -                    | 18,346                                         | -                           | -                    | 18,346                         |
| SK8 forward                                                              | -                    | 14,501                                         | -                           | -                    | 14,501                         |
| Bio-discovery grant                                                      | -                    | 17,704                                         | -                           | -                    | 17,704                         |
| Nature stewardship                                                       | -                    | 13,209                                         | -                           | -                    | 13,209                         |
| Culture history fund                                                     | -                    | 31,939                                         | -                           | -                    | 31,939                         |
| Committed for:                                                           |                      |                                                |                             |                      |                                |
| Future capital costs - Spring Grove Site                                 | -                    | -                                              | 75,000                      | -                    | 75,000                         |
| Future capital costs - Old Towne Site                                    | -                    | -                                              | 335,780                     | -                    | 335,780                        |
| Future capital costs - Folly Groin Site                                  | -                    | -                                              | 100,000                     | -                    | 100,000                        |
| Future capital costs - Folly Kayak Site                                  | -                    | -                                              | 100,000                     | -                    | 100,000                        |
| Assigned for:                                                            |                      |                                                |                             |                      |                                |
| Debris removal                                                           | 500,000              | -                                              | -                           | -                    | 500,000                        |
| Subsequent years budget                                                  | 1,800,000            | -                                              | -                           | -                    | 1,800,000                      |
| Property insurance deductible                                            | 750,000              | -                                              | -                           | -                    | 750,000                        |
| Unassigned                                                               | 20,743,989           | 231,328                                        | -                           | -                    | 20,975,317                     |
| Total fund balances                                                      | <u>24,470,312</u>    | <u>530,571</u>                                 | <u>26,389,943</u>           | <u>20,230,635</u>    | <u>71,621,461</u>              |
| Total liabilities, deferred inflows<br>of resources and fund balances    | <u>\$ 49,006,360</u> | <u>\$ 603,680</u>                              | <u>\$ 27,077,774</u>        | <u>\$ 29,019,769</u> | <u>\$ 105,707,583</u>          |

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

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2022**

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Amounts reported for governmental activities in the statement of activities are different because:

|                                                                                                                                                                                                      |    |              |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|--------------|---------------------|
| Fund balances, end of year                                                                                                                                                                           |    | \$           | 71,621,461          |
| Lease assets used in governmental activities are not financial resources and, not reported in the funds.                                                                                             |    |              | 287,374             |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                                                                            |    |              | 160,212,892         |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds. These amounts are:                                 |    |              |                     |
| Property taxes                                                                                                                                                                                       |    |              | 915,272             |
| Prepaid debt is not an available financial resource and, therefore, is not reported as an asset in the governmental funds.                                                                           |    |              | 3,524,500           |
| Deferred outflows of resources related to the recording of the net pension liability and net OPEB liability are recognized as expense over time and, therefore, are not reported in the funds.       |    |              | 5,928,558           |
| Deferred inflows of resources related to the recording of the net pension liability and net OPEB liability do not consume current financial resources and are, therefore, not reported in the funds. |    |              | (5,796,585)         |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.                                                                                   |    |              |                     |
| General obligation bonds payable                                                                                                                                                                     | \$ | (58,282,285) |                     |
| Net pension liability                                                                                                                                                                                |    | (21,875,009) |                     |
| Net OPEB liability                                                                                                                                                                                   |    | (8,288,886)  |                     |
| Compensated absences                                                                                                                                                                                 |    | (1,619,994)  |                     |
| Lease liabilities                                                                                                                                                                                    |    | (293,815)    |                     |
| Accrued interest payable                                                                                                                                                                             |    | (569,752)    |                     |
|                                                                                                                                                                                                      |    |              | <u>(90,929,741)</u> |
|                                                                                                                                                                                                      |    | \$           | <u>145,763,731</u>  |

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

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|                                                              | General<br>Fund      | Charleston<br>County Parks<br>Foundation, Inc. | Capital<br>Projects<br>Fund | Debt Service<br>Fund | Total<br>Governmental<br>Funds |
|--------------------------------------------------------------|----------------------|------------------------------------------------|-----------------------------|----------------------|--------------------------------|
| <b>Revenues</b>                                              |                      |                                                |                             |                      |                                |
| Taxes                                                        | \$ 18,964,686        | \$ -                                           | \$ -                        | \$ 8,490,025         | \$ 27,454,711                  |
| Gross sales revenue                                          | 2,675,682            | -                                              | -                           | -                    | 2,675,682                      |
| Admissions and program revenue                               | 11,080,509           | -                                              | -                           | -                    | 11,080,509                     |
| Facility and fleet rentals                                   | 4,942,394            | -                                              | -                           | -                    | 4,942,394                      |
| Intergovernmental                                            | 16,274               | -                                              | 137,316                     | -                    | 153,590                        |
| Contributions                                                | -                    | 257,394                                        | 50,000                      | -                    | 307,394                        |
| Recreational programming                                     | 1,017,826            | 30,440                                         | -                           | -                    | 1,048,266                      |
| Other                                                        | 583,119              | -                                              | 11,496                      | -                    | 594,615                        |
| Total revenues                                               | <u>39,280,490</u>    | <u>287,834</u>                                 | <u>198,812</u>              | <u>8,490,025</u>     | <u>48,257,161</u>              |
| <b>Expenditures</b>                                          |                      |                                                |                             |                      |                                |
| Current:                                                     |                      |                                                |                             |                      |                                |
| General government                                           |                      |                                                |                             |                      |                                |
| Administration                                               | 1,381,826            | 100,787                                        | -                           | 3,497                | 1,486,110                      |
| Executive                                                    | 1,015,856            | -                                              | -                           | -                    | 1,015,856                      |
| Financial services                                           | 825,326              | -                                              | -                           | -                    | 825,326                        |
| General services                                             | 3,945,550            | -                                              | -                           | -                    | 3,945,550                      |
| Park and recreation services                                 | 24,986,127           | -                                              | 2,888,967                   | -                    | 27,875,094                     |
| Capital outlay                                               | 320,986              | -                                              | 2,908,500                   | -                    | 3,229,486                      |
| Debt service:                                                |                      |                                                |                             |                      |                                |
| Principal retirement                                         | 222,012              | -                                              | -                           | 4,320,000            | 4,542,012                      |
| Interest                                                     | 14,529               | -                                              | -                           | 1,536,775            | 1,551,304                      |
| Total expenditures                                           | <u>32,712,212</u>    | <u>100,787</u>                                 | <u>5,797,467</u>            | <u>5,860,272</u>     | <u>44,470,738</u>              |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>6,568,278</u>     | <u>187,047</u>                                 | <u>(5,598,655)</u>          | <u>2,629,753</u>     | <u>3,786,423</u>               |
| <b>Other financing sources (uses)</b>                        |                      |                                                |                             |                      |                                |
| Transfers in                                                 | 66,644               | -                                              | 2,000,000                   | -                    | 2,066,644                      |
| Transfers out                                                | (2,000,000)          | (66,644)                                       | -                           | -                    | (2,066,644)                    |
| Proceeds from sale of capital assets                         | 76,127               | -                                              | -                           | -                    | 76,127                         |
| Proceeds from bonds issued                                   | -                    | -                                              | 8,000,000                   | -                    | 8,000,000                      |
| Total other financing sources (uses)                         | <u>(1,857,229)</u>   | <u>(66,644)</u>                                | <u>10,000,000</u>           | <u>-</u>             | <u>8,076,127</u>               |
| Net change in fund balances                                  | 4,711,049            | 120,403                                        | 4,401,345                   | 2,629,753            | 11,862,550                     |
| Fund balances, beginning of year                             | 19,759,263           | 410,168                                        | 21,988,598                  | 17,600,882           | 59,758,911                     |
| Fund balances, end of year                                   | <u>\$ 24,470,312</u> | <u>\$ 530,571</u>                              | <u>\$ 26,389,943</u>        | <u>\$ 20,230,635</u> | <u>\$ 71,621,461</u>           |

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

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Amounts reported for governmental activities in the statement of activities are different because:

|                                                        |    |            |
|--------------------------------------------------------|----|------------|
| Net change in fund balances - total governmental funds | \$ | 11,862,550 |
|--------------------------------------------------------|----|------------|

|                                                                                                                                                                                                                                                                                        |  |           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Governmental funds report lease assets as expenditures. However, in the statement of activities, the cost of those assets is allocated over the shorter of the lease term or their estimated useful lives and reported as amortization expense. In the current period, this amount is. |  | (228,453) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.

|                      |    |             |        |
|----------------------|----|-------------|--------|
| Capital outlay       | \$ | 3,229,486   |        |
| Depreciation expense |    | (3,209,456) |        |
|                      |    |             | 20,030 |

|                                                                                                                                                    |  |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position. |  | (5,753) |
|----------------------------------------------------------------------------------------------------------------------------------------------------|--|---------|

|                                                                                                                                                 |  |        |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--|--------|
| Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. |  | 60,122 |
|-------------------------------------------------------------------------------------------------------------------------------------------------|--|--------|

|                                                                                                                                                                                                                                                                                                             |  |           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|
| Debt expense is reported in the governmental funds when it is due and payable and thus requires the use of current financial resources. However, in the statement of activities, the expense is reported as a reduction of the debt. This amount represents the change in the prepaid debt during the year. |  | (266,000) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-----------|

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities. The net effect of these differences in the treatment of long-term debt and related items are as follows:

|                                                  |    |             |             |
|--------------------------------------------------|----|-------------|-------------|
| Issuance of general obligation bonds             | \$ | (8,000,000) |             |
| Principal retirement of lease liabilities        |    | 222,012     |             |
| Principal retirement of general obligation bonds |    | 4,320,000   |             |
|                                                  |    |             | (3,457,988) |

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

|                               |    |           |         |
|-------------------------------|----|-----------|---------|
| Compensated absences          | \$ | (84,830)  |         |
| Net pension liability         |    | 649,786   |         |
| Net OPEB liability            |    | (246,534) |         |
| Amortization of bond premiums |    | 383,713   |         |
| Accrued interest              |    | 62,566    |         |
|                               |    |           | 764,701 |

|                                                    |    |           |
|----------------------------------------------------|----|-----------|
| Change in net position of governmental activities. | \$ | 8,749,209 |
|----------------------------------------------------|----|-----------|

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

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2022**

---

|                              | <u>OPEB<br/>Trust</u> |
|------------------------------|-----------------------|
| <b>ASSETS</b>                |                       |
| Investments, at fair value   | \$ 2,776,326          |
| Accrued investment income    | <u>1,474</u>          |
| Total assets                 | <u>\$ 2,777,800</u>   |
| <b>NET POSITION</b>          |                       |
| Restricted for OPEB benefits | <u>\$ 2,777,800</u>   |
| Total net position           | <u>\$ 2,777,800</u>   |

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

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|                                 | <b>OPEB<br/>Trust</b>      |
|---------------------------------|----------------------------|
| <b>ADDITIONS</b>                |                            |
| Employer contributions          | \$ 288,314                 |
| Investment earnings             | 2,915                      |
| Total additions                 | <u>291,229</u>             |
| <b>DEDUCTIONS</b>               |                            |
| Benefit payments                | 288,314                    |
| Administrative expense          | 1,500                      |
| Total deductions                | <u>289,814</u>             |
| Change in net position          | 1,415                      |
| Net position, beginning of year | <u>2,776,385</u>           |
| Net position, end of year       | <u><u>\$ 2,777,800</u></u> |

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

## **NOTES TO FINANCIAL STATEMENTS**

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

The financial statements of Charleston County Park and Recreation Commission (the "Commission") have been prepared in conformity with generally accepted accounting principles ("GAAP") in the United States of America as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The Commission was organized under the provisions of the General Assembly Act 1595 on August 3, 1972. The Commission operates under a commission form of government with power to acquire or lease lands to establish and operate county parks, and to provide recreational activities in Charleston County, South Carolina. The funding source is primarily property taxes assessed and collected by Charleston County on behalf of the Commission.

The County of Charleston, South Carolina (the "County") has budgetary authority over the Commission's General and Debt Service funds. In addition, the County has authority over any general obligation bond issuances for the Commission. As a result, the Commission is reported as a discretely presented component unit of the County.

As required by GAAP, the financial statements must present the Commission's financial information with any of its component units. The primary criterion for determining inclusion or exclusion of a legally separate entity (component unit) is financial accountability, which is presumed to exist if the Commission both appoints a voting majority of the entity's governing body, and either: 1) the Commission is able to impose its will on the entity, or 2) there is a potential for the entity to provide specific financial benefits to, or impose specific financial burdens, on the Commission. If either or both of the foregoing conditions are not met, the entity could still be considered a component unit if it is fiscally dependent on the Commission and there is a potential that the entity could either provide specific financial benefits to or to impose specific financial burdens on the Commission.

In order to be considered fiscally independent, an entity must have the authority to do all of the following: a) determine its budget without the Commission having the authority to approve or modify that budget; b) levy taxes or set rates or charges without approval by the Commission; and c) issue bonded debt without approval by the Commission. An entity has a financial benefit or burden relationship with the Commission if, for example, any one of the following conditions exists: a) the Commission is legally entitled to or can otherwise access the entity's resources, b) the Commission is legally obligated or has otherwise assumed the obligation to finance the deficits, or provide financial support to the entity, or c) the Commission is obligated in some manner for the debt of the entity. Finally, an entity could be a component unit even if it met all the conditions described above for being fiscally independent if excluding it would cause the Commission's financial statements to be misleading.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. Reporting Entity (Continued)

Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with data of the primary government in the fund financial statements. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the Commission. Based on the criteria above, the Commission has no component units; however, the Commission is a discretely presented component unit of Charleston County.

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the Commission. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Commission does not have any business-type activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the Commission.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the Commission gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### **B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

The government-wide financial statements are prepared using a different measurement focus from the manner in which governmental fund financial statements are prepared (see further detail below). Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be measurable and susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the government considers all governmental fund revenues to be available if they are collected within 60 days of the end of the current fiscal period with the exception of grant revenues, which are considered to be available if they are collected within one year after the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payments are due and payable. General capital asset acquisitions, including entering into contracts giving the Commission the right to use leased assets, are reported as expenditures in governmental funds. Proceeds of general long-term debt, including financing through leases, and acquisitions under lease purchase are reported as other financing sources.

Fund financial statements report detailed information about the Commission. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The Commission has no nonmajor funds.

The accounts of the government are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used as an aid to management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The following major funds and fund types are used by the Commission:

**Governmental fund types** are those through which most governmental functions of the Commission are financed. The Commission's expendable financial resources and related assets and liabilities are accounted for through governmental funds.

The Commission reports the following major governmental funds:

**General Fund.** This is the Commission's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Charleston County Parks Foundation, Inc. Fund.** This fund is used to account for and report the financial resources received that are restricted for use by the Charleston County Parks Foundation, Inc. These resources primarily consist of donations from private sources.

**Capital Projects Fund.** This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

**Debt Service Fund.** This fund is used to account for the property taxes levied for the payment of principal, interest and fees relating to bonds and capital leases.

**Fiduciary fund types** are accounted for based on the flow of economic resources measurement focus and use of the accrual basis of accounting and are used to account for expendable assets held by the Commission in a trustee capacity. The Commission's fiduciary fund types include the following:

**OPEB Trust Fund.** This fund is used to account for the assets held in an irrevocable trust representing plan contributions to the Commission's defined benefit other post-employment benefit plan.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Budget and Budgetary Accounting

The annual General Fund budget is adopted on a basis consistent with GAAP. The Special Revenue and Capital Projects funds are budgeted over the life of the grant or project. Formal budgetary policies are not employed for the Debt Service Fund because effective budgetary control is alternatively achieved through general obligation bond indenture provisions and the base lease agreements governing capital leases.

The Commission follows these procedures in establishing the budgetary data reflected in the financial statements:

- a. The Commission receives the Executive Director's recommended budget for the next fiscal year at its March meeting. Commission approval of the budget is required at the March meeting.
- b. In early April, the Commission submits to the Charleston County Budget Office a proposed budget for all funds for the fiscal year commencing the following July 1. This budget includes proposed expenditures and the means of financing them. The General Fund and Debt Service Fund are under Charleston County Council's budgetary authority. Charleston County Council approves the tax levy for these funds. Other funds are submitted for informational purposes.
- c. Prior to July 1, the budget is legally enacted by the passage of a budget ordinance. The ordinance has three readings and one public hearing held in Council Chamber.
- d. The Executive Director is authorized to transfer budgeted amounts between line items within a division and transfer between divisions; however, no revisions that alter the total expenditures of any fund are allowed.
- e. Formal budgeting integration is employed as a management control device during the year for the General and Debt Service funds.

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity

##### Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits, petty cash and short-term investments with a maturity date within three months of the date acquired. Restricted cash relates to bond and lease proceeds restricted for construction projects and capital acquisitions detailed in the lease documents and debt service property tax collections restricted for debt service payments.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Investments

The Commission's investment policy is designed to operate within existing statutes (which are identical for all funds, fund types, and component units within the State of South Carolina) that authorize the Commission to invest in the following:

- a. Obligations of the United States and its agencies, the principal and interest of which is fully guaranteed by the United States.
- b. Obligations issued by the Federal Financing Bank, Federal Farm Credit Bank, the Bank of Cooperatives, the Federal Intermediate Credit Bank, the Federal Land Banks, the Federal Home Loan Banks, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Housing Administration, and the Farmers Home Administration, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- c. (i) General obligations of the State of South Carolina or any of its political units; or (ii) revenue obligations of the State of South Carolina or its political units, if, at the time of investment, the obligor has a long-term, unenhanced, unsecured debt rating in one of the top two ratings categories, without regard to a refinement or gradation of rating category by numerical modifier or otherwise, issued by at least two nationally recognized credit rating organizations.
- d. Savings and Loan Associations to the extent that the same are insured by an agency of the federal government.
- e. Certificates of deposit where the certificates are collaterally secured by securities of the type described in a. and b. above held by a third party as escrow agent or custodian, of a market value not less than the amount of the certificates of deposit so secured, including interest; provided, however, such collateral shall not be required to the extent the same are insured by an agency of the federal government.
- f. Repurchase agreements when collateralized by securities as set forth in this section.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Investments (Continued)

- g. No load open-end or closed-end management type investment companies or investment trusts registered under the Investment Company Act of 1940, as amended, where the investment is made by a bank or trust company or savings and loan association or other financial institution when acting as trustee or agent for a bond or other debt issue of that local government unit, political subdivision, or county treasurer if the particular portfolio of the investment company or investment trust in which the investment is made: (i) is limited to obligations described in items a., b., c., and f. of this subsection, and (ii) has among its objectives the attempt to maintain a constant net asset value of \$1 a share and to that end, value its assets by the amortized cost method.

The Commission's cash investment objectives are preservation of capital, liquidity, and yield. The Commission reports its cash and investments at fair value which is normally determined by quoted market prices. The Commission did not have any investments as of June 30, 2022 other than those held in trust and reported in the Fiduciary Fund.

##### Receivables and Payables

During the course of its operations, the Commission has numerous transactions occurring between funds. These transactions include expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. To the extent that certain transactions between funds had not been paid or received as of the year-end, balances of interfund amounts or payables have been recorded.

All trade and property tax receivables are shown net of an allowance for uncollectibles (if any).

##### Inventories and Prepaid Items

Inventories and prepaid items in the governmental funds are reported under the consumption method (if material) as they are recorded as expenditures as they are used (consumed). Inventories are valued at cost using the first-in/first-out ("FIFO") method. Inventories and prepaid items in the governmental funds are offset by non-spendable fund balance to reflect that portion of fund balance that is not in spendable form.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Capital Assets and Right to Use Lease Assets

Purchased or constructed capital assets, including capital outlay costs and right to use leased assets, are recorded as expenditures in the fund financial statements at the time of purchase. Donated capital assets are recorded at acquisition value (estimated by the Commission) at the date of donation. General infrastructure assets consist of park development, road network and utilities assets and are reported at estimated historical cost. The Commission capitalizes all land and non-depreciable land improvement acquisitions regardless of cost.

Depreciable land improvements, buildings, building improvements, and infrastructure having a useful life greater than one year and a value of more than \$50,000 are capitalized upon acquisition. The Commission also capitalizes the acquisition of machinery, equipment and vehicles having a useful life greater than one year and a value of more than \$20,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets and right to use leased assets are depreciated/amortized using the straight-line method over the following estimated useful lives:

| <u>Asset Class</u>                           | <u>Estimated<br/>Useful Lives</u> |
|----------------------------------------------|-----------------------------------|
| Land improvements                            | 40                                |
| Buildings and structures                     | 10 – 40                           |
| Right-to-use leased buildings and structures | 3 – 5                             |
| Machinery and equipment                      | 5 – 10                            |
| Right-to-use leased machinery and equipment  | 3 – 5                             |
| Vehicles                                     | 5 – 10                            |
| Utilities and infrastructure                 | 7 – 40                            |

##### Leases

The Commission is a lessee for noncancellable leases of equipment and buildings. The Commission recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. The Commission recognizes lease liabilities with an initial, individual value of \$20,000 or more.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Leases (Continued)

At the commencement of a lease, the Commission initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Commission determines: 1) the discount rate it uses to discount the expected lease payments to present value, 2) lease term, and 3) lease payments:

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option prices that the Commission is reasonably certain to exercise.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

##### Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The employee may receive the balance of their accumulated vacation pay upon separation from the Commission. The Commission records a liability for this balance. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service with the Commission.

The Commission reports compensated absences in accordance with the provisions of GASB Statement No. 16, *Accounting for Compensated Absences*. The entire compensated absence liability and expense are reported in the government-wide financial statements. The governmental funds will also recognize compensated absences for terminations and retirements (matured liabilities) that occurred prior to year-end that are expected to be paid within a short time subsequent to year-end, if they are material.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the Governmental Funds Balance Sheet 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Commission currently has two types of deferred outflows of resources: 1) The Commission reports deferred outflows related to pensions in its Statement of Net Position in connection with its participation in the South Carolina Retirement System, and 2) The Commission reports deferred outflows related to OPEB in its Statement of Net Position in connection with the Other Post-Employment Benefits – Retiree Benefits Plan (“OPEB Plan”). The deferred outflows related to pension and OPEB are either: a) recognized in the subsequent period as a reduction of the net pension/OPEB liability (which includes contributions made after the measurement date), or (b) amortized in a systematic and rational method as pension/OPEB expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission currently has three types of deferred inflows of resources: 1) The Commission reports unavailable revenue – property taxes only in the governmental funds balance sheet; it is deferred and recognized as an inflow of resources in the period the amounts become available, 2) The Commission also reports deferred inflows related to pensions in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. These deferred pension credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP, and 3) The Commission reports deferred inflows related to OPEB in its Statement of Net Position in connection with the OPEB Plan. The pension and OPEB deferred inflows of resources are amortized in a systematic and rational method and recognized as a reduction of pension/OPEB expense in future periods in accordance with GAAP.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Fund Balance

The Commission implemented GASB Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ended June 30, 2011. The objective of GASB No. 54 was to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and clarifying the existing governmental fund type definitions. GASB No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The Commission classifies governmental fund balances as follows:

**Non-spendable** – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e. prepaids, inventories, etc.) or because of legal or contractual requirements (i.e. principal on an endowment, etc.).

**Restricted** – includes amounts that are constrained by specific purposes which are externally imposed by: a) other governments through laws and regulations, b) grantors or contributions through agreements, c) creditors through debt covenants or other contracts, or d) imposed by law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that are constrained for specific purposes that are internally imposed by the government through formal action made by the highest level of decision making authority (the “Commission”) before the end of the reporting period. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed amounts for the Commission consist of amounts passed and approved by resolution by the Commission Board.

**Assigned** – includes amounts that are intended to be used for specific purposes that are neither considered restricted or committed and that such assignments are made before the report issuance date. The Commission has granted management the authority to assign fund balance to be used for specific purposes.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Fund Balance (Continued)

**Unassigned** – includes amounts that do not qualify to be accounted for and reported in any of the other fund balance categories. This classification represents the amount of fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts of restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The Commission generally requires restricted amounts to be spent first when both restricted and unrestricted (committed, assigned, and unassigned) fund balance is available unless there are legal documents, contracts, or agreements that prohibit doing such. Additionally, the Commission generally would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

##### Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the Statement of Net Position. Net position is classified as net investment in capital assets; restricted; and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets.

Outstanding debt which has not been spent is included in the same net position component as the unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments.

##### Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the governmental funds during the year to control expenditures. Encumbrances do not constitute expenditures or liabilities. For budget purposes, encumbrances and unused expenditure appropriations lapse at year-end.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Pensions and Other Post-employment Benefits

In government-wide financial statements, pensions and other post-employment benefits ("OPEB") are required to be recognized and disclosed using the accrual basis of accounting (see Note 7 and Note 8 and the required supplementary information immediately following the notes to the financial statements for more information), regardless of the amounts recognized as pension and OPEB expenditures on the modified accrual basis of accounting. The Commission recognizes net pension and net OPEB liabilities for each plan for which it participates, which represents the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plan, or the Commission's proportionate share thereof in the case of a cost-sharing multiple-employer plan, measured as of the Commission's fiscal year-end. Changes in the net pension and OPEB liabilities during the period are recorded as pension and OPEB expenses, or as deferred outflows or inflows of resources depending on the nature of the change, in the period incurred.

##### Fair Value

The fair value measurement and disclosure framework provides for a three-tier fair value hierarchy that gives highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Commission can access at the measurement date.

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

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

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

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### D. Assets, Liabilities, Deferred Outflows/Inflows and Equity (Continued)

##### Fair Value (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs. The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Commission believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

##### Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of these balances as of the date of the financial statements. In addition, they affect the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates and assumptions.

### NOTE 2. DEPOSITS AND INVESTMENTS

#### Deposits

##### *Custodial Credit Risk - Deposits*

In the case of deposits, this is the risk that, in the event of a bank failure, the Commission's deposits may not be recovered. The Commission does not have a policy for custodial credit risk, but follows the investment policy statutes of the State of South Carolina. As of June 30, 2022, the Commission's total bank balances were \$77,084,829, with a carrying amount of \$75,813,618. The entire amount was insured under Federal Deposit Insurance Corporation ("FDIC") or collateralized by government investments held by the pledging financial institution's trust department or agent in the Commission's name.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

#### Deposits (Continued)

A reconciliation of deposits and investments reported in the footnotes to amounts in the Statement of Net Position follows:

|                                        |                      |
|----------------------------------------|----------------------|
| Statement of Net Position              |                      |
| Cash and cash equivalents              | \$ 34,630,030        |
| Cash and cash equivalents - restricted | 41,183,588           |
|                                        | <u>\$ 75,813,618</u> |
| Deposits with financial institutions   | <u>\$ 75,813,618</u> |

#### OPEB Trust Investments

The OPEB Trust portfolio at June 30, 2022 (which reports its investments at fair value) is as shown in the following table:

| <u>Investment type</u> | <u>Fair Value<br/>Level</u> | <u>Fair Value</u> | <u>Credit Rating</u> | <u>Weighted<br/>Avg. Maturity</u> |
|------------------------|-----------------------------|-------------------|----------------------|-----------------------------------|
| Money Market Funds     | Level 1                     | \$ 2,776,326      | Unrated              | Less than one year                |

#### *Interest Rate Risk*

The OPEB Trust does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arriving from increasing interest rates.

#### *Credit Risk for OPEB Trust Investments*

The OPEB Trust does not currently have a formal investment policy that limits its exposure to credit risk for investments.

#### *Custodial Credit Risk for OPEB Trust Investments*

Custodial credit risk for investments is the risk that, in the event of a bank failure, the government will not be able to recover the value of its investments that are in the possession of an outside party. The OPEB Trust's investment policy requires that securities be held by a third-party custodian in the name of the Trust. As of June 30, 2022, none of the Trust's security investments were exposed to custodial credit risk.

#### *Concentration of Credit Risk for OPEB Trust Investments*

The OPEB Trust does not currently have a formal investment policy that limits the amount the OPEB Trust may invest in any one issuer.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 2. DEPOSITS AND INVESTMENTS (CONTINUED)

#### OPEB Trust Investments (Continued)

##### *Rate of Return*

For the year ended June 30, 2022, the annual money-weighted rate of return on the OPEB Trust plan investments, net of plan investment expense, was .11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### NOTE 3. RECEIVABLES

The County bills and collects property taxes for itself and all other taxing entities within the County. The Commission recognizes property taxes in the period in which they are levied and available for financing current expenditures. Property taxes receivable represent delinquent real and personal taxes for the past ten years, plus the current year levy as discussed below, less an allowance for amounts estimated to be uncollectible.

Taxes on real property and certain personal property attach as an enforceable lien on the property as of January 1. Taxes are generally levied and billed the following September on all property other than vehicles and are payable without penalty until January 15 of the following year. Penalties are assessed on unpaid taxes on the following dates: January 16 – 3%, February 1 – an additional 7%, March 16 – an additional 5% plus collection cost. If not paid by March 15, the property is subject to sale by the delinquent tax office. Taxes on licensed motor vehicles are levied during the month when the taxpayer's license registration is up for renewal. The taxpayer must provide proof of payment to the South Carolina Department of Transportation before that agency will renew the taxpayer's vehicle license.

The Commission is given an appropriation for property taxes by the County at the beginning of each fiscal year. In the event that collections for the Commission are less than the appropriation, state law mandates that the deficiency be made up through subsequent years' collections. However, any collections on behalf of the Commission that exceed the appropriation may be held in escrow by the County to cover any future shortfalls of collections. The County has not established such an escrow account.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3. RECEIVABLES (CONTINUED)

Taxes receivable consist of unpaid property taxes from the Charleston County Treasurer's office for the following years, less allowances for estimated uncollectible taxes as follows:

| Tax Years                              | June 30, 2022        |                     |
|----------------------------------------|----------------------|---------------------|
|                                        | General Fund         | Debt Service Fund   |
| 2022                                   | \$ 19,557,933        | \$ 8,801,070        |
| 2021                                   | 222,652              | 100,196             |
| 2020                                   | 104,423              | 46,854              |
| 2019                                   | 100,512              | 42,074              |
| 2018                                   | 80,115               | 33,535              |
| Prior to 2018                          | 316,873              | 119,084             |
| Total taxes receivable                 | 20,382,508           | 9,142,813           |
| Less allowance for uncollectible taxes | (743,672)            | (330,255)           |
| Total taxes receivable, net            | <u>\$ 19,638,836</u> | <u>\$ 8,812,558</u> |

### NOTE 4. INTERFUND TRANSFERS

A summary of transfers for the year ended June 30, 2022 is as follows:

| Fund                                     | Transfer in         | Transfer out        |
|------------------------------------------|---------------------|---------------------|
| General fund                             | \$ 66,644           | \$ 2,000,000        |
| Capital projects fund                    | 2,000,000           | -                   |
| Charleston County Parks Foundation, Inc. | -                   | 66,644              |
|                                          | <u>\$ 2,066,644</u> | <u>\$ 2,066,644</u> |

Transfers are used to move unrestricted revenue collected in the General Fund or Special Revenue Funds to finance various programs accounted for in other funds in accordance with budgetary authorizations. The transfer from the General Fund to the Capital Projects Fund was made in order to fund future capital projects and to remain in line with the Commission's future capital project goals. The transfer from the Charleston County Parks Foundation, Inc. Fund to the General Fund was a pass-through of grant funds received.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022 was as follows:

|                                                                        | Beginning<br>Balance | Increases   | Decreases  | Transfers   | Ending<br>Balance |
|------------------------------------------------------------------------|----------------------|-------------|------------|-------------|-------------------|
| <b>Governmental activities:</b>                                        |                      |             |            |             |                   |
| Capital assets, non-depreciable                                        |                      |             |            |             |                   |
| Land                                                                   | \$ 108,433,832       | \$ -        | \$ -       | \$ -        | \$ 108,433,832    |
| Construction in progress                                               | 7,046,577            | 2,920,134   | (5,753)    | (1,906,699) | 8,054,259         |
| Total capital assets,<br>non-depreciable                               | 115,480,409          | 2,920,134   | (5,753)    | (1,906,699) | 116,488,091       |
| Capital assets, depreciable                                            |                      |             |            |             |                   |
| Land improvements                                                      | 23,149,110           | -           | -          | -           | 23,149,110        |
| Buildings and structures                                               | 62,792,949           | -           | -          | 1,794,134   | 64,587,083        |
| Machinery and equipment                                                | 2,728,610            | 198,274     | (61,509)   | 112,565     | 2,977,940         |
| Utilities and infrastructure                                           | 6,678,590            | 57,421      | -          | -           | 6,736,011         |
| Vehicles                                                               | 2,613,768            | 53,657      | (69,872)   | -           | 2,597,553         |
| Total capital assets, depreciable                                      | 97,963,027           | 309,352     | (131,381)  | 1,906,699   | 100,047,697       |
| Less: Accumulated depreciation                                         |                      |             |            |             |                   |
| Land improvements                                                      | (12,775,921)         | (813,928)   | -          | -           | (13,589,849)      |
| Buildings and structures                                               | (33,506,982)         | (1,825,025) | -          | -           | (35,332,007)      |
| Machinery and equipment                                                | (1,889,433)          | (199,127)   | 61,509     | -           | (2,027,051)       |
| Utilities and infrastructure                                           | (3,045,456)          | (184,705)   | -          | -           | (3,230,161)       |
| Vehicles                                                               | (2,027,029)          | (186,671)   | 69,872     | -           | (2,143,828)       |
| Total accumulated depreciation                                         | (53,244,821)         | (3,209,456) | 131,381    | -           | (56,322,896)      |
| Total capital assets,<br>depreciable, net                              | 44,718,206           | (2,900,104) | -          | 1,906,699   | 43,724,801        |
| Total governmental activities<br>capital assets, net, excluding leases | \$ 160,198,615       | \$ 20,030   | \$ (5,753) | \$ -        | \$ 160,212,892    |

Depreciation expense was charged to functions as follows:

|                          |                     |
|--------------------------|---------------------|
| Governmental activities: |                     |
| General government       | \$ 124,994          |
| Park operations          | 3,084,462           |
| Total                    | <u>\$ 3,209,456</u> |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. LEASES

#### Lessee – Lease Assets

A summary of lease asset activity for the Commission for the year ended June 30, 2022 is as follows:

|                                             | <u>Beginning<br/>Balance</u> | <u>Increases</u>    | <u>Decreases</u> | <u>Remeasure</u> | <u>Ending<br/>Balance</u> |
|---------------------------------------------|------------------------------|---------------------|------------------|------------------|---------------------------|
| Lease Assets:                               |                              |                     |                  |                  |                           |
| Equipment                                   | \$ 111,221                   | \$ -                | \$ -             | \$ -             | \$ 111,221                |
| Buildings                                   | 607,860                      | -                   | -                | -                | 607,860                   |
| Less accumulated<br>amortization, equipment | (32,756)                     | (37,663)            | -                | -                | (70,419)                  |
| Less accumulated<br>amortization, buildings | (170,498)                    | (190,790)           | -                | -                | (361,288)                 |
| Total leased assets, net                    | <u>\$ 515,827</u>            | <u>\$ (228,453)</u> | <u>\$ -</u>      | <u>\$ -</u>      | <u>\$ 287,374</u>         |

#### Lessee – Lease Liabilities

The Commission's lease liability activity for the year ended June 30, 2022 is as follows:

|                   | <u>Beginning<br/>Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|-------------------|------------------------------|------------------|-------------------|---------------------------|--------------------------------|
| Lease liabilities | \$ 515,827                   | \$ -             | \$ (222,012)      | \$ 293,815                | \$ 200,539                     |

The Commission enters into lease agreements for periods between three and five years as lease for the use of certain equipment and buildings. The leases have an imputed interest rate of 3.50%.

Principal and interest requirements to maturity for the leases as of June 30, 2022 are as follows:

| <u>Fiscal Year</u> | <u>Principal</u>  | <u>Interest</u> | <u>Total</u>      |
|--------------------|-------------------|-----------------|-------------------|
| 2023               | \$ 200,539        | \$ 6,776        | \$ 207,315        |
| 2024               | 69,522            | 2,023           | 71,545            |
| 2025               | 23,754            | 194             | 23,948            |
| Total              | <u>\$ 293,815</u> | <u>\$ 8,993</u> | <u>\$ 302,808</u> |

The beginning balances for the leased assets and liabilities were restated for the implementation of GASB Statement No. 87.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM OBLIGATIONS

All long-term debt issued for governmental purposes of the Commission is retired from the Debt Service Fund. General obligation bonds and notes are secured by the full faith, credit and taxing power of the Commission. Resources from the General Fund will be used to liquidate the compensated absences accrual for the governmental activities.

The following is a summary of long-term obligation transactions for the Commission for the year ended June 30, 2022.

| Long-term obligations           | Beginning<br>Balance | Additions            | Reductions             | Ending<br>Balance    | Due Within<br>One Year |
|---------------------------------|----------------------|----------------------|------------------------|----------------------|------------------------|
| <b>Governmental activities:</b> |                      |                      |                        |                      |                        |
| General obligation bonds        | \$ 52,760,000        | \$ 8,000,000         | \$ (4,320,000)         | \$ 56,440,000        | \$ 12,825,000          |
| Plus: issuance premium          | 2,225,998            | -                    | (383,713)              | 1,842,285            | -                      |
| Total general obligation bonds  | 54,985,998           | 8,000,000            | (4,703,713)            | 58,282,285           | 12,825,000             |
| Compensated absences            | 1,535,164            | 779,795              | (694,965)              | 1,619,994            | 497,357                |
| Net pension liability           | 25,477,383           | 6,971,838            | (10,574,212)           | 21,875,009           | -                      |
| Net OPEB liability              | 10,622,221           | 598,254              | (2,931,589)            | 8,288,886            | -                      |
| Total long-term obligations     | <u>\$ 92,620,766</u> | <u>\$ 16,349,887</u> | <u>\$ (18,904,479)</u> | <u>\$ 90,066,174</u> | <u>\$ 13,322,357</u>   |

Bonds outstanding for the fiscal year ended June 30, 2022 were as follows:

|                                                                                                                                                                                                                     | <b>Principal<br/>Outstanding<br/>At Year-End</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|
| 2013 general obligation bonds in the original amount of \$17,500,000, due in annual installments of \$25,000 to \$1,825,000 from February 1, 2014 through February 1, 2028; interest ranges from 2.00% to 4.00%.    | \$ 10,025,000                                    |
| 2017 general obligation bonds in the original amount of \$25,000,000, due in annual installments of \$760,000 to \$2,245,000 from February 1, 2019 through February 1, 2023; interest rate of 3.00%.                | 21,075,000                                       |
| 2020 general obligation bonds in the original amount of \$20,000,000, due in annual installments of \$1,330,000 to \$1,335,000 from February 1, 2021 through February 1, 2035; interest ranges from 1.50% to 4.00%. | 17,340,000                                       |
| 2022 general obligation bonds in the original amount of \$8,000,000, due in one annual installment of \$8,000,000 on February 1, 2023; interest rate at 1.72%                                                       | 8,000,000                                        |
| Plus unamortized premiums                                                                                                                                                                                           | <u>1,842,285</u>                                 |
| Total General Obligation Bonds                                                                                                                                                                                      | <u>\$ 58,282,285</u>                             |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM OBLIGATIONS (CONTINUED)

As of June 30, 2022, maturities on long-term debt are as follows:

| Year ending June 30, | Principal            | Interest            | Total                |
|----------------------|----------------------|---------------------|----------------------|
| 2023                 | \$ 12,825,000        | \$ 1,461,199        | \$ 14,286,199        |
| 2024                 | 4,940,000            | 1,203,325           | 6,143,325            |
| 2025                 | 4,665,000            | 1,024,825           | 5,689,825            |
| 2026                 | 4,755,000            | 880,200             | 5,635,200            |
| 2027                 | 4,850,000            | 724,200             | 5,574,200            |
| 2028 – 2032          | 19,115,000           | 1,603,725           | 20,718,725           |
| 2033 – 2035          | 5,290,000            | 164,456             | 5,454,456            |
|                      | <u>\$ 56,440,000</u> | <u>\$ 7,061,930</u> | <u>\$ 63,501,930</u> |

### NOTE 8. PENSION PLAN

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

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. PENSION PLAN (CONTINUED)

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

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

#### *Plan Description*

The SCRS, a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits for employees of the state, its public school districts, and political subdivisions of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.

#### *Plan Membership*

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the System as a condition of employment. This plan covers general employees and teachers and individuals newly elected to the South Carolina General Assembly beginning with the November 2012 general election. An employee member of the System with an effective date of membership prior to July 1, 2012, is a Class Two member. An employee member of the System with an effective date of membership on or after July 1, 2012, is a Class Three member.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 8. PENSION PLAN (CONTINUED)

#### *Plan Benefits*

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

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of 1% or \$500 every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the second July 1 after reaching age 60 or the second July 1 after the date they would have had 28 years of service credit had they not retired.

#### *Plan Contributions*

Actuarial valuations are performed annually by an external consulting actuary to ensure applicable contribution rates satisfy the funding parameters specified in Title 9 of the South Carolina Code of Laws. Under these provisions, SCRS contribution requirements must be sufficient to maintain an amortization period for the financing of the unfunded actuarial accrued liability ("UAAL") over a period that does not exceed the number of years scheduled in state statute. Legislation in 2017 increased, but also established a ceiling for SCRS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00% for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for SCRS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year in accordance with state statute. However, the General Assembly postponed the 1% increase in the SCRS employer contribution rates that was scheduled to go into effect beginning July 1, 2020. If the scheduled contributions are not sufficient to meet the funding periods set in state statute, the Board shall increase the employer contribution rates as necessary to meet the funding periods set for the applicable year. The maximum funding period of SCRS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

#### *Plan Contributions (Continued)*

Additionally, the Board is prohibited from decreasing the SCRS contribution rates until the funded ratio is at least 85%. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial value of System assets to the actuarial accrued liability of the System (the funded ratio) that is equal to or greater than 85%, then the Board, effective on the following July 1st, may decrease the then current contribution rates upon making a finding that the decrease will not result in a funded ratio of less than 85%. If contribution rates are decreased pursuant to this provision, and the most recent annual actuarial valuation of the System shows a funded ratio of less than 85%, then effective on the following July 1st, and annually thereafter as necessary, the Board shall increase the then current contribution rates until a subsequent annual actuarial valuation of the System shows a funded ratio that is equal to or greater than 85%. Required employee contributions rates for fiscal year 2022 were 9.00% for class Two and Three employees. Required employer contributions rates for fiscal year 2022 were 16.41% for class Two and Three employers.

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

|                             | 2020          | 2021          | 2022                 |
|-----------------------------|---------------|---------------|----------------------|
| Employer contribution rate: |               |               |                      |
| Retirement                  | 15.41%        | 15.41%        | <b>16.41%</b>        |
| Incidental death benefit    | 0.15%         | 0.15%         | <b>0.15%</b>         |
|                             | <u>15.56%</u> | <u>15.56%</u> | <u><b>16.56%</b></u> |
| Employee contribution rate  | 9.00%         | 9.00%         | <b>9.00%</b>         |

The required contributions, percentages of amounts contributed by the Commission to the Plan, and covered payroll for the past three years were as follows:

|             | Required<br>Contribution | Percentage<br>Contributed | Covered<br>Payroll   |
|-------------|--------------------------|---------------------------|----------------------|
| <b>2022</b> | <b>\$ 2,156,641</b>      | <b>100%</b>               | <b>\$ 13,023,193</b> |
| 2021        | 1,777,912                | 100%                      | 11,426,170           |
| 2020        | 1,732,517                | 100%                      | 11,134,428           |

#### *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. An experience report on the Systems was most recently issued for the period ended June 30, 2019.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

#### *Actuarial Assumptions and Methods (Continued)*

The June 30, 2021 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by our consulting actuary, Gabriel, Roeder, Smith and Company ("GRS") and are based on an actuarial valuation performed as of July 1, 2020. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year-end, June 30, 2021, using generally accepted actuarial principles. There was no legislation enacted during the 2021 legislative session that had a material change in the benefit provisions for any of the Systems. In fiscal year 2021, the Board adopted updated demographic assumptions. Also, the General Assembly permitted the investment return assumption at July 1, 2021 to decrease from 7.25% to 7.00%, as provided by Section 9-16-335 in South Carolina State Code.

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2021.

|                             |                                   |
|-----------------------------|-----------------------------------|
| Actuarial Cost Method       | Entry Age Normal                  |
| Actuarial Cost Assumptions: |                                   |
| Investment rate of return   | 7.00%                             |
| Projected salary increases* | 3.0% to 11.0% (varies by service) |

\* Includes inflation rate of 2.25%

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

| Former Job Class                                         | Males                              | Females                              |
|----------------------------------------------------------|------------------------------------|--------------------------------------|
| Educators                                                | 2020 PRSC Males multiplied by 95%  | 2020 PRSC Females multiplied by 94%  |
| General Employees and<br>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% |

#### *Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments is based upon 20-year capital market assumptions. The long-term expected rate of returns represent assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. Expected returns are net of investment fees.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

#### *Long-Term Expected Rate of Return (Continued)*

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2021 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 following table. For actuarial purposes, the 7.00% assumed annual investment rate of return used in the calculation of the TPL includes a 4.75% real rate of return and a 2.25% inflation component.

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

| Allocation/Exposure            | Policy Target | Expected Arithmetic Real Rate of Return | Long-term Portfolio Real Rate of Return |
|--------------------------------|---------------|-----------------------------------------|-----------------------------------------|
| <b>Public Equity</b>           | <b>46.0%</b>  | 6.87%                                   | 3.16%                                   |
| <b>Bonds</b>                   | <b>26.0%</b>  | 0.27%                                   | 0.07%                                   |
| <b>Private Equity</b>          | <b>9.0%</b>   | 9.68%                                   | 0.87%                                   |
| <b>Private Debt</b>            | <b>7.0%</b>   | 5.47%                                   | 0.39%                                   |
| <b>Real Assets</b>             | <b>12.0%</b>  |                                         |                                         |
| Real estate                    | 9.0%          | 6.01%                                   | 0.54%                                   |
| Infrastructure                 | 3.0%          | 5.08%                                   | 0.15%                                   |
| Total expected real return     | 100.0%        |                                         | 5.18%                                   |
| Inflation for actuary purposes |               |                                         | 2.25%                                   |
| Total expected nominal return  |               |                                         | 7.43%                                   |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

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

The net pension liability ("NPL") is calculated separately for each System and represents that particular System's total pension liability determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2022, for the SCRS are presented in the following table:

| <u>System</u> | <u>Total pension liability</u> | <u>Plan Fiduciary<br/>Net Position</u> | <u>Net pension liability</u> | <u>Plan fiduciary net<br/>position as a<br/>percentage of the<br/>total pension liability</u> |
|---------------|--------------------------------|----------------------------------------|------------------------------|-----------------------------------------------------------------------------------------------|
| SCRS          | \$ 55,131,579,363              | \$ 33,490,305,970                      | \$ 21,641,273,393            | 60.7%                                                                                         |

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

At June 30, 2022, the Commission reported a liability of \$21,875,009 for its proportionate share of the net pension liability for the SCRS. The net pension liability was measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined based on the most recent actuarial valuation report of July 1, 2020 that was projected forward to the measurement date. The Commission's proportion of the net pension liability was based on a projection of the Commission's long-term share of contributions to the Plan relative to the projected contributions of all participating South Carolina state and local governmental employers, actuarially determined. At the June 30, 2021 measurement date, the Commission's SCRS proportion was 0.10108%, which was an increase of 0.00137% from its proportion measured as of June 30, 2020.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)*

For the year ended June 30, 2022, the Commission recognized pension expense of \$1,506,856 for the SCRS. At June 30, 2022, the Commission reported deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to pensions from the following sources:

|                                                                                                                       | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                                                                    | \$ 372,616                                | \$ 29,523                                |
| Changes in assumptions                                                                                                | 1,197,366                                 | -                                        |
| Net difference between projected and actual earnings on pension plan investments                                      | -                                         | 3,177,633                                |
| Changes in proportion and differences between the Commission's contributions and proportionate share of contributions | 237,077                                   | 199,512                                  |
| Commission contributions subsequent to the measurement date                                                           | 2,156,641                                 | -                                        |
|                                                                                                                       | <u>\$ 3,963,700</u>                       | <u>\$ 3,406,668</u>                      |

Of the balance reported as deferred outflows of resources, \$2,156,641 were related to the Commission's contributions subsequent to the measurement date to the SCRS and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) related to the SCRS will increase (decrease) pension expense as follows:

| <u>Year ending June 30,</u> | <u>SCRS</u>           |
|-----------------------------|-----------------------|
| 2023                        | \$ (198,462)          |
| 2024                        | (11,166)              |
| 2025                        | (200,952)             |
| 2026                        | (1,189,029)           |
|                             | <u>\$ (1,599,609)</u> |

*Discount Rate*

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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. PENSION PLAN (CONTINUED)

#### *Sensitivity Analysis*

The following table presents the sensitivity of the Commission's proportionate share of the net pension liability of the Plan to changes in the discount rate, calculated using the discount rate of 7.00%, as well as what it would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

|                                                                              | 1% Decrease<br>(6.00%) | Current<br>Discount Rate<br>(7.00%) | 1% Increase<br>(8.00%) |
|------------------------------------------------------------------------------|------------------------|-------------------------------------|------------------------|
| Commission's proportionate share of<br>the net pension liability of the SCRS | \$ 28,653,525          | \$ 21,875,009                       | \$ 16,240,642          |

#### *Fiduciary Net Position*

Detailed information regarding the fiduciary net position of the Plan administered by the PEBA is available in the separately issued ACFR containing financial statements and required supplementary information for the SCRS. The ACFR is publicly available through the Retirement Benefits' link on the PEBA's website at [www.peba.sc.gov](http://www.peba.sc.gov), or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, South Carolina 29223.

#### *Payable to Plan*

The Commission reported a payable of \$111,663 to the PEBA as of June 30, 2022, representing required employer and employee contributions for the month of June 2022 for the SCRS. This amount is included in accounts payable on the face of the financial statements and was paid in July 2022.

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS

#### *Plan Description*

The Commission provides health and dental benefits to eligible employees and their beneficiaries through the Charleston County Park and Recreation Commission Retiree Health Care Plan, a single-employer defined benefit other post-employment benefit plan ("OPEB Plan") administered by the Commission's Human Resources Division. The Commission has the authority to establish and amend the benefit terms. The OPEB Plan does not issue a stand-alone financial report.

#### *Plan Benefits*

The OPEB Plan provides group health, vision, and dental insurance for retirees who were hired prior to July 1, 2016 and meet the following eligibility criteria. The OPEB Plan is closed to new members.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *Plan Benefits (Continued)*

Employees who retired from the Commission prior to July 1, 2016:

Any covered employee who retires with at least 20 years, but less than 25 years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50% of the retiree cost and 50% of the dependent cost for health and dental coverage.

- Any covered employee who retires with 25 or more years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 100% of the retiree cost and 65% of the dependent cost for health and dental coverage.
- The health and dental insurance premium for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50% or 65%) as in effect prior to the retiree's death. Survivors may remain on the plan until death or remarriage, whichever comes first.

Employees who retire from the Commission between July 1, 2016 and July 1, 2030:

- Any covered employee who retires with at least 20 years, but less than 25 years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50% of the retiree cost and 50% of the dependent cost for health and dental coverage.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *Plan Benefits (Continued)*

- Any covered employee who retires with 25 or more years of Commission covered entity service credit under the South Carolina Retirement Systems will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, provided he/she is eligible for retirement at the time he/she leaves active Commission service. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 100% of the retiree cost and 65% of the dependent cost for health and dental coverage.

The health and dental insurance premiums for surviving spouses and dependents of deceased retirees will be waived for one year after the retiree's death. Following one year, the surviving spouse and/or dependents are eligible to continue coverage at the same proportional cost (50% or 65%) as in effect prior to the retiree's death. Survivors may remain on the Plan until death or remarriage, whichever comes first.

- Retirees and their dependents may remain on retiree coverage until the retiree reaches Medicare eligible age. Upon reaching Medicare eligibility, retirees and/or their dependents will be required to enroll in Medicare Part A and B and will be eligible for a reimbursement of premium costs of a Medicare Supplemental Plan. Retirees with 25 or more years of Commission service credit under the South Carolina Retirement Systems will be eligible to receive up to \$250 per month and up to \$162.50 for a spouse. Retirees with at least 20 Commission full-time years, but less than 25 full-time years of Commission service will be eligible to receive up to \$125 per month and up to \$125 for a spouse. The reimbursement amount will be reviewed annually during the budget process. The Executive Director or designee will develop reimbursement procedures. Retirees will be notified of reimbursement procedures in the Retiree Medicare Supplemental Plan Premium Reimbursement Agreement, which each retiree will be required to accept before reimbursements will be issued.
- If the retiree reaches Medicare eligibility prior to their covered spouse, the covered spouse may remain on the Commission's group coverage until they reach Medicare eligible age and the Commission will continue to contribute toward their premium at the same percentage to which they are eligible based on the retiree's years of service with the Commission.
- Retirees and their dependents may remain on the Commission's dental and vision plans. The Commission will continue dental and vision premium contributions for both the retiree and their dependents based on the retiree's years of service.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *Plan Benefits (Continued)*

Employees who retire from the Commission after July 1, 2030:

- Any covered employee who meets the following requirements (is at least 55 years old, who is not currently eligible for Medicare coverage, who retires with at least 20 Commission full-time years, but less than 25 full-time years of Commission service credit under the South Carolina Retirement Systems) will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, and provided he/she is eligible for retirement at the time he/she leaves active Commission service and retires at the time of separation with the Commission. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 50% of the retiree cost only. Retiree's dependents may remain on the insurance plan but retirees will be responsible for the full cost of the dependent's premiums.
- Any covered employee who meets the following requirements (is at least 55 years old, who is not currently eligible for Medicare coverage, who retires with at least 25 or more years of Commission service credit under the South Carolina Retirement Systems) will be eligible for Commission funded retiree insurance benefits effective with his/her date of retirement, and provided he/she is eligible for retirement at the time he/she leaves active Commission service and retires at the time of separation with the Commission. The last five years must be consecutive and in a full-time, regular position. The Commission will pay 75% of the retiree cost only. Retiree's dependents may remain on the insurance plan but retirees will be responsible for the full cost of the dependent's premiums.

No coverage is available to an employee not eligible for employer paid coverage. Participation in the OPEB Plan is not required.

Covered participants are required to apply for Medicare when eligible, and retiree coverage will be secondary to Medicare or any other group coverage that employees or their dependents have.

#### *Plan Membership*

Membership of the plan is as follows:

|                                                           |            |
|-----------------------------------------------------------|------------|
| Retirees, survivors, and beneficiaries receiving benefits | 25         |
| Active employees                                          | 125        |
| Total                                                     | <u>150</u> |

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *Plan Contributions*

The Commission has the authority to establish and amend the contribution requirements of the OPEB Plan. During the year ended June 30, 2022, the Commission made contributions of \$288,314 through the payment of retiree premiums. No contributions were made to the irrevocable trust during the current year. Employees are not required to contribute to the OPEB Plan.

#### *Actuarial Assumptions and Methods*

Actuarial valuations of the OPEB 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, inflation, healthcare cost trend rates, and future salary changes. Amounts determined regarding the net OPEB liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive OPEB Plan (the plan as understood by the employer and its members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following table provides a summary of the significant actuarial assumptions and methods used in the latest actuarial valuation for the OPEB Plan.

|                              |                             |
|------------------------------|-----------------------------|
| Actuarial Valuation Date     | June 30, 2021               |
| Actuarial Cost Method        | Individual Entry Age Normal |
| Asset Valuation Method       | Market                      |
| Value Actuarial Assumptions: |                             |
| Inflation                    | 2.25%                       |
| Single Discount Rate         | 3.69%                       |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *Actuarial Assumptions and Methods (Continued)*

|                       |                                                                                                                                                                                                                                                                                                                              |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Healthcare Cost Trend | 6.75% declining to an ultimate rate of 4.00% after 12 years.                                                                                                                                                                                                                                                                 |
| Rate Coverage         | The participation rates were assumed to vary by the amount of the subsidy; employees were expected to participate at a rate of 70%, 90% and 95% when eligible for the 50%, 75%, and 100% subsidies, respectively.                                                                                                            |
| Mortality Table       | For healthy retirees, the gender-distinct South Carolina Retirees 2020 Mortality Tables are used with male rates multiplied by 97% and female rates multiplied by 107%. 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. |

Demographic assumptions were based on the results of an actuarial experience study for the five-year period ended June 30, 2019, as conducted for the SCRS.

#### *OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB*

The Commission's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

|                                                       | <b>Total OPEB<br/>Liability</b> | <b>Fiduciary<br/>Net Position</b> | <b>Net OPEB<br/>Liability</b> |
|-------------------------------------------------------|---------------------------------|-----------------------------------|-------------------------------|
| Balances as of June 30, 2021                          | \$ 13,398,606                   | \$ 2,776,385                      | \$ 10,622,221                 |
| Changes for the year:                                 |                                 |                                   |                               |
| Service cost                                          | 339,014                         | -                                 | 339,014                       |
| Interest                                              | 257,740                         | -                                 | 257,740                       |
| Differences between expected and<br>actual experience | (527,732)                       | -                                 | (527,732)                     |
| Changes of assumptions                                | (2,112,628)                     | -                                 | (2,112,628)                   |
| Contributions - employer                              | -                               | 288,314                           | (288,314)                     |
| Net investment income                                 | -                               | 2,915                             | (2,915)                       |
| Benefit payments                                      | (288,314)                       | (288,314)                         | -                             |
| Administrative expense                                | -                               | (1,500)                           | 1,500                         |
| Net changes                                           | (2,331,920)                     | 1,415                             | (2,333,335)                   |
| Balances as of June 30, 2022                          | \$ 11,066,686                   | \$ 2,777,800                      | \$ 8,288,886                  |

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

*OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)*

For the year ended June 30, 2022, the Commission recognized OPEB expense of \$534,848. At June 30, 2022, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                          | <u>Deferred Outflows<br/>of Resources</u> | <u>Deferred Inflows<br/>of Resources</u> |
|--------------------------------------------------------------------------|-------------------------------------------|------------------------------------------|
| Differences between expected and actual experience                       | \$ 555,315                                | \$ 473,805                               |
| Changes in assumptions                                                   | 1,326,402                                 | 1,916,112                                |
| Net difference between projected and actual earnings on OPEB investments | 83,141                                    | -                                        |
|                                                                          | <u>\$ 1,964,858</u>                       | <u>\$ 2,389,917</u>                      |

Amounts reported as deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to the OPEB Plan will increase (decrease) OPEB expense as follows:

| <u>Year ending June 30,</u> | <u>Total</u>        |
|-----------------------------|---------------------|
| 2023                        | \$ (7,363)          |
| 2024                        | (8,599)             |
| 2025                        | (13,012)            |
| 2026                        | (21,493)            |
| 2027                        | (33,402)            |
| Thereafter                  | (341,190)           |
|                             | <u>\$ (425,059)</u> |

#### *Discount Rate*

The discount rate used to measure the total OPEB liability was 3.69% based on the municipal bond rate as of June 30, 2022. The discount rate used as of June 30, 2021 was 1.92%. The Commission does not anticipate making any future contributions to the OPEB Trust; therefore, it was considered reasonable to use the prevailing municipal bond rate as the single discount rate.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following table presents the sensitivity of the Commission's net OPEB liability to changes in the discount rate, calculated using the discount rate of 3.69%, as well as what it would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|                    | <b>1% Decrease<br/>(2.69%)</b> | <b>Current Discount Rate<br/>(3.69%)</b> | <b>1% Increase<br/>(4.69%)</b> |
|--------------------|--------------------------------|------------------------------------------|--------------------------------|
| Net OPEB liability | \$ 9,584,525                   | \$ 8,288,886                             | \$ 7,166,560                   |

#### *Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate*

The following table presents the sensitivity of the Commission's net OPEB liability to changes in the healthcare cost trend rate, calculated using the healthcare cost trend rate of 6.75% decreasing to 4.00%, as well as what it would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

|                    | <b>1% Decrease<br/>(5.75% decreasing<br/>to 3.00%)</b> | <b>Current Healthcare<br/>Cost Rate Trend<br/>(6.75% decreasing<br/>to 4.00%)</b> | <b>1% Increase<br/>(7.75% decreasing<br/>to 5.00%)</b> |
|--------------------|--------------------------------------------------------|-----------------------------------------------------------------------------------|--------------------------------------------------------|
| Net OPEB liability | \$ 7,134,147                                           | \$ 8,288,886                                                                      | \$ 9,652,239                                           |

### NOTE 10. COMMITMENTS AND CONTINGENCIES

#### **Laurel Hill Plantation**

During October 2010, the Commission entered into an agreement for an area commonly known as Laurel Hill Plantation for an initial period of 25 years with a provision that the agreement will be automatically extended for three separate successive terms of 25 years each, provided that the Commission is not in default. The Commission paid base fees, operating expenses and additional fees. The base fee was \$1,330,000 for the first five years of the term for a total of \$6,650,000 with no further base fees being required for the remainder of the agreement. Additional fees are defined as other items for which the Commission may become liable during the term of the agreement, including, but not limited to, premiums for insurance. Operating expenses are defined as nominal costs including, but not limited to, ad valorem taxes and premiums for insurance. The base fee is being amortized on a straight-line basis over the initial term of 25 years in the government-wide financial statements, and at June 30, 2022, the unamortized prepaid amount was \$3,524,500.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 10. COMMITMENTS AND CONTINGENCIES (CONTINUED)

#### James Island Master Plan

During 1988, the Commission was advised by the South Carolina Highway Department that the proposed Mark Clark Expressway will go through the northern portion of the James Island County Park. The South Carolina Highway Department has been in contact with the Commission with the expected plans for the Mark Clark Expressway, but there has been no formal agreement and the full effects of the project have not yet been determined.

#### Cooper River Marina

In December 2000, the U.S. Secretary of the Interior conveyed property consisting of approximately 25 acres in fee simple and 0.6 acres of easements to the Commission in a quitclaim deed. The property conveyed includes areas presently known as the Cooper River Marina, previously known as the Old Navy Base Marina facilities. The conveyance has several restrictions including the following: 1) the property must be used and maintained for the public park and recreation purposes for which it was conveyed in perpetuity, 2) the property shall not be sold, leased, assigned or otherwise disposed of except to another eligible governmental agency that the Secretary of the Interior agrees in writing can assure the same continued use of the property, and 3) funds generated on the property may not be used for non-recreational purposes and, furthermore, must be used for the development, operation and maintenance of the property until it is fully developed in accordance with the Program of Utilization.

#### Town of Hollywood

In May 2017, the Commission entered into an agreement with the Town of Hollywood (the "Town") for the planning, construction, and management of a recreational facility that will include a swimming pool. In accordance with the agreement, the Town will obtain and retain ownership of property for the intended use of the recreational facility. The Commission will also be responsible for the management, staffing, and maintenance of the pool complex, and the Town will be responsible for the management, staffing, and maintenance of all other proposed recreational amenities.

#### Construction Commitments

The Commission had several incomplete construction projects at year-end. As of June 30, 2022, the Commission had outstanding construction commitments of \$4,122,144.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 11. RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters. For all of these risks, the Commission is a member of the State of South Carolina Insurance Reserve Fund, a public entity risk pool currently operating as a common risk management and insurance program for local governments. The Commission pays an annual premium to the State Insurance Reserve Fund for its general insurance coverage. The State Insurance Reserve Fund is self-sustaining through member premiums and reinsures through commercial companies for certain claims.

The Commission is also subject to risks of loss from providing health, life, accident, dental and other medical benefits to employees. Optional coverage for dependents is paid by the employee. This insurance coverage is obtained from one independent medical insurance company.

In addition, the Commission insures the risk of job-related injury or illness to its employees through South Carolina State Accident Fund, a public entity risk pool operating for the benefit of local governments. The Commission pays an annual premium to the State Accident Fund for its insurance coverage.

The Commission has elected not to be covered by the South Carolina Employment Security Commission and is on a direct reimbursement plan in which the Commission reimburses the South Carolina Employment Security Commission for any claims filed. The Commission is unable to determine the amount of contingent liability for unemployment compensation as of June 30, 2022. Based on prior experience, the Commission believes the liability would not be significant.

For all of the above risk management programs, the Commission has not significantly reduced insurance coverage from the previous year or settled claims in excess of insurance coverage for the last three years. Insurance claims for the years ended June 30, 2022, 2021 and 2020 were \$122,494, \$70,353 and \$240,927, respectively. For each of the insurance programs and public entity risk pools in which it participates, the Commission has effectively transferred all risk with no liability for unfunded claims.

### NOTE 12. LITIGATION

The Commission is a defendant in a variety of cases arising from accidents and other alleged torts. These cases are being defended by the insurance carrier of the Commission and are believed to offer no material risk to the Commission.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 13. TAX ABATEMENTS**

The Commission is subject to tax abatements entered into by Charleston County, who enters into property tax abatement agreements with local businesses through various abatement programs. For the fiscal year ended June 30, 2022, the Commission's property taxes abated by agreements entered into by Charleston County totaled \$1,083,961. The Commission has not entered into any of its own tax abatement agreements.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board, but are not considered a part of the basic financial statements. Such information includes:

### **Budgetary Comparison Schedule:**

- General Fund

### **Pension Schedules:**

- Schedule of Charleston County Park and Recreation Commission's Proportionate Share of the Net Pension Liability – South Carolina Retirement System
- Schedule of Charleston County Park and Recreation Commission's Contributions – South Carolina Retirement System

### **OPEB Schedules:**

- Schedule of Changes in the Charleston County Park and Recreation Commission's Net OPEB Liability and Related Ratios
- Schedule of Charleston County Park and Recreation Commission's Contributions – OPEB plan

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**GENERAL FUND - SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - GAAP BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

|                                                      | Budget        |               | Actual        | Variance With<br>Final Budget |
|------------------------------------------------------|---------------|---------------|---------------|-------------------------------|
|                                                      | Original      | Final         |               |                               |
| <b>Revenues</b>                                      |               |               |               |                               |
| Taxes                                                | \$ 18,400,000 | \$ 18,400,000 | \$ 18,964,686 | \$ 564,686                    |
| Gross sales revenue                                  | 2,256,219     | 2,256,219     | 2,675,682     | 419,463                       |
| Admissions and program revenue                       | 9,211,312     | 9,211,312     | 11,080,509    | 1,869,197                     |
| Facility and fleet rentals                           | 4,341,248     | 4,341,248     | 4,942,394     | 601,146                       |
| Intergovernmental                                    | 5,540         | 5,540         | 16,274        | 10,734                        |
| Recreational programming                             | 1,320,087     | 1,320,087     | 1,017,826     | (302,261)                     |
| Other                                                | 163,435       | 163,435       | 583,119       | 419,684                       |
| Total revenues                                       | 35,697,841    | 35,697,841    | 39,280,490    | 3,582,649                     |
| <b>Expenditures</b>                                  |               |               |               |                               |
| Current                                              |               |               |               |                               |
| General government:                                  |               |               |               |                               |
| Administration                                       | 1,593,065     | 1,593,065     | 1,381,826     | 211,239                       |
| Executive                                            | 1,021,549     | 1,021,549     | 1,015,856     | 5,693                         |
| Financial services                                   | 960,550       | 960,550       | 825,326       | 135,224                       |
| General services:                                    |               |               |               |                               |
| Administration and information technology            | 2,463,457     | 2,463,457     | 2,236,939     | 226,518                       |
| Human resources                                      | 873,896       | 873,896       | 603,752       | 270,144                       |
| Planning and resource management                     | 1,439,182     | 1,439,182     | 1,341,400     | 97,782                        |
| Total general services                               | 4,776,535     | 4,776,535     | 4,182,091     | 594,444                       |
| Total general government                             | 8,351,699     | 8,351,699     | 7,405,099     | 946,600                       |
| Park and recreation services:                        |               |               |               |                               |
| Administration, park and program services and safety | 1,334,397     | 1,334,397     | 1,158,838     | 175,559                       |
| Maintenance                                          | 7,308,410     | 7,308,410     | 6,878,532     | 429,878                       |
| Marketing                                            | 1,586,580     | 1,586,580     | 1,500,191     | 86,389                        |
| Operations                                           | 1,569,262     | 1,569,262     | 1,569,262     | -                             |
| Recreation                                           | 14,145,930    | 14,145,930    | 13,879,304    | 266,626                       |
| Total park and recreation services                   | 25,944,579    | 25,944,579    | 24,986,127    | 958,452                       |
| Capital outlay                                       | 175,400       | 175,400       | 320,986       | (145,586)                     |
| Total expenditures                                   | 34,471,678    | 34,471,678    | 32,712,212    | 1,759,466                     |
| Excess of revenues over expenditures                 | 1,226,163     | 1,226,163     | 6,568,278     | 5,342,115                     |
| <b>Other Financing Sources (Uses)</b>                |               |               |               |                               |
| Transfers in                                         | 121,500       | 121,500       | 66,644        | (54,856)                      |
| Transfers out                                        | (2,000,000)   | (2,000,000)   | (2,000,000)   | -                             |
| Proceeds from sale of capital assets                 | 93,225        | 93,225        | 76,127        | (17,098)                      |
| Total other financing uses, net                      | (1,785,275)   | (1,785,275)   | (1,857,229)   | (71,954)                      |
| Net change in fund balances                          | (559,112)     | (559,112)     | 4,711,049     | 5,270,161                     |
| Fund balances, beginning of year                     | 19,759,263    | 19,759,263    | 19,759,263    | -                             |
| Fund balances, end of year                           | \$ 19,200,151 | \$ 19,200,151 | \$ 24,470,312 | \$ 5,270,161                  |

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**FOR THE FISCAL YEAR ENDED JUNE 30,**

|                                                                                                  | <u>2022</u>   | <u>2021</u>   | <u>2020</u>   | <u>2019</u>   | <u>2018</u>   |
|--------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Commission's proportion of the net pension liability                                             | 0.10108%      | 0.09971%      | 0.10030%      | 0.10275%      | 0.10271%      |
| Commission's proportionate share of the net pension liability                                    | \$ 21,875,009 | \$ 25,477,383 | \$ 22,903,774 | \$ 23,023,723 | \$ 23,120,547 |
| Commission's covered payroll                                                                     | \$ 11,426,170 | \$ 11,134,428 | \$ 10,564,556 | \$ 10,649,937 | \$ 10,362,054 |
| Commission's proportionate share of the net pension liability as a percentage of covered payroll | 191.4%        | 228.8%        | 216.8%        | 216.2%        | 223.1%        |
| Plan fiduciary net position as a percentage of the total pension liability                       | 60.7%         | 50.7%         | 54.1%         | 54.1%         | 53.4%         |
|                                                                                                  | <u>2017</u>   | <u>2016</u>   | <u>2015</u>   | <u>2014</u>   |               |
| Commission's proportion of the net pension liability                                             | 0.10589%      | 0.10628%      | 0.10271%      | 0.10271%      |               |
| Commission's proportionate share of the net pension liability                                    | \$ 22,617,734 | \$ 20,156,134 | \$ 17,682,740 | \$ 18,421,972 |               |
| Commission's covered payroll                                                                     | \$ 10,271,200 | \$ 9,910,088  | \$ 9,324,443  | \$ 8,915,053  |               |
| Commission's proportionate share of the net pension liability as a percentage of covered payroll | 220.2%        | 203.4%        | 189.6%        | 206.6%        |               |
| Plan fiduciary net position as a percentage of the total pension liability                       | 52.9%         | 57.0%         | 59.2%         | 56.4%         |               |

**Note to Schedule:**

This schedule will present 10 years of information once it has been accumulated.

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF COMMISSION CONTRIBUTIONS**  
**SOUTH CAROLINA RETIREMENT SYSTEM**  
**FOR THE FISCAL YEAR ENDED JUNE 30,**

|                                                                      | 2022                                      | 2021          | 2020          | 2019          | 2018          |
|----------------------------------------------------------------------|-------------------------------------------|---------------|---------------|---------------|---------------|
| Contractually required contribution                                  | \$ 2,156,641                              | \$ 1,777,912  | \$ 1,732,517  | \$ 1,724,627  | \$ 1,444,091  |
| Contributions in relation to the contractually required contribution | 2,156,641                                 | 1,777,912     | 1,732,517     | 1,724,627     | 1,444,091     |
| Contribution (excess) deficiency                                     | \$ -                                      | \$ -          | \$ -          | \$ -          | \$ -          |
| Commission covered payroll                                           | \$ 13,023,193                             | \$ 11,426,170 | \$ 11,134,428 | \$ 10,564,556 | \$ 10,649,637 |
| Contributions as a percentage of covered payroll                     | 16.6%                                     | 15.6%         | 15.6%         | 16.3%         | 13.6%         |
|                                                                      | 2017                                      | 2016          | 2015          | 2014          |               |
| Contractually required contribution                                  | \$ 1,197,853                              | \$ 1,135,994  | \$ 1,080,200  | \$ 988,391    |               |
| Contributions in relation to the contractually required contribution | 1,197,853                                 | 1,135,994     | 1,080,200     | 988,391       |               |
| Contribution (excess) deficiency                                     | \$ -                                      | \$ -          | \$ -          | \$ -          |               |
| Commission covered payroll                                           | \$ 10,362,054                             | \$ 10,271,200 | \$ 9,910,088  | \$ 9,324,443  |               |
| Contributions as a percentage of covered payroll                     | 11.6%                                     | 11.1%         | 10.9%         | 10.6%         |               |
| <b>Notes to Schedule:</b>                                            |                                           |               |               |               |               |
| Valuation date                                                       | July 1, 2020                              |               |               |               |               |
| Cost method                                                          | Entry Age Normal                          |               |               |               |               |
| Actuarial asset valuation method                                     | Five year smoothed                        |               |               |               |               |
| Amortization method                                                  | Level percent of pay                      |               |               |               |               |
| Amortization period                                                  | 28 years variable, not to exceed 28 years |               |               |               |               |
| Investment return                                                    | 7.00%                                     |               |               |               |               |
| Inflation                                                            | 2.25%                                     |               |               |               |               |
| Salary increases                                                     | 3.00% to 11.00% (varies by service)       |               |               |               |               |

This schedule will present 10 years of information once it has been accumulated.

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN THE COMMISSION'S NET OPEB LIABILITY**  
**AND RELATED RATIOS**  
**FOR THE FISCAL YEAR ENDED JUNE 30,**

|                                                                                  | 2022                 | 2021                 | 2020                 | 2019                 | 2018                |
|----------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|---------------------|
| Total OPEB liability:                                                            |                      |                      |                      |                      |                     |
| Service cost                                                                     | \$ 339,014           | \$ 310,246           | \$ 278,292           | \$ 277,000           | \$ 301,123          |
| Interest                                                                         | 257,740              | 301,636              | 358,173              | 347,697              | 329,261             |
| Experience differences                                                           | (527,732)            | 8,144                | 48,457               | 828,579              | (8,706)             |
| Assumption changes                                                               | (2,112,628)          | 773,668              | 448,737              | 635,566              | (70,915)            |
| Benefit payments - including<br>refunds of member<br>contributions               | (288,314)            | (303,275)            | (259,082)            | (243,217)            | (122,234)           |
| Net change in total OPEB<br>liability                                            | (2,331,920)          | 1,090,419            | 874,577              | 1,845,625            | 428,529             |
| Total OPEB liability - beginning                                                 | 13,398,606           | 12,308,187           | 11,433,610           | 9,587,985            | 9,159,456           |
| Total OPEB liability - ending                                                    | <u>\$ 11,066,686</u> | <u>\$ 13,398,606</u> | <u>\$ 12,308,187</u> | <u>\$ 11,433,610</u> | <u>\$ 9,587,985</u> |
| Plan fiduciary net position:                                                     |                      |                      |                      |                      |                     |
| Employer contributions                                                           | \$ 288,314           | \$ 303,275           | \$ 259,082           | \$ 243,217           | \$ 122,234          |
| Net investment income                                                            | 2,915                | 19,631               | 39,128               | 53,828               | 27,394              |
| Benefit payments - including<br>refunds of member<br>contributions               | (288,314)            | (303,275)            | (259,082)            | (243,217)            | (122,234)           |
| Administrative expense                                                           | (1,500)              | (1,375)              | (1,500)              | (1,500)              | (1,500)             |
| Net change in OPEB plan<br>fiduciary net position                                | 1,415                | 18,256               | 37,628               | 52,328               | 25,894              |
| Plan fiduciary net position -<br>beginning                                       | 2,776,385            | 2,758,129            | 2,720,501            | 2,668,173            | 2,642,279           |
| Plan fiduciary net position -<br>ending                                          | <u>\$ 2,777,800</u>  | <u>\$ 2,776,385</u>  | <u>\$ 2,758,129</u>  | <u>\$ 2,720,501</u>  | <u>\$ 2,668,173</u> |
| Net OPEB liability                                                               | \$ 8,288,886         | \$ 10,622,221        | \$ 9,550,058         | \$ 8,713,109         | \$ 6,919,812        |
| Plan fiduciary net position as a<br>percentage of the total<br>OPEB<br>liability | 25.1%                | 20.7%                | 22.4%                | 23.8%                | 27.8%               |
| Covered employee payroll                                                         | \$ 9,087,082         | \$ 8,728,576         | \$ 8,702,641         | \$ 8,931,694         | \$ 9,854,530        |
| Net OPEB liability as a percentage<br>of covered employee payroll                | 91.2%                | 121.7%               | 109.7%               | 97.6%                | 70.2%               |

**Note to Schedule:**

This schedule will present 10 years of information once it has been accumulated.

**CHARLESTON COUNTY PARK AND RECREATION COMMISSION**  
**(A COMPONENT UNIT OF THE COUNTY OF CHARLESTON)**

**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF COMMISSION CONTRIBUTIONS**  
**OPEB PLAN**  
**FOR THE FISCAL YEAR ENDED JUNE 30,**

|                                                                      | <u>2022</u>    | <u>2021</u>    | <u>2020</u>    | <u>2019</u>    | <u>2018</u>    |
|----------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution                                  | \$ 288,314     | \$ 303,275     | \$ 259,082     | \$ 243,217     | \$ 122,234     |
| Contributions in relation to the contractually required contribution | <u>288,314</u> | <u>303,275</u> | <u>259,082</u> | <u>243,217</u> | <u>122,234</u> |
| Contribution (excess) deficiency                                     | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| Commission covered payroll                                           | \$ 9,087,082   | \$ 8,728,576   | \$ 8,702,641   | \$ 8,931,694   | \$ 9,854,530   |
| Contributions as a percentage of covered payroll                     | 3.2%           | 3.5%           | 3.0%           | 2.7%           | 1.2%           |

**Note to Schedule:**

|                             |                                                                              |
|-----------------------------|------------------------------------------------------------------------------|
| Valuation date              | June 30, 2021                                                                |
| Cost method                 | Individual Entry Age Normal                                                  |
| Discount rate               | 3.69% (increase from 1.92% as of June 30, 2021)                              |
| Inflation                   |                                                                              |
| Salary increases            | 3.00% to 9.50% for SCRS, including inflation                                 |
| Healthcare cost rate trends | Initial rate of 6.75% declining to an ultimate rate of 4.00% after 12 years. |

This schedule will present 10 years of information once it has been accumulated.

## **COMPLIANCE SECTION**



**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**

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To the Commissioners of the  
Charleston County Park and Recreation Commission  
(A Component Unit of the County of Charleston)  
Charleston, South Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the fiduciary fund of the **Charleston County Park and Recreation Commission** (the "Commission") (a component unit of the County of Charleston, South Carolina), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 29, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

Our consideration of 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

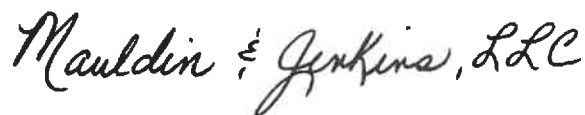
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**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the company name written in a professional, yet personal, style.

Savannah, Georgia  
November 29, 2022

FY 2023 - 2024

# APPROVED BUDGET

**GENERAL AGENCY OPERATING FUND  
CAPITAL IMPROVEMENT PROJECTS FUND  
DEBT SERVICE FUND  
CHARLESTON COUNTY PARKS FOUNDATION FUND**



[CHARLESTONCOUNTYPARKS.COM](http://CHARLESTONCOUNTYPARKS.COM)

# **Charleston County Park & Recreation Commission**

## **Fiscal Year 2023-2024 Budget**

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**General Agency Operating Fund  
Capital Improvement Projects Fund  
Debt Service Fund  
Charleston County Parks Foundation Fund**

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### **Commissioners**

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**Eduardo Curry**  
Chair



**Bradley Taggart**  
Vice-Chair



**Michelle Brandt**  
Secretary-Treasurer



**Mattese Lecque**



**Devon Andrews**



**Lisa S. King**



**Collin Bruner**

## Table of Contents

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|                                                                |    |
|----------------------------------------------------------------|----|
| Introduction .....                                             | 3  |
| Mission, Vision and Core Value Statements.....                 | 4  |
| Organizational Chart.....                                      | 5  |
| Position Summary Schedule .....                                | 6  |
| Budget Information .....                                       | 7  |
| Letter from the Executive Director.....                        | 8  |
| Budget Process .....                                           | 9  |
| Budget Summary.....                                            | 10 |
| Revenue Summary.....                                           | 11 |
| Expenditures Summary.....                                      | 11 |
| General Agency Operating Fund .....                            | 12 |
| General Agency Overview .....                                  | 13 |
| Major 2024 Budget Impacts .....                                | 14 |
| Combined Support, Park and Recreation Services .....           | 15 |
| Support Services Overview .....                                | 16 |
| Park Services Overview.....                                    | 17 |
| Recreation Services Overview .....                             | 19 |
| Capital Improvement Projects Fund .....                        | 20 |
| FY 2023-2024 Capital Improvement Projects Fund Overview.....   | 21 |
| 2024 Capital Improvement Projects Cost Breakdown.....          | 22 |
| Debt Service Fund .....                                        | 23 |
| FY 2023-2024 Debt Service Overview.....                        | 24 |
| Charleston County Parks Foundation Fund.....                   | 25 |
| FY 2023-2024 Charleston County Parks Foundation Overview ..... | 26 |
| Supplemental Information .....                                 | 27 |
| Charleston County Budget Submission .....                      | 28 |
| Charleston County Budget Ordinance .....                       | 33 |

## **Introduction**

Mission, Vision and Core Values Statements



## Mission, Vision and Core Value Statements

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### **Mission:**

The Charleston County Park & Recreation Commission will improve the quality of life in Charleston County by offering a diverse system of park facilities, programs and services.

### **Vision:**

To be distinguished as a nationally accredited and financially sustainable park and recreation agency through our commitment to preserving our natural, historical and cultural resources, offering a clean, safe, and exceptional visitor experience that is accessible to all.

### **Core Values:**

The Core Value program is a set of 11 values that are embed within the culture of CCPRC to guide the organization in everything we do. The values are:

**Community Enrichment** - Enriching lives through education and programs;

**Fun** - Delivering fun to customers;

**Leadership** - Providing professional staff development;

**Exceptional Customer Service** - Always focusing on you;

**Quality** - Striving for quality throughout the park system;

**Safety** - Ensuring safe and secure environments;

**Health and Wellness** - Providing and promoting healthy lifestyle opportunities;

**Accessibility** - Removing barriers to make programs and facilities accessible for all;

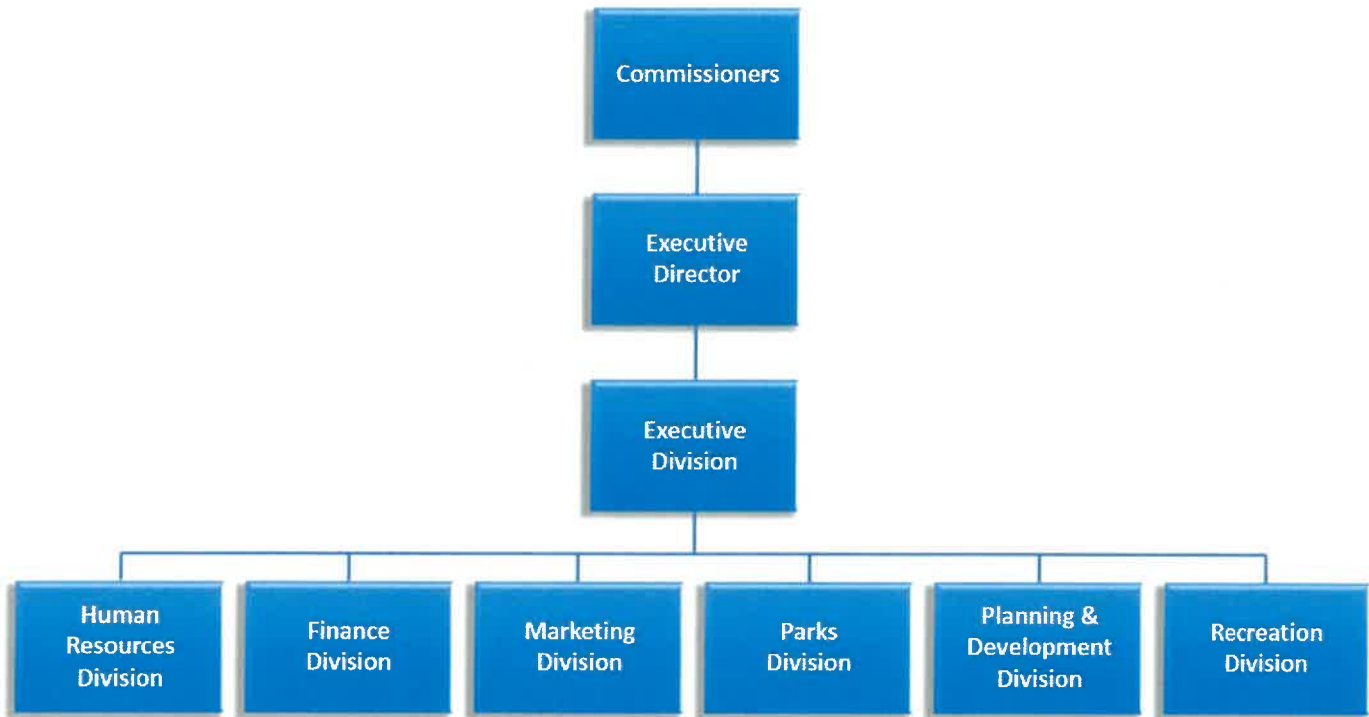
**Diversity and Inclusion** - Creating a park system that reflects the diversity of our community;

**Stewardship** - Preserving and conserving cultural, natural and historical resources; and

**Building a Legacy** - Maintaining a vision for the future while sustaining a healthy park system Organizational Structure

## Organizational Chart

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## Position Summary Schedule

| Support                               | FY 2023 Positions | Proposed Changes FY 2024 | FY 2024 Positions |
|---------------------------------------|-------------------|--------------------------|-------------------|
| Executive Director                    | 1                 |                          | 1                 |
| Associate Executive Director          | 1                 |                          | 1                 |
| Chief Financial Officer               | 1                 |                          | 1                 |
| Chief Operating Officer               | 1                 |                          | 1                 |
| Chief Administrative Officer          | 1                 |                          | 1                 |
| Executive Administration              | 2                 |                          | 2                 |
| Marketing & Park and Program Services | 16                |                          | 16                |
| Financial Services                    | 9                 | -1                       | 8                 |
| Human Resources                       | 6                 |                          | 6                 |
| Information Technology                | 5                 |                          | 5                 |
| Planning & Development                | 8                 | +1                       | 9                 |
| Safety                                | 2                 |                          | 2                 |
|                                       |                   |                          |                   |
| <b>Total Support Services</b>         | <b>53</b>         | <b>0</b>                 | <b>53</b>         |

|                                       |            |           |            |
|---------------------------------------|------------|-----------|------------|
| <b>Park &amp; Recreation Services</b> |            |           |            |
| Parks                                 | 101        | +1        | 102        |
| Recreation                            | 29         |           | 29         |
|                                       |            |           |            |
| <b>Total Park &amp; Rec Services</b>  | <b>130</b> | <b>+1</b> | <b>131</b> |

|                                  |            |           |            |
|----------------------------------|------------|-----------|------------|
| <b>Total Full-Time Positions</b> | <b>183</b> | <b>+1</b> | <b>184</b> |
|----------------------------------|------------|-----------|------------|

## **Budget Information**

Budget Letter  
Budget Process  
Budget Summary



## Letter from the Executive Director

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To: Members of Charleston County Park and Recreation Commission  
Members of Charleston County Council  
Citizens of Charleston County

The Charleston County Park & Recreation Commission is pleased to submit our budget for the 2023-2024 Fiscal Year. This budget emphasizes our purpose to provide excellent parks, amenities, programs, and events with an additional focus on creating new facilities and offerings to serve our growing community. This budget also reflects our Mission, Vision and Core Values to improve the quality of life in Charleston County.

Last year we were honored to open the new Folly Beach Pier, a Lowcountry landmark that will serve our community and visitors for generations to come. Some highlights of this coming year's budget include the following:

- Construction of Old Towne Creek County Park that, when complete, will welcome visitors to explore the creek side trails, enjoy a nature-inspired playground, and learn some of West Ashley's fascinating history.
- Development of Cooper River County Park that will provide waterfront amenities in North Charleston.
- The design of a new aquatic center in Charleston's East County that will be the first step in bringing a community pool to this area.
- The results and beginning implementation of our Parks & Recreation for All comprehensive plan that creates a road map, based on community input, for what our Agency should prioritize over the next ten years.

With this budget, we will continue implementing the approved ADA Transition Plan, which includes incorporating accessibility into all future capital projects, updating existing facilities to meet compliance, and training our staff. The FY 23/24 budget also includes funding from our non-profit, the Charleston County Parks Foundation, that allows us to provide expanded programming and scholarships in rural areas and to underserved communities.

The five-year, \$53 million Capital Improvement Plan, which includes new and improved facilities, will continue to be completed with this budget. During construction phases, for both capital and operational needs, there will be periods that require self-funding from agency reserves and future bond capital funding. We are continuing workable growth with a net contribution in 2023 of over \$2 million from the General Fund to the Capital Fund balance.

Even with increased costs for providing services, our ability to find efficiencies and streamline processes allows us to present a budget with no operating or debt service millage increase. This budget also reflects pay increases in response to inflationary and labor market pressures and funds for facilities maintenance projects to maintain our high standards.

As we enter the 2023-2024 Fiscal Year, we look forward to working within a sustainable budget while continuing to serve our incredible community proudly.

Respectfully submitted,

Kevin F. Bowie  
Executive Director

## Budget Process

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### **Purpose and Authority**

The Charleston County Park & Recreation Commission creates annual budgets for the General Agency Fund, the Debt Service Fund, the Capital Improvement Projects Fund, and the agency's Non-Profit Foundation Fund.

The spending authority is granted by approval of CCPRC's Board of Commissioners for all budgeted funds and then by Charleston County Council by way of County Ordinance for the General Agency and Debt Service Funds.

### **Budget Process**

The budget process is designed to produce a document that is an operational guide representing the Commission's efforts to financially manage its operations as well as guide its allocation of resources for the next operating year. In order to achieve this objective, the budget process focuses on departmental budgeting by line-item.

The process begins with the input into our Munis Budget module of departmental revenues and expenditures. Budget review meetings are started in late October/early November and run through the middle of December. In January, a review meeting is held with senior management to review the current budgeted position and direction is then provided to staff for any changes that needs to be made or reviewed.

Once all revisions and reviews are complete, the budget document is prepared and sent to the Commissioners in March for approval. Once approved, the budget packet is sent to the Charleston County Budget Office for review and ordinance preparation.

The Executive Director presents the budget to the Charleston County Finance Committee prior to the first budget ordinance reading. If amendments are required, changes are made and the budget packet is redistributed. The Commission's budget goes through three budget ordinance readings at scheduled Charleston County Council meetings. The second budget ordinance hearing also invites the public to make formal comments for or against the ordinance.

The third budget ordinance hearing is for final ordinance approval. Once the budget is approved, the Charleston County Budget Office provides the Commission its ordinance number. The approved budget is distributed to senior management, individual budgets are printed for managers and the final budget book, with ordinance number, is published to the Commission's website. The new budget takes effect July 1<sup>st</sup>.

## Budget Summary

|                                             | General Agency     | Capital Projects    | Debt Service      | CCP Foundation |
|---------------------------------------------|--------------------|---------------------|-------------------|----------------|
| Taxes                                       | 19,800,000         | -                   | 9,000,000         | -              |
| Miscellaneous                               | 376,886            | -                   | -                 | 7,000          |
| Fees & Charges                              | 21,957,249         | -                   | -                 | 295,680        |
| Grants/Donations                            | -                  | -                   | -                 | -              |
| <b>Total Revenue</b>                        | <b>42,134,135</b>  | <b>-</b>            | <b>9,000,000</b>  | <b>302,680</b> |
| Personnel                                   | 28,747,235         | -                   | -                 | -              |
| Operating                                   | 11,924,800         | -                   | -                 | 132,202        |
| Capital                                     | 939,100            | 12,930,200          | -                 | -              |
| Bond Payments                               | -                  | -                   | 6,146,822         | -              |
| <b>Total Expenses</b>                       | <b>41,611,135</b>  | <b>12,930,200</b>   | <b>6,146,822</b>  | <b>132,202</b> |
| <b>Net Change from Operations</b>           | <b>523,000</b>     | <b>(12,930,200)</b> | <b>2,853,178</b>  | <b>170,478</b> |
| Transfers from Other Funds                  | 127,000            | 2,650,000           | -                 | -              |
| Transfers to Other Funds                    | 2,650,000          | -                   | -                 | 127,000        |
| <b>Net Change in Fund Balance</b>           | <b>(2,000,000)</b> | <b>(10,280,200)</b> | <b>2,853,178</b>  | <b>43,478</b>  |
| <b>Projected Fund Balance July 1, 2023</b>  | <b>22,670,312</b>  | <b>10,165,569</b>   | <b>14,249,263</b> | <b>408,791</b> |
| <b>Projected Fund Balance June 30, 2024</b> | <b>20,670,312</b>  | <b>(114,631)</b>    | <b>17,102,441</b> | <b>452,269</b> |

## **Revenue Summary**

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The Commission recognizes revenue in four major categories and transfers:

- 1) Tax millage is received from the Charleston County Treasurer's office at the current rate of 4.0 mills in the General Agency Fund and 1.8 mills in the Debt Service Fund. Millage is the tax rate applied to SC real estate and personal property which is expressed in "mills," or "millage rate," which is a unit of monetary value that is always equal to one-tenth of one penny, or one-thousandth of one dollar. Therefore, a tax rate of 150 mills is equal to \$.150, or 15 cents, tax per one dollar of assessed value. The amount of revenue which a mill brings into a governmental body, however, changes based on the value of all assessed property in the taxing area;
- 2) Miscellaneous Revenue includes categories such as grants, donations, reimbursements, sale of assets and interest earned.
- 3) Fees and Charges are made up of all revenues collected for agency programs and services. This category includes revenues such as Campground and Cottages, Waterparks, Holiday Festival of Lights, Resale and Concessions, Sponsorships, Programming put on by the Parks and Recreation Divisions as well as revenue earned by the Marketing Division.
- 4) Bond Proceeds are received from issued General Obligation Bonds and fund major capital projects over \$50,000.
- 5) Transfers from other funds includes funding from the General Agency Fund to the Capital Improvement Projects Fund to self-fund Capital Projects, and from the Agency's Foundation Fund to the General Agency Fund to fund activities in the Recreation Division.

## **Expenditures Summary**

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The Commission also budgets for specific categories of expenditures and transfers. The expenditure budgets take into consideration the importance of sustainability with the goal of maintaining adequate funding reserves to self-fund short-term needs to free up debt capacity:

- 1) Personnel expenditures include employee-related costs such as: salaries, wages, benefits, training and uniforms.
- 2) Operating expenditures include costs that are not personnel-related such as: office supplies, maintenance and repairs, contract services, equipment rentals, office lease rentals, small equipment, custodial supplies, costs associated with events and programs, storage fees and facilities as well as utilities;
- 3) Capital expenditures include all capitalized expenses following the Commission's Capitalization Policy.
- 4) Bond and Lease expenditures are payments made to pay back the principal, interest and fees of borrowed municipal dollars.
- 5) Transfers to other funds are the amounts distributed to another fund to finance activities or other obligations.

## **General Agency Operating Fund**

FY 2023-2024 General Agency Overview  
Combined Support, Park and Recreation Services

## General Agency Overview

The General Agency Fund is the main operating fund for the Charleston County Park & Recreation Commission; it houses all operating departments and locations within the agency as well as 184 full time staff members. It is broken into three major divisions: Support Services, Park Services and Recreation Services. The Commission recognizes that contributing to fund balance should always be the objective for future sustainability as it brings on new operations within the agency.

|                                   | 21-22             | 22-23              | 23-24              |
|-----------------------------------|-------------------|--------------------|--------------------|
| Account Title                     | ACTUAL            | APPROVED<br>BUDGET | PROPOSED BUDGET    |
| Ad Valorem Taxes                  | 18,964,686        | 18,660,000         | 19,800,000         |
| Miscellaneous                     | 583,802           | 180,750            | 293,213            |
| Campground & Cottages             | 3,041,551         | 2,830,724          | 3,165,991          |
| Gate Admissions                   | 5,262,480         | 5,117,750          | 5,485,141          |
| Grant Revenue/Donations           | 16,274            | 3,346              | 4,067              |
| Holiday Festival of Lights        | 2,713,992         | 2,542,781          | 3,049,768          |
| Recreation Programming            | 1,452,073         | 1,792,545          | 1,887,590          |
| Rentals                           | 2,281,717         | 2,257,002          | 2,695,964          |
| Resale & Concessions              | 2,536,382         | 2,081,848          | 2,931,640          |
| Sale of Fixed Assets/Used Items   | 76,127            | 116,850            | 101,850            |
| Sponsorships                      | 330,638           | 353,750            | 356,000            |
| Water Feature                     | 4,962,583         | 4,526,198          | 4,968,409          |
| Cost of Resale                    | (2,304,098)       | (2,035,742)        | (2,605,498)        |
| <b>Total Revenue</b>              | <b>39,918,207</b> | <b>38,427,802</b>  | <b>42,134,135</b>  |
| Personnel Services                | 23,418,908        | 26,786,027         | 28,747,235         |
| Operating Expenses                | 9,519,978         | 10,987,275         | 11,924,800         |
| Capital Equipment                 | 334,916           | 571,000            | 939,100            |
| <b>Total Expenses</b>             | <b>33,273,802</b> | <b>38,344,302</b>  | <b>41,611,135</b>  |
| <b>Net Change from Operations</b> | <b>6,644,405</b>  | <b>83,500</b>      | <b>523,000</b>     |
| Transfers from Other Funds        | 66,644            | 116,500            | 127,000            |
| Transfers to Other Funds          | 2,000,000         | 2,000,000          | 2,650,000          |
| <b>Net Change in Fund Balance</b> | <b>4,711,049</b>  | <b>(1,800,000)</b> | <b>(2,000,000)</b> |

## Major 2024 Budget Impacts

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- No increase in operating or debt service mills.
- One increase in fulltime headcount from 183 to 184
- Total budgeted revenues for the General Agency Fund is \$42,134,135 which is a 10% increase over the FY 2022-2023 budget, due mainly to an increase in property taxes, park admissions, and an increase in the agency budgeted charges and fees.
- The budget includes a 4% cost of living increase for all salaried employees.
- The budget includes an employer increase of 1% in the SC Retirement System.
- The budget includes \$2,500,000 in transfers from the General Fund to the Capital Improvement Fund to provide funding for non-bond related large maintenance Capital Projects and \$150,000 in transfers to fund a committed annual contribution for self-insurance for the new Folly Beach Fishing Pier due to coverage being dropped by the state's Insurance Reserve Fund.
- The budget includes \$127,000 in transfers from the Foundation to the General Fund to provide funding for approved programming supported by the Foundation.

## Combined Support, Park and Recreation Services

The General Agency Fund is divided into three major divisions: Support Services, Park Services and Recreation Services. The above schedule categorizes the total revenue and expenditures on the previous page into these three divisions for a different view of how the revenues and expenditures are allocated.

| Account Title                     | 21-22<br>ACTUAL   | 22-23<br>APPROVED BUDGET | 23-24<br>PROPOSED BUDGET |
|-----------------------------------|-------------------|--------------------------|--------------------------|
| Support Services                  | 19,571,589        | 18,943,450               | 20,176,886               |
| Park Services                     | 18,892,153        | 17,651,837               | 20,040,949               |
| Recreation Services               | 1,454,465         | 1,832,515                | 1,916,300                |
| <b>Total Revenue</b>              | <b>39,918,207</b> | <b>38,427,802</b>        | <b>42,134,135</b>        |
| Support Services                  | 9,673,445         | 11,445,937               | 12,179,396               |
| Park Services                     | 19,120,017        | 21,445,132               | 23,608,482               |
| Recreation Services               | 4,480,340         | 5,453,233                | 5,823,257                |
| <b>Total Expenses</b>             | <b>33,273,802</b> | <b>38,344,302</b>        | <b>41,611,135</b>        |
| <b>Net Change from Operations</b> | <b>6,644,405</b>  | <b>83,500</b>            | <b>523,000</b>           |
| Transfers from Other Funds        | 66,644            | 116,500                  | 127,000                  |
| Transfers to Other Funds          | 2,000,000         | 2,000,000                | 2,650,000                |
| <b>Net Change in Fund Balance</b> | <b>4,711,049</b>  | <b>(1,800,000)</b>       | <b>(2,000,000)</b>       |

## Support Services Overview

|                                   | 21-22             | 22-23             | 23-24             |
|-----------------------------------|-------------------|-------------------|-------------------|
| Account Title                     | ACTUAL            | APPROVED BUDGET   | PROPOSED BUDGET   |
| Administration Millage            | 18,964,686        | 18,660,000        | 19,800,000        |
| Administration                    | 604,803           | 239,200           | 324,386           |
| Marketing                         | -                 | -                 | -                 |
| Safety                            | 2,100             | 44,250            | 52,500            |
| <b>Total Revenue</b>              | <b>19,571,589</b> | <b>18,943,450</b> | <b>20,176,886</b> |
| Administration                    | 1,439,445         | 1,591,811         | 1,725,351         |
| Call Center                       | 539,428           | 600,846           | 627,735           |
| Planning & Development            | 1,341,400         | 1,566,265         | 1,505,619         |
| Executive                         | 1,558,458         | 1,626,714         | 1,885,100         |
| Financial Services                | 825,326           | 979,897           | 1,018,721         |
| Human Resources                   | 604,242           | 1,061,142         | 1,001,032         |
| Information Technology            | 1,753,477         | 2,154,664         | 2,418,892         |
| Marketing                         | 1,192,131         | 1,348,458         | 1,423,976         |
| Safety                            | 419,538           | 516,140           | 572,970           |
| <b>Total Expenses</b>             | <b>9,673,445</b>  | <b>11,445,937</b> | <b>12,179,396</b> |
| <b>Net Change from Operations</b> | <b>9,898,144</b>  | <b>7,497,513</b>  | <b>7,997,490</b>  |
| Transfers from Other Funds        | 4,687             | 15,000            | 18,000            |
| Transfers to Other Funds          | 2,000,000         | 2,000,000         | 2,650,000         |
| <b>Net Change in Fund Balance</b> | <b>7,902,831</b>  | <b>5,512,513</b>  | <b>5,365,490</b>  |

The Support Services Division houses all activities that support Park and Recreation Services. This division receives revenue mainly from millage, the sale of fixed assets, bank interest, and sponsorships that are not directly related to any program, park or event.

## Park Services Overview

|                                             | 21-22             | 22-23              | 23-24              |
|---------------------------------------------|-------------------|--------------------|--------------------|
| Account Title                               | ACTUAL            | APPROVED BUDGET    | PROPOSED BUDGET    |
| Administration                              | 52,348            | 41,800             | 42,767             |
| Caw Caw Interpretive Center                 | 82,654            | 79,974             | 68,709             |
| Cooper River Marina                         | 1,000,647         | 955,454            | 1,096,723          |
| Folly Beach County Park                     | 1,030,184         | 1,104,039          | 1,207,468          |
| Folly Beach Fishing Pier                    | 701,537           | 815,850            | 1,326,905          |
| Hollywood Rec Complex                       | 13,870            | 21,345             | 28,297             |
| Isle of Palms County Park                   | 1,224,890         | 1,215,883          | 1,331,053          |
| James Island County Park                    | 7,388,072         | 6,948,829          | 7,745,037          |
| Johns Island County Park                    | 104,793           | 95,297             | 98,186             |
| Kiawah Beachwalker Park                     | 474,268           | 507,965            | 468,460            |
| Laurel Hill Plantation                      | 4,880             | 5,027              | 7,131              |
| Mount Pleasant Palmetto Islands County Park | 814,642           | 827,281            | 848,936            |
| Mount Pleasant Pier                         | 432,263           | 361,709            | 470,130            |
| North Charleston Wannamaker County Park     | 4,561,513         | 3,769,732          | 4,272,245          |
| Old Towne Creek County Park                 | 2,500             | -                  | -                  |
| SK8 Charleston                              | 171,273           | 186,898            | 164,299            |
| Stono River County Park                     | 8,532             | 6,000              | 6,202              |
| The Lake House at Bulow                     | 133,600           | 152,810            | 154,267            |
| The McLeod Plantation                       | 689,687           | 555,944            | 704,134            |
| <b>Total Revenue</b>                        | <b>18,892,153</b> | <b>17,651,837</b>  | <b>20,040,949</b>  |
| Administration                              | 1,243,807         | 1,361,710          | 1,354,176          |
| Caw Caw Interpretive Center                 | 377,761           | 415,383            | 446,692            |
| Cooper River Marina                         | 495,419           | 533,286            | 638,968            |
| Folly Beach County Park                     | 616,266           | 550,238            | 802,123            |
| Folly Beach Fishing Pier                    | 1,079,365         | 1,384,378          | 1,349,156          |
| Hollywood Rec Complex                       | 192,488           | 196,750            | 259,425            |
| Isle of Palms County Park                   | 806,534           | 791,916            | 867,998            |
| James Island County Park                    | 5,067,455         | 5,772,904          | 6,424,237          |
| Johns Island County Park                    | 445,216           | 555,737            | 642,982            |
| Kiawah Beachwalker Park                     | 482,693           | 480,227            | 501,837            |
| Laurel Hill Plantation                      | 19,013            | 33,770             | 61,787             |
| Mount Pleasant Palmetto Islands County Park | 1,165,608         | 1,459,163          | 1,520,431          |
| Mount Pleasant Pier                         | 533,230           | 595,890            | 652,290            |
| North Charleston Wannamaker County Park     | 3,912,612         | 3,844,033          | 4,413,223          |
| Old Towne Creek County Park                 | 13,199            | 14,000             | 14,680             |
| SK8 Charleston                              | 295,242           | 392,854            | 439,963            |
| Stono River County Park                     | 28,188            | 39,406             | 44,475             |
| The Lake House at Bulow                     | 162,616           | 200,200            | 208,718            |
| The McLeod Plantation                       | 319,478           | 386,890            | 402,489            |
| Undeveloped Properties & HQ Maintenance     | 1,863,827         | 2,436,397          | 2,562,832          |
| <b>Total Expenses</b>                       | <b>19,120,017</b> | <b>21,445,132</b>  | <b>23,608,482</b>  |
| <b>Net Change from Operations</b>           | <b>(227,864)</b>  | <b>(3,793,295)</b> | <b>(3,567,533)</b> |
| Transfers from Other Funds                  | 22,490            | 36,000             | 36,000             |
| <b>Net Change in Fund Balance</b>           | <b>(205,374)</b>  | <b>(3,757,295)</b> | <b>(3,531,533)</b> |

The Park Services Division houses direct maintenance and operating revenues and expenditures for all agency-wide developed and undeveloped park locations. This division receives operations fee-based revenue per each location such as waterpark fees, shelter rentals, campground and cottages rentals, food and resale, vending, beach equipment rentals, dockage rentals, Gold and Splash Pass sales, sponsorships related to the day park operations, Federal and State grants, insurance reimbursements, photo shoots and lease income.

Operating expenses are directly related to the maintenance and operations of the parks. These expenses do include the direct marketing costs associated with the individual park locations. This division is also responsible for the project maintenance and repairs of the individual park locations. These projects, also known as the Projects, Maintenance and Repairs Program (PMR), are all non-cyclical projects costing less than \$35,000. Any project which will expend more than \$35,000 becomes a Capital Improvement Project and is tracked separately by a special project code within the General Ledger.

## Recreation Services Overview

|                                   | 21-22              | 22-23              | 23-24              |
|-----------------------------------|--------------------|--------------------|--------------------|
| Account Title                     | ACTUAL             | APPROVED BUDGET    | PROPOSED BUDGET    |
| Accessibility                     | 1,922              | 4,960              | 5,200              |
| Community Recreation              | 102,946            | 205,750            | 180,300            |
| Interpretive                      | 92,153             | 104,140            | 130,040            |
| Outdoor                           | 685,939            | 785,653            | 922,720            |
| Special Events                    | 342,661            | 453,770            | 409,500            |
| Runs, Races & Fitness             | 228,844            | 278,242            | 268,540            |
| <b>Total Revenue</b>              | <b>1,454,465</b>   | <b>1,832,515</b>   | <b>1,916,300</b>   |
| Administration                    | 646,965            | 787,937            | 903,884            |
| Accessibility                     | 11,112             | 38,635             | 38,714             |
| Community Recreation              | 1,074,111          | 1,316,174          | 1,307,090          |
| Interpretive                      | 767,592            | 928,779            | 972,262            |
| Outdoor                           | 1,144,147          | 1,430,776          | 1,476,759          |
| Special Events                    | 490,501            | 568,621            | 708,739            |
| Runs, Races & Fitness             | 345,912            | 382,311            | 415,809            |
| <b>Total Expenses</b>             | <b>4,480,340</b>   | <b>5,453,233</b>   | <b>5,823,257</b>   |
| <b>Net Change from Operations</b> | <b>(3,025,875)</b> | <b>(3,620,718)</b> | <b>(3,906,957)</b> |
| Transfers from Other Funds        | 39,467             | 65,500             | 73,000             |
| <b>Net Change in Fund Balance</b> | <b>(2,986,408)</b> | <b>(3,555,218)</b> | <b>(3,833,957)</b> |

The Recreation Services Division houses all recreation related revenues and expenses. This division receives fee-based revenue from programs, sponsorships related to specific programs and events, festivals, races, food and resale within the events, and races as well as camps. It is responsible for the development of new and exciting programs to ensure the enhancement of the quality of life in Charleston County

Operating expenses include expenditures and direct marketing costs directly related to any recreational program or event such as annual safety inspections, vendor fees, miscellaneous small equipment items, canoes, kayaks, paddles, consumables, camp supplies, port-o-let rentals, workshop supplies, program supplies, performer fees, equipment rentals, event permits and security guard expenses.

**Capital Improvement Projects Fund**

Overview

Capital Improvement Projects Breakdown

## FY 2023-2024 Capital Improvement Projects Fund Overview

| Account Title                     | 21-22<br>ACTUAL  | 22-23<br>APPROVED BUDGET | 23-24<br>PROPOSED BUDGET |
|-----------------------------------|------------------|--------------------------|--------------------------|
| Bond Proceeds                     | 8,000,000        | -                        | -                        |
| Grants/Donations                  | 187,316          | 1,223,435                | -                        |
| Miscellaneous                     | 11,496           | -                        | -                        |
| <b>Total Revenue</b>              | <b>8,198,812</b> | <b>1,223,435</b>         | <b>-</b>                 |
| 2020 Bond Expenses                | 5,123,234        | 14,706,298               | 7,422,449                |
| 2022 Bond Expenses                | 31,147           | 820,000                  | 4,007,751                |
| Self-Fund/Other Source Expenses   | 643,086          | 3,929,511                | 1,500,000                |
| <b>Total Expenses</b>             | <b>5,797,467</b> | <b>19,455,809</b>        | <b>12,930,200</b>        |
| <b>Net Change from Operations</b> | <b>2,401,345</b> | <b>(18,232,374)</b>      | <b>(12,930,200)</b>      |
| Transfers from Other Funds        | 2,000,000        | 2,008,000                | 2,650,000                |
| Transfers to Other Funds          | -                | -                        | -                        |
| <b>Net Change in Fund Balance</b> | <b>4,401,345</b> | <b>(16,224,374)</b>      | <b>(10,280,200)</b>      |

The Capital Improvement Project Fund houses major construction projects, renovations and repairs that exceed \$35,000 as well as all land acquisitions. All projects costing less than \$35,000 are recorded in the General Agency Fund.

Projects are identified and then reviewed by the Capital Improvement Project (CIP) Committee which is a standing committee of cross-divisional representatives who meet to review and make recommendations about Commission-wide CIP programs and prioritization. The Committee objectively prioritizes and evaluates new projects against previously identified needs or projects. This process helps compare costs, benefits and merits of individual projects in order to make the best use of available funding resources.

Self-Fund/Other Source Expenses are those projects not identified on the CIP Plan, projects which previously received grant/donation funds or monies for unforeseen projects that may arise. \$2,500,000 is projected to be transferred in from the General Agency Fund to fund unforeseen and/or unfunded CIP projects. \$150,000 is projected to be transferred in to fund a committed annual contribution for self-insurance for the new Folly Beach Fishing Pier due to coverage being dropped by the state's Insurance Reserve Fund.

Projects not completed at the end of the fiscal year are rolled over into the following year's budget.

## 2024 Capital Improvement Projects Cost Breakdown

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| <b>2020 Bond Projects</b>                     | <b>Estimated Project Amount</b> |
|-----------------------------------------------|---------------------------------|
| Old Towne - Master Plan, Design and Construct | \$5,089,595                     |
| Cooper River County Park                      | \$1,710,493                     |
| Wiltown Community Recreation                  | \$228,409                       |
| Edisto Island Community Recreation            | \$393,952                       |
| <b>Total Expenditures</b>                     | <b>\$7,422,449</b>              |

| <b>2022 Bond Projects</b>                | <b>Estimated Project Amount</b> |
|------------------------------------------|---------------------------------|
| Palmetto Islands- Renovate and Repurpose | \$537,751                       |
| Agency Warehouse                         | \$500,000                       |
| Remley's Point Boat Landing              | \$1,200,000                     |
| HQ Office Design                         | \$500,000                       |
| East Cooper Aquatic Design               | \$300,000                       |
| Cooper River County Park Phase II        | \$970,000                       |
| <b>Total Expenditures</b>                | <b>\$4,007,751</b>              |

| <b>Self-Funded Projects</b>                                    | <b>Estimated Project Amount</b> |
|----------------------------------------------------------------|---------------------------------|
| Various Small Capital Projects- Facility Repairs & Renovations | \$1,500,000                     |
| <b>Total Expenditures</b>                                      | <b>\$1,500,000</b>              |

## **Debt Service Fund**

Overview and Detail

## FY 2023-2024 Debt Service Overview

| Account Title                     | 21-22<br>ACTUAL  | 22-23<br>APPROVED<br>BUDGET | 23-24<br>PROPOSED<br>BUDGET |
|-----------------------------------|------------------|-----------------------------|-----------------------------|
| Millage                           | 8,490,024        | 8,325,000                   | 9,000,000                   |
| <b>Total Revenue</b>              | <b>8,490,024</b> | <b>8,325,000</b>            | <b>9,000,000</b>            |
| Bond Principal                    | 4,320,000        | 4,825,000                   | 4,940,000                   |
| Bond Interest                     | 1,536,775        | 1,477,875                   | 1,203,325                   |
| Bond Fees                         | 996              | 997                         | 997                         |
| Miscellaneous Charges             | 2,500            | 2,500                       | 2,500                       |
| <b>Total Expenditures</b>         | <b>5,860,271</b> | <b>6,306,372</b>            | <b>6,146,822</b>            |
| <b>Net Change from Operations</b> | <b>2,629,753</b> | <b>2,018,628</b>            | <b>2,853,178</b>            |
| Transfers from Other Funds        | -                | -                           | -                           |
| <b>Net Change in Fund Balance</b> | <b>2,629,753</b> | <b>2,018,628</b>            | <b>2,853,178</b>            |

The Debt Service Operating Fund receives revenue from millage collected from the Charleston County Treasurer's Office at a rate of 1.8 mills.

The Commission's principal and interest payments on General Obligation Bonds are determined by the specific document that governs each bond issuance. Interest is paid semi-annually while principal is usually once per year. Principal and interest for the Commission's debt is appropriated in the fiscal year in which it becomes due and payable.

The Commission has historically kept its debt in shorter maturities with a more rapid amortization than traditionally used for governmental borrowings. This has resulted in lower borrowing costs and a lower overall cost to the taxpayer. Bonded debt is issued for essential long-term capital projects.

## **Charleston County Parks Foundation Fund**

FY 2023-2024 CCP Foundation Overview and Detail

## FY 2023-2024 Charleston County Parks Foundation Overview

| Account Title                     | 21-22<br>ACTUAL | 22-23<br>APPROVED<br>BUDGET | 23-24<br>PROPOSED<br>BUDGET |
|-----------------------------------|-----------------|-----------------------------|-----------------------------|
| Resale                            | 1,596           | 600                         | 1,600                       |
| Donations                         | 145,119         | 170,500                     | 175,080                     |
| Fundraising                       | 141,119         | 83,880                      | 119,000                     |
| Miscellaneous Income              | -               | 13,000                      | 7,000                       |
| <b>Total Revenue</b>              | <b>287,834</b>  | <b>267,980</b>              | <b>302,680</b>              |
| Personnel                         | -               | -                           | -                           |
| Operating                         | 100,787         | 80,565                      | 132,202                     |
| Capital                           | -               | -                           | -                           |
| <b>Total Expenditures</b>         | <b>100,787</b>  | <b>80,565</b>               | <b>132,202</b>              |
| <b>Net Change from Operations</b> | <b>187,047</b>  | <b>187,415</b>              | <b>170,478</b>              |
| Transfers from Other Funds        | -               | -                           | -                           |
| Transfers to Other Funds          | 66,644          | 124,500                     | 127,000                     |
| <b>Net Change in Fund Balance</b> | <b>120,403</b>  | <b>62,915</b>               | <b>43,478</b>               |

The Foundation is the nonprofit partner of the Charleston County Park & Recreation Commission. It was created in 1990 to generate funding for the continued growth and development of the county park system and support leisure opportunities for residents.

The Foundation's vision is to identify, develop and sustain projects and programs that actively encourage people to experience the Charleston County Park & Recreation Commission's facilities, programs and services for the benefit of living a healthier and safer lifestyle.

Revenues include fundraising events, grants, donations made to specific programs and investment income.

## **Supplemental Information**

Charleston County Budget Submissions  
Charleston County Budget Ordinance

# Charleston County Budget Submission

## BUDGET SUMMARY

Unit of Government: Charleston County Park & Recreation Commission  
Fund Name: General Agency  
Proposed Fiscal Year: Fiscal Year 2023-2024

Preparer: Tommy Hale  
Phone: 843.762.8076  
Fax: 843.762.2683  
E-Mail: thale@ccprc.com

|                                        | PRIOR<br>YEAR'S<br>ACTUAL | CURRENT<br>BUDGET | PROPOSED<br>BUDGET | PERCENT<br>CHANGE* |
|----------------------------------------|---------------------------|-------------------|--------------------|--------------------|
| <b>Positions/Full-time equivalents</b> | 183                       | 183               | 184                | 1%                 |
| <b>BEGINNING BALANCE:</b>              | 19,759,263                | 24,470,312        | 22,670,312         | -7%                |
| <b>REVENUES:</b>                       |                           |                   |                    |                    |
| Ad Valorem Taxes (Current)             | 19,167,998                | 18,560,731        | 19,981,241         | 8%                 |
| Delinquent Taxes                       | 502,228                   | 510,510           | 530,000            | 4%                 |
| Intergovernmental                      | 88,759                    | 88,759            | 88,759             | 0%                 |
| TIF Refunds                            | (794,299)                 | (500,000)         | (800,000)          | 60%                |
| Miscellaneous                          | 583,802                   | 180,750           | 293,213            | 62%                |
| Campground & Cottages                  | 3,041,551                 | 2,830,724         | 3,165,991          | 12%                |
| Gate Admissions                        | 5,262,480                 | 5,117,750         | 5,485,141          | 7%                 |
| Grant Revenue/Donations                | 16,274                    | 3,346             | 4,067              | 22%                |
| Holiday Festival of Lights             | 2,713,992                 | 2,542,781         | 3,049,768          | 20%                |
| Recreation Programming                 | 1,452,073                 | 1,792,545         | 1,887,590          | 5%                 |
| Rentals                                | 2,281,717                 | 2,257,002         | 2,695,964          | 19%                |
| Resale & Concessions                   | 2,536,382                 | 2,081,848         | 2,931,640          | 41%                |
| Sale of Fixed Assets/Used Items        | 76,127                    | 116,850           | 101,850            | -13%               |
| Sponsorships                           | 330,638                   | 353,750           | 356,000            | 1%                 |
| Water Feature                          | 4,962,583                 | 4,526,198         | 4,968,409          | 10%                |
| Cost of Resale                         | (2,304,098)               | (2,035,742)       | (2,605,498)        | 28%                |
| <b>TOTAL ALL REVENUES</b>              | <b>39,918,207</b>         | <b>38,427,802</b> | <b>42,134,135</b>  | <b>10%</b>         |
| <b>TRANSFERS IN:</b>                   | 66,644                    | 116,500           | 127,000            | 0%                 |
| <b>TOTAL FUNDS AVAILABLE</b>           | <b>39,984,851</b>         | <b>38,544,302</b> | <b>42,261,135</b>  | <b>10%</b>         |
| <b>EXPENDITURES:</b>                   |                           |                   |                    |                    |
| Personnel Services                     | 23,418,908                | 26,786,027        | 28,747,235         | 7%                 |
| Operating Expenses                     | 9,519,978                 | 10,987,275        | 11,924,800         | 9%                 |
| Capital Equipment                      | 334,916                   | 571,000           | 939,100            | 64%                |
| <b>TOTAL EXPENDITURES</b>              | <b>33,273,802</b>         | <b>38,344,302</b> | <b>41,611,135</b>  | <b>9%</b>          |
| <b>TRANSFERS OUT:</b>                  | 2,000,000                 | 2,000,000         | 2,650,000          | 33%                |
| <b>TOTAL DISBURSEMENTS</b>             | <b>35,273,802</b>         | <b>40,344,302</b> | <b>44,261,135</b>  | <b>10%</b>         |
| <b>Value of a mill</b>                 | 4,814,189                 | 4,662,373         | 5,017,500          | 8%                 |
| <b>Millage required</b>                | 4.00                      | 4.00              | 4.00               | 0%                 |
| <b>TAN requested for FY2024</b>        |                           |                   | 3,000,000          |                    |

**REVENUE CHANGES GREATER THAN 10%:**

TIF Refunds are anticipated to increase by 60% due to new TIF projects started in FY 2022.

Miscellaneous Income is anticipated to increase by 63% due to a projected increase in interest income in FY 2023-2024.

Campground & Cottages revenue is anticipated to increase by 12% due to an increase in fees as well as an anticipated increase in visitation in FY 2023-2024.

Grants and Donations are anticipated to increase by 22% due to a projected increase in Grant Funds related to the Cooper River County Park in FY 2023-2024.

Holiday Festival of Lights revenues are anticipated to increase by 20% due to an increase in fees as well as an anticipated increase in visitation in FY 2023-2024.

Rental revenues are anticipated to increase by 19% due to an increase in fees as well as an anticipated increase in demand in FY 2023-2024.

Resale & Concession revenues are anticipated to increase by 41% due to a projected increase in sales in FY 2023-2024.

Revenue from the Sale of Fixed assets are anticipated to decrease by 13% due to a reduction in scheduled fixed asset retirements in FY 2023-2024.

Water Feature revenue is anticipated to increase by 13% due to an increase in fees as well as an anticipated increase in demand in FY 2023-2024.

The Cost of Resale is anticipated to increase by 28% due to inflationary pressures and an increase in projected sales revenue in FY 2023-2024.

**EXPENDITURE CHANGES GREATER THAN 10%:**

Capital Equipment expenditures are projected to increase by 64% due to the cyclical nature of Capital Equipment purchases.

Transfers Out are projected to increase by 33% due to an increase in the cost of materials for repair projects > \$35,000 housed in the Capital Projects Fund.

## BUDGET SUMMARY

Unit of Government: Charleston County Park & Recreation Commission  
Fund Name: Capital Improvement Projects  
Proposed Fiscal Year: Fiscal Year 2023-2024

Preparer: Tommy Hale  
Phone: 843.762.8076  
Fax: 843.762.2683  
E-Mail: thale@ccprc.com

|                                        | PRIOR<br>YEAR'S<br>ACTUAL | CURRENT<br>BUDGET | PROPOSED<br>BUDGET | PERCENT<br>CHANGE* |
|----------------------------------------|---------------------------|-------------------|--------------------|--------------------|
| <b>Positions/Full-time equivalents</b> | -                         | -                 | -                  | 0%                 |
| <b>BEGINNING BALANCE:</b>              | 21,988,598                | 26,389,943        | 10,165,569         | -61%               |
| <b>REVENUES:</b>                       |                           |                   |                    |                    |
| Bond Proceeds                          | 8,000,000                 | -                 | -                  | 0%                 |
| Grants/Donations                       | 187,316                   | 1,223,435         | -                  | 0%                 |
| Miscellaneous                          | 11,496                    | -                 | -                  | 0%                 |
| <b>TOTAL ALL REVENUES</b>              | <b>8,198,812</b>          | <b>1,223,435</b>  | <b>-</b>           | <b>0%</b>          |
| <b>TRANSFERS IN:</b>                   | 2,000,000                 | 2,008,000         | 2,650,000          | 32%                |
| <b>TOTAL FUNDS AVAILABLE</b>           | <b>10,198,812</b>         | <b>3,231,435</b>  | <b>2,650,000</b>   | <b>-18%</b>        |
| <b>EXPENDITURES:</b>                   |                           |                   |                    |                    |
| 2017 Bond Expenses                     | -                         | -                 | -                  | 0%                 |
| 2020 Bond Expenses                     | 5,123,234                 | 14,706,298        | 7,422,449          | -50%               |
| 2022 Bond Expenses                     | 31,147                    | 820,000           | 4,007,751          | 389%               |
| Self-Fund/Other Source Expenses        | 643,086                   | 3,929,511         | 1,500,000          | -62%               |
| <b>TOTAL EXPENDITURES</b>              | <b>5,797,467</b>          | <b>19,455,809</b> | <b>12,930,200</b>  | <b>-34%</b>        |
| <b>TRANSFERS OUT:</b>                  | -                         | -                 | -                  | 0%                 |
| <b>TOTAL DISBURSEMENTS</b>             | <b>5,797,467</b>          | <b>19,455,809</b> | <b>12,930,200</b>  | <b>-34%</b>        |

### BEGINNING BALANCE CHANGES GREATER THAN 10%:

The beginning fund balance is projected to decrease by 61% due to the increase in capital project expenses budgeted for in FY 2022-2023.

### REVENUE CHANGES GREATER THAN 10%:

Transfers in are projected to increase by 32% due to an increase in the cost of materials for repair projects > \$35,000 housed in the Capital Projects Fund.

### EXPENDITURE CHANGES GREATER THAN 10%:

2020 Bond expenditures are projected to decrease by 50% due to the decrease in the number of 2020 Bond projects expected to be completed in FY 2023-2024.

2022 Bond expenditures are projected to increase by 389% due to the decrease in the number of 2022 Bond projects expected to be completed in FY 2023-2024.

Self-Funded and Grant related capital expenditures are projected to decrease by 62% due to the decrease in the number of projects expected to be completed in FY 2023-2024.

# BUDGET SUMMARY

Unit of Government: Charleston County Park & Recreation Commission  
Fund Name: Debt Service  
Proposed Fiscal Year: Fiscal Year 2023-2024

Preparer: Tommy Hale  
Phone: 843.762.8076  
Fax: 843.762.2683  
E-Mail: thale@ccprc.com

|                                        | PRIOR<br>YEAR'S<br>ACTUAL | CURRENT<br>BUDGET | PROPOSED<br>BUDGET | PERCENT<br>CHANGE* |
|----------------------------------------|---------------------------|-------------------|--------------------|--------------------|
| <b>Positions/Full-time equivalents</b> | -                         | -                 | -                  | 0%                 |
| <b>BEGINNING BALANCE:</b>              | 17,600,882                | 20,230,635        | 14,249,263 **      | -30%               |
| <b>REVENUES:</b>                       |                           |                   |                    |                    |
| Ad Valorem Taxes                       | 8,537,457                 | 8,288,550         | 8,963,550          | 8%                 |
| Delinquent Taxes                       | 186,407                   | 207,450           | 207,450            | 0%                 |
| TIF Refunds                            | (233,840)                 | (171,000)         | (171,000)          | 0%                 |
| <b>TOTAL ALL REVENUES</b>              | <b>8,490,024</b>          | <b>8,325,000</b>  | <b>9,000,000</b>   | <b>8%</b>          |
| <b>TRANSFERS IN:</b>                   | -                         | -                 | -                  | 0%                 |
| <b>TOTAL FUNDS AVAILABLE</b>           | <b>8,490,024</b>          | <b>8,325,000</b>  | <b>9,000,000</b>   | <b>8%</b>          |
| <b>EXPENDITURES:</b>                   |                           |                   |                    |                    |
| Bond Principal                         | 4,320,000                 | 4,825,000         | 4,940,000          | 2%                 |
| Bond Interest                          | 1,536,775                 | 1,477,875         | 1,203,325          | -19%               |
| Bond Fees                              | 996                       | 997               | 997                | 0%                 |
| Miscellaneous Charges                  | 2,500                     | 2,500             | 2,500              | 0%                 |
| <b>TOTAL EXPENDITURES</b>              | <b>5,860,271</b>          | <b>6,306,372</b>  | <b>6,146,822</b>   | <b>-3%</b>         |
| <b>TRANSFERS OUT:</b>                  | -                         | -                 | -                  | 0%                 |
| <b>TOTAL DISBURSEMENTS</b>             | <b>5,860,271</b>          | <b>6,306,372</b>  | <b>6,146,822</b>   | <b>-3%</b>         |
| Value of a mill                        | 4,743,032                 | 4,604,750         | 4,979,750          | 8%                 |
| Millage required                       | 1.80                      | 1.80              | 1.80               | 0%                 |
| TAN requested for FY2023               |                           |                   | -                  |                    |

## BEGINNING BALANCE CHANGES GREATER THAN 10%:

The beginning fund balance is projected to increase by 10% due to the decrease in principal & interest payments budgeted for in FY 2022-2023.

## EXPENDITURE CHANGES GREATER THAN 10%:

Bond Interest expense is projected to decrease 19% due to the age of the Commission's Bond Obligations in FY 2023-2024.

## BUDGET SUMMARY

Unit of Government: Charleston County Park & Recreation Commission  
Fund Name: Charleston County Parks Foundation  
Proposed Fiscal Year: Fiscal Year 2023-2024

Preparer: Tommy Hale  
Phone: 843.762.8076  
Fax: 843.762.2683  
E-Mail: thale@ccprc.com

|                                        | PRIOR<br>YEAR'S<br>ACTUAL | CURRENT<br>BUDGET | PROPOSED<br>BUDGET | PERCENT<br>CHANGE* |
|----------------------------------------|---------------------------|-------------------|--------------------|--------------------|
| <b>Positions/Full-time equivalents</b> | -                         | -                 | -                  | 0%                 |
| <b>BEGINNING BALANCE:</b>              | 225,473                   | 345,876           | 408,791            | 18%                |
| <b>REVENUES:</b>                       |                           |                   |                    |                    |
| Resale                                 | 1,596                     | 600               | 1,600              | 0%                 |
| Donations                              | 145,119                   | 170,500           | 175,080            | 3%                 |
| Fundraising                            | 141,119                   | 83,880            | 119,000            | 42%                |
| Miscellaneous Income                   | -                         | 13,000            | 7,000              | 0%                 |
| <b>TOTAL ALL REVENUES</b>              | <b>287,834</b>            | <b>267,980</b>    | <b>302,680</b>     | <b>13%</b>         |
| <b>TRANSFERS IN:</b>                   | -                         | -                 | -                  | 0%                 |
| <b>TOTAL FUNDS AVAILABLE</b>           | <b>287,834</b>            | <b>267,980</b>    | <b>302,680</b>     | <b>13%</b>         |
| <b>EXPENDITURES:</b>                   |                           |                   |                    |                    |
| Personnel                              | -                         | -                 | -                  | 0%                 |
| Operating                              | 100,787                   | 80,565            | 132,202            | 64%                |
| Capital                                | -                         | -                 | -                  | 0%                 |
| <b>TOTAL EXPENDITURES</b>              | <b>100,787</b>            | <b>80,565</b>     | <b>132,202</b>     | <b>64%</b>         |
| <b>TRANSFERS OUT:</b>                  | 66,644                    | 124,500           | 127,000            | 2%                 |
| <b>TOTAL DISBURSEMENTS</b>             | <b>167,431</b>            | <b>205,065</b>    | <b>259,202</b>     | <b>26%</b>         |

### BEGINNING BALANCE CHANGES GREATER THAN 10%:

The beginning fund balance is projected to increase by 18% due to the surplus budgeted for in FY 2022-2023.

### REVENUE CHANGES GREATER THAN 10%:

Fundraising is projected to increase by 42% due to an increase in planned events for FY 2023-2024.

### EXPENDITURE CHANGES GREATER THAN 10%:

Operating expense is projected to increase by 64% due to inflationary pressures and an increase in the number of planned events in FY 2023-2024.

# Charleston County Budget Ordinance

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ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE  
APPROVING THE BUDGET AND DIRECTING  
THE AUDITOR OF CHARLESTON COUNTY  
TO LEVY THE NECESSARY MILLAGE AND  
THE TREASURER TO COLLECT TAXES  
FOR  
THE CHARLESTON COUNTY PARK AND RECREATION COMMISSION  
FOR FISCAL YEAR 2023-2024  
AND AUTHORIZING THE ISSUANCE OF A  
TAX ANTICIPATION NOTE IN THE AMOUNT OF \$3,000,000.**

**WHEREAS**, Charleston County Council has budgetary authority over the above-named Charleston County Park and Recreation Commission, and

**WHEREAS**, the Charleston County Park and Recreation Commission has submitted a budget to County Council for approval,

**NOW, THEREFORE, BE IT ORDAINED** by the Charleston County Council, in meeting duly assembled:

**Section 1.**

That the findings contained in this Ordinance are approved and confirmed in all respects.

**Section 2.**

That the General Fund budget of the Charleston County Park and Recreation Commission in the amount of \$44,261,135 is hereby approved by Charleston County Council.

**Section 3.**

The Auditor of Charleston County shall levy 4.0 mills for operating expenditures and 1.8 mills for debt service for the Commission in the year 2023, and the Treasurer shall collect upon all taxable property within the boundaries of the District during the fiscal year beginning July 1, 2023, and ending June 30, 2024.

The \$24,461,135 difference between the \$44,261,135 in budgeted expenditures and the \$19,800,000 in budgeted ad-valorem taxes consists of other available funding sources.

**Section 4.**

For the purpose of paying in cash for the foregoing and all other general ordinary expenditures of the said Commission for fiscal year 2024, as authorized by this Ordinance, or by any other appropriation ordinance hereafter passed in aforesaid fiscal year, the Charleston County Treasurer is hereby authorized and directed to use such cash as may from time to time be on hand or in the process of collection, and to borrow, from time to time as may be necessary on his official note or notes, or other evidence or evidences of indebtedness in anticipation of the collection of evidences of indebtedness in anticipation of the collection of the taxes herein levied; provided that all loans made from private persons, firms, or corporations shall be made only after three (3) days' notice by advertising once in some newspaper in the County of Charleston and on the best terms possible for the Charleston County Park and Recreation Commission a sum or sums up to \$3,000,000 for the use of the aforementioned Commission and the sum or sums so borrowed shall constitute a valid and prior claim against the said taxes herein levied and against the aforementioned Special Purpose District; provided, further, that if the net interest cost is less than eight (8%) percent, the Chairman is authorized

to award the loan to the bidder or bidders offering to purchase the notes at the lowest net interest cost to the County (calculated by computing the total dollar interest cost from the date of issuance to the date of maturity and deducting there from the amount of the premium offered, if any, over and above the premium amount); and provided, further, that the said County Treasurer shall be authorized in his discretion to make any such loans from special funds or funds, including sinking funds, in his hands as County Treasurer, repayment of which shall be secured in the same manner as if made from private persons, or corporations as aforesaid.

**Section 5.**

By amendment to this Ordinance, Council may adjust appropriation transactions affecting fund total, other than those authorized in Section 7.

**Section 6.**

Should grant funds be applied for or received after the beginning of the budget year, and thereby not be stated in this Budget Ordinance, then, by passage of a Resolution authorizing the grant application and expenditures by the governing body of the Charleston County Park and Recreation Commission, the necessary Special Revenue Fund or Capital project Fund shall be created to provide a mechanism for the expenditure of these monies.

**Section 7.**

All monies properly encumbered as of June 30, 2023, shall be added to the Charleston County Park and Recreation Commission's budget for Fiscal Year 2024. These encumbered monies may be expended only as set forth in their encumbrance except as authorized by the Charleston County Park and Recreation Commission's governing body.

**Section 8.**

All monies designated by the Charleston County Park and Recreation Commission as of June 30, 2023, shall be added to the applicable organizational budget for Fiscal Year 2024. These designated monies may be expended only as set forth in their authorization by the Commission. Unencumbered appropriations shall remain in the respective funds as unrestricted reserves whose subsequent appropriation shall be determined by Ordinance.

**Section 9.**

The Charleston County Park and Recreation Commission shall provide to the appropriate County staff sufficient information to do a midyear budget review and shall allow the appropriate County staff to become familiar with the day-to-day operations of the Charleston County Park and Recreation Commission for the limited purpose of better understanding how the Commission functions, and so that County Council is possessed of all the facts necessary to exercise competent budgetary authority as granted by the Courts.

**Section 10.**

If any provision of this ordinance or its application to any circumstance is held by a court of competent jurisdiction to be invalid for any reason, this holding shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this ordinance are declared by Council to be severable.

**Section 11.**

This Ordinance shall become effective upon Third Reading.

First Reading: June 1, 2023  
Second Reading: June 6, 2023  
Third Reading: June 20, 2023



## State of South Carolina Request for Contribution Distribution

This form is designed to collect the information required by South Carolina in accordance with Proviso 117.21 of the appropriations act and Executive Order 2022-19. This form must be submitted to the state agency that is providing the contribution for the designated organization. The state agency providing the contribution should use this form to collect information from the designated organization. The information must be collected from the designated organization before the funds can be disbursed.

| Contribution Information |                                                     |                                                                       |
|--------------------------|-----------------------------------------------------|-----------------------------------------------------------------------|
| Amount                   | State Agency Providing the Contribution             | Purpose                                                               |
| \$2,000,000.00           | P280 - Department of Parks, Recreation, and Tourism | To Design and Construct Phase I Edisto Island Youth Recreation Center |

| Organization Information |                                                |
|--------------------------|------------------------------------------------|
| Entity Name              | Charleston County Park & Recreation Commission |
| Address                  | 861 Riverland Drive                            |
| City/State/Zip           | Charleston, SC 29412                           |
| Website                  | CharlestonCountyParks.com                      |
| SCEIS Vendor #           | 700025908                                      |
| Entity Type              | Special Purpose District                       |

| Organization Contact Information |                                                                  |
|----------------------------------|------------------------------------------------------------------|
| Contact Name                     | Kevin Bowie                                                      |
| Position/Title                   | Executive Director                                               |
| Telephone                        | 843-762-8036                                                     |
| Email                            | <a href="mailto:Kevin.Bowie@ccprc.com">Kevin.Bowie@ccprc.com</a> |

| Plan/Accounting of how these funds will be spent:                                                                                                                                      |                       |                                                                                                                                                                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Description                                                                                                                                                                            | Budget                | Explanation                                                                                                                                                       |
| Engineering Services-Design Development/ Permitting/Surveying Services/ Construction Documents/ Construction Administration (Paid by Charleston County Park and Recreation Commission) |                       | CCPRC hired Davis & Floyd, Inc., for Architect/Engineering consultant services which includes Site Plan Development of the Edisto Island Youth Recreation Center. |
| Access Road - Wetland Crossing                                                                                                                                                         | \$275,000.00          | Construct entrance, driveway from Clark Road plus culvert over wetland                                                                                            |
| Parking Facilities                                                                                                                                                                     | \$350,000.00          | Construct parking lot for recreation participants                                                                                                                 |
| Restroom Facility                                                                                                                                                                      | \$100,000.00          | Construct restrooms for recreation participants                                                                                                                   |
| Playground (\$300,000 paid by CCPRC)                                                                                                                                                   | \$800,000.00          | Construct playground for children                                                                                                                                 |
| Community Garden                                                                                                                                                                       | \$400,000.00          | Install educational garden and greenhouse to teach children how to grow food                                                                                      |
| Basketball Court                                                                                                                                                                       | \$50,000.00           | Construct basketball court for youth to play games                                                                                                                |
| Multi-purpose field                                                                                                                                                                    | \$50,000.00           | Construct multi-purpose field to play football, soccer, and yard games                                                                                            |
| Septic Tank, Well and Water Systems                                                                                                                                                    | \$50,000.00           | Construct infrastructure for the park and restroom facility                                                                                                       |
| Electrical Power                                                                                                                                                                       | \$150,000.00          | Construct electrical power for the well and restroom facility                                                                                                     |
| Miscellaneous Signs                                                                                                                                                                    | \$80,000.00           | Install information and directional signs                                                                                                                         |
| Landscaping                                                                                                                                                                            | \$15,000.00           | Install trees, shrubs, plants to create a parklike setting                                                                                                        |
| Site Furnishings                                                                                                                                                                       | \$60,000.00           | Install benches, picnic tables, trash receptacles                                                                                                                 |
| Contingency                                                                                                                                                                            | \$10,000.00           | Plan for price increases due to inflation                                                                                                                         |
| <b>Grand Total</b>                                                                                                                                                                     | <b>\$2,500,000.00</b> |                                                                                                                                                                   |

### Please explain how these funds will be used to provide a public benefit:

Charleston County Park and Recreation Commission (CCPRC) is partnering with the non-profit Edisto Island Youth Recreation (EIYR) organization to expand recreational facilities available to the Edisto Island community. One of CCPRC's prime responsibilities is the development of a diversified county park system. The park system emphasizes passive activities, outdoor recreation, environmental education, and public water access. The Edisto Island Youth Recreation organization provides opportunities for youth on Edisto Island, SC and the surrounding neighboring communities to participate in athletics and recreational activities. These activities include organized sports, field trips, and learning events. Currently, the EIYR organization has to travel to use other facilities for athletics and recreational activities because they have no facilities of their own. To continue providing quality facilities and features within our agency and assisting other community groups to do the same, CCPRC is continually seeking to improve recreation opportunities by adding new features, renovating older facilities, developing partnerships and seeking innovative and sustainable approaches to its public facilities. Edisto Island Youth Recreation is seeking to improve access to youth sports by providing a dedicated recreation facility on Edisto

Island. CCPRC is committed to helping EIYR achieve their goal. CCPRC will contribute \$500,000 to the project by hiring consultants, Davis & Floyd, Inc. to design, develop and oversee the construction of the park facility. Of that \$500,000, CCPRC will also contribute \$300,000 toward the installation of the new playground. Construction of the new park will help fulfill the need for a recreational facility to an underserved area of Charleston County. The new park will bring the community together by providing recreational amenities and programs for all.

Organization Certifications

- 1) Organization hereby gives assurance that no person shall, upon the grounds of race, creed, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.
- 2) Organization certifies that it will provide quarterly spending reports to the Agency Providing Contribution listed above.
- 3) Organization certifies that it will provide an accounting at the end of the fiscal year to the Agency Providing Contribution listed above.
- 4) Organization certifies that it will allow the State Auditor to audit or cause to be audited the contributed funds.

*Kevin F. Bowie*

Organization Signature

Executive Director

Title

10/23/2023

Kevin Bowie

Printed Name

Date

Certifications of State Agency Providing Contribution

- 1) State Agency certifies that the planned expenditure aligns with the Agency's mission and/or the purpose specified in the appropriations act.
- 2) State Agency certifies that the Organization has set forth a public purpose to be served through receipt of the expenditure.
- 3) State Agency certifies that it will make distributions directly to the organization.
- 4) State Agency certifies that it will provide the quarterly spending reports and accounting received from the organization to the Senate Finance Committee, House Ways and Means Committee, and the Executive Budget Office by June 30, 2024.
- 5) State Agency certifies that it will publish on their website any and all reports, accountings, forms, updates, communications, or other materials required by Proviso 117.21 of the appropriations act.
- 6) State Agency will certify to the Office of the Governor that it has complied with the requirements of Executive Order 2022-19 by June 30, 2024.

*Duane Parrish*

Agency Head Signature

Duane Parrish

Printed Name

11/1/2023

Date



South Carolina  
**Secretary of State**  
Mark Hammond

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### Charleston County Park and Recreation Commission

Public Id: P2254  
Mr. Kevin Bowle , CEO  
861 Riverland Dr.  
Charleston, SC 29412

Status: Exempt. This organization is not required to file annual financial reports. For information about exemptions refer to the [Solicitation of Charitable Funds Act](#).

Disclaimer: The South Carolina Secretary of State's Charities Search Webpage is provided as a service to customers to research charitable organizations on file with our office, or that have been the subject of an administrative action. Users are advised that the Secretary of State, the State of South Carolina, or any agency, office, or employee of the State of South Carolina do not guarantee the accuracy, reliability, or timeliness of the information provided, as it is the responsibility of the charity to inform the Secretary of State of any updated information. Furthermore, the information provided does not constitute legal advice.

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