

**OLDE ENGLISH DISTRICT
TOURISM COMMISSION**

FINANCIAL STATEMENTS

JUNE 30, 2021

Draft

OLDE ENGLISH DISTRICT TOURISM COMMISSION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Olde English District Tourism Commission
Fort Lawn, South Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities for the general fund which is the major fund of the Olde English District Tourism Commission (the "Commission"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America. This includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



Board of Commissioners
Olde English District Tourism Commission
September 18, 2023

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Olde English District Tourism Commission, as of June 30, 2021, 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.

Other Matters

Required Supplementary Information

Management has omitted Management Discussion and Analysis that accounting principles generally accepted in the United States of America requires 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.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information for the General Fund, and the other required supplementary information related to pension, as listed in the table of contents, be presented to supplement the basic financial statements. Such 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. 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.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
September 18, 2023

OLDE ENGLISH DISTRICT TOURISM COMMISSION

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Fund Type General Fund
ASSETS	
Current Assets	
Cash and investments	\$ 538,403
Inventory	3,174
Prepays	1,973
Total Current Assets	543,550
Noncurrent Assets	
Capital assets, net of accumulated depreciation	94,394
Total Noncurrent Assets	94,394
Total Assets	637,944
DEFERRED OUTFLOWS OF RESOURCES	
Pension deferrals	34,149
Total Deferred Outflows of Resources	34,149
LIABILITIES	
Current Liabilities	
Accounts payable	30,601
Total Current Liabilities	30,601
Noncurrent Liabilities	
Compensated absences	14,692
Net pension liability	334,301
Total Noncurrent Liabilities	348,993
Total Liabilities	379,594
DEFERRED INFLOWS OF RESOURCES	
Pension deferrals	99,928
Total Deferred Inflows of Resources	99,928
NET POSITION	
Net investment in capital assets	94,394
Unrestricted	98,177
Total Net Position	\$ 192,571

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

OLDE ENGLISH DISTRICT TOURISM COMMISSION

**STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

	GOVERNMENTAL ACTIVITIES
EXPENSES	
Personnel	\$ 105,757
Travel	1,020
Insurance	35,914
General operating expenses	55,084
Advertising	89,254
Miscellaneous	10,253
Pension	28,493
Programs	56,510
Rent	12,924
Depreciation	6,261
Property tax	921
Total Expenses	402,391
PROGRAM REVENUES	
Charges for Services	
Merchandise sales	308
	308
Operating Grants and Contributions	
Appropriations	225,000
Local government	82,115
TAG	19,760
State accommodations tax	34,607
Covid relief	50,000
Designated Agency	20,515
Other reimbursement	5,690
	437,687
GENERAL REVENUES	
Interest	1,556
Market	11,796
Total General Revenues	13,352
CHANGE IN NET POSITION	48,956
NET POSITION, beginning of year	143,615
NET POSITION, end of year	\$ 192,571

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

OLDE ENGLISH DISTRICT TOURISM COMMISSION

GOVERNMENTAL FUND BALANCE SHEET

JUNE 30, 2021

	Primary Government Governmental Fund Type	Total Governmental Funds
	General	
Assets		
Cash	\$ 538,403	\$ 538,403
Inventory	3,174	3,174
Prepays	1,973	1,973
Total Assets	<u>\$ 543,550</u>	<u>\$ 543,550</u>
Current Liabilities		
Account payable	\$ 30,601	\$ 30,601
Total Liabilities	<u>30,601</u>	<u>30,601</u>
Fund Balance		
Unassigned	512,949	512,949
Total Fund Balance	<u>512,949</u>	<u>512,949</u>
Total Liabilities and Fund Balance	<u>\$ 543,550</u>	
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		94,394
Deferred outflows of resources are not reported in the funds.		34,149
Deferred inflows of resources are not reported in the funds.		(99,928)
Some long-term liabilities are not included in the governmental funds, but are included in the Statement of Net Position.		
Net pension liability		(334,301)
Accrued compensated absences		<u>(14,692)</u>
Net Position of Governmental Activities		<u>\$ 192,571</u>

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

OLDE ENGLISH DISTRICT TOURISM COMMISSION

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE YEAR ENDED JUNE 30, 2021

		General Fund
PROGRAM REVENUES		
Charges for Services		
Merchandise sales		\$ 308
		<u>308</u>
Operating Grants and Contributions		
Appropriations		225,000
Local government		82,115
TAG		19,760
State accommodations tax		34,607
Covid relief		50,000
Designated agencies		20,515
Other reimbursement		5,690
		<u>437,687</u>
GENERAL REVENUES		
Interest		1,556
Market		11,796
		<u>13,352</u>
Total Revenues		<u>451,347</u>
EXPENDITURES		
Current		
Personnel		136,425
Travel		1,020
Insurance		35,914
General operating		55,084
Advertising		89,254
Programs		56,510
Miscellaneous		10,253
Rent		12,924
Property tax		921
Total Current Expenditures		<u>398,305</u>
CAPITAL OUTLAY		<u>692</u>
Total Expenditures		<u>398,997</u>
EXCESS OF REVENUES OVER EXPENDITURES		52,350
FUND BALANCE, beginning of year		<u>460,599</u>
FUND BALANCE, end of year		<u>\$ 512,949</u>

Draft

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

OLDE ENGLISH DISTRICT TOURISM COMMISSION

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE-GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net change in fund balances - Total Governmental Funds	\$	52,350
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 as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		(5,569)
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 the governmental funds.		
Pension expense		(28,493)
Changes in the proportionate share of net pension liabilities, deferred outflows of resources, and deferred inflows of resources related to the state retirement plan for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		30,668
Change in net position of governmental activities	\$	<u>48,956</u>

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

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

Olde English District Tourism Commission (the “Commission”) was created by an act of the South Carolina Legislature in 1982 by adding Article 19 to Chapter 13 of Title 51. Its corporate powers are granted through this legislation. The purpose of the Commission, as set forth in the legislation, is to institute and operate programs to improve and enhance tourism, recreation, and development in the counties of Chester, Chesterfield, Fairfield, Lancaster, Kershaw, Union, and York. The majority of the Commission’s revenues are received from the State of South Carolina and the local governments within the seven counties. A Board of Commissioners governs the Commission’s operations and is composed of 3 Commissioners from each county: one appointed by the county’s governing body, one appointed by the county’s state legislative delegation, and one appointed by the county’s planning and development board or its equivalent.

Financial Reporting Entity

As set forth in Section 2100 of GASB’s *Codification of Governmental Accounting and Financial Reporting Standard*, the criteria for including this organization as a component unit of the State of South Carolina or any of the seven counties it represents has been evaluated. It has been determined that the Commission is not a component unit of the State of South Carolina or any of the seven counties it represents, but is an autonomous governmental entity.

Likewise, the criteria for including other organizations as part of the Commission’s financial reporting entity has been evaluated as set forth in Section 2100 of GASB’s *Codification of Governmental Accounting and Financial Reporting Standards*. Based on the criteria, the Commission has no component units. Therefore, the Commission’s financial statements include only the accounts of the Commission’s operations.

Government-wide Financial Statements

In accordance with the requirements of Statement 34 for a single-program government, the government-wide financial statements of the Commission consist of a statement of net assets presented in combination with the governmental funds balance sheet and a statement of activities presented in combination with the statement of revenues, expenditures, and changes in fund balances. These statements report information about the overall government without displaying individual funds or fund types and exclude information about fiduciary activities (if applicable), including component units that are fiduciary in nature.

Measurement Focus and Basis of Accounting

The statement of net assets and the statement of activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Statement 33.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with maturities of less than a year from purchase. The Commission's policy is to ensure all cash accounts are protected by the Federal Deposit Insurance Corporation. At June 30, 2021, the Commission had \$152,371 uninsured deposits.

Capital Assets and Depreciation

Capital assets are depreciated and are reported net of accumulated depreciation in the statement of net assets.

Capital assets are depreciated over their estimated useful lives unless they are inexhaustible, i.e. land and land improvements. Depreciation expense is reported in the statement of activities and is measured by allocating the net cost of depreciable assets over their estimated useful lives in a systematic and rational manner.

Budgets and Budgetary Accounting

Prior to July 1 of each year, a cash receipts and disbursements budget is proposed and adopted by the Board of Commissioners. Formal budgetary integration is employed as a management control device during the year for the General Fund. The Executive Director is authorized to transfer budgeted amounts between accounts within the general fund and report such transfers to the Board of Commissioners; however, any revisions that alter the total expenditures of the general fund must be approved by the Board of Commissioners.

Classification of Fund Balances

Nonspendable - these are amounts that cannot be spent because they are (1) not in spendable form (e.g., inventories, prepaids, long-term loans/notes receivable, property acquired for resale) or (2) legally or contractually required to be maintained intact (e.g., corpus of a permanent fund).

Restricted - these are resources that are constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

Committed - these are amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. The same high level must be used to remove or change the specified uses.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2021

NOTE 1 – GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned - these are amounts constrained by government's intent to be used for specific purpose, intent to be expressed by the governing body itself, or a body or official to which the governing body has delegated the authority to assign amounts.

Unassigned - this classification is the residual classification for the general fund.

Stabilization Arrangements

The Commission has not made stabilization arrangements for the fund balances nor have they adopted a minimum fund balance policy.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – ANNUAL LEAVE LIABILITY

Ten to twenty days of vacation may be earned by full-time employees per calendar year based on their years of service. No more than 5 unused vacation days may be carried forward to the subsequent year. A total of 15 days for sick leave is allowed for each full-time employee per calendar year and the Commission allows up to 90 days of sick leave to be carried forward to the subsequent year. The Commission's liability for these earned but unpaid compensated absences as of June 30, 2021 was \$14,692.

NOTE 3 – FIXED ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Historical Cost</u>				
Visitor Center	\$ 247,971	\$ -	\$ -	\$ 247,971
Furniture, Fixtures & Equipment	75,019	692	20,846	54,865
Total Historical Costs	<u>\$ 322,990</u>	<u>\$ 692</u>	<u>\$ 20,846</u>	<u>\$ 302,836</u>

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 – FIXED ASSETS (CONTINUED)

	Beginning	Additions	Deletions	Ending
<u>Accumulated Depreciation</u>				
Visitor Center	\$ 148,008	\$ 6,199	\$ -	\$ 154,207
Furniture, Fixtures & Equipment	75,019	62	20,846	54,235
Total Accumulated Depreciation	\$ 223,027	\$ 6,261	\$ 20,846	\$ 208,442
Net Capital Assets	\$ 99,963	\$ (5,569)	\$ -	\$ 94,394

Depreciation expense in the amount of \$6,261 was charged to the general fund of the Commission.

NOTE 4 – OPERATING LEASE ARRANGEMENTS

Office Building Lease

The Commission had a ten year operating lease for office space with Chester County. The monthly lease amount was \$1,750. In the current year, the Commission rent expense was \$12,924.

The lease expired in February 2021 and the Board elected to not renew the lease in favor of an online presence.

NOTE 5 – RETIREMENT 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 S. C. Deferred Compensation Program, as well as the state's employee insurance programs. As such, PEBA is responsible for administering the South Carolina Retirement Systems' five defined benefit pension plans. PEBA has an 11-member Board of Directors, appointed by the Governor and General Assembly leadership, which serves as custodian, co-trustee and co-fiduciary of the Systems and the assets of the retirement trust funds. The Retirement System Investment Commission (Commission as the governing body, RSIC as the agency), created by the General Assembly in 2005, has exclusive authority to invest and manage the retirement trust funds' assets. The Commission, and 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.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT 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 generally accepted accounting principles (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 a Comprehensive Annual Financial Report (CAFR) containing financial statements and required supplementary information for the Systems' Pension Trust Funds. The CAFR is publicly available through the Retirement Benefits' link on PEBA's website at www.peba.sc.gov, or a copy may be obtained by submitting a request to PEBA, 202 Arbor Lake Drive, Columbia, SC 29223. PEBA is 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 comprehensive annual financial report of the state.

Plan Descriptions

- The South Carolina Retirement System (SCRS), a cost-sharing multiple-employer defined benefit pension plan, was established effective July 1, 1945, pursuant to the provisions of Section 9-1-20 of the South Carolina Code of Laws for the purpose of providing retirement allowances and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts, higher education institutions, other participating local subdivision of government and individuals newly elected to the South Carolina General Assembly at or after the 2012 general election.
- The State Optional Retirement Program (State ORP) is a defined contribution plan that is offered as an alternative to SCRS to certain newly hired employees of state agencies, institutions of higher education, public school districts and individuals first elected to the S.C. General Assembly at or after the general election in November 2012. State ORP participants direct the investment of their funds into an account administered by one of four third party service providers. PEBA assumes no liability for State ORP benefits. Rather, the benefits are the liability of the four third party service providers. For this reason, State ORP assets are not part of the retirement systems' trust funds for financial statement purposes.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

- The South Carolina Police Officers Retirement System (PORS), a cost-sharing multiple employer benefit pension plan, was established July 1, 1962, pursuant to the provisions of Sections 9-11-20 of the South Carolina Code of Laws for the purpose of providing retirement and other benefits to police officers and firefighters. PORS also covers peace officers, coroners, probate judges and magistrates.

In addition to the plans described above, PEBA also administers three single-employer defined benefit pension plans, which are not covered in this report. They are the Retirement System for Members of the General Assembly of the State of South Carolina (GARS), the Retirement System for judges and Solicitors of the State of South Carolina (JSRS), and the South Carolina National Guard Supplemental Retirement Plan (SCNG).

Membership

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

- SCRS – Generally, all employees of covered employers are required to participate in and contribute to the system as a condition of employment. This plan covers general employees and teachers and individuals 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.
- State ORP – As an alternative to membership in SCRS, newly hired state, public school, and higher education employees and individuals newly elected to the S.C. General Assembly beginning with the November 2012 general election have the option to participate in the State ORP. Contributions to the State ORP are at the same rates as SCRS. A direct remittance is required from the employer to the member's account with the ORP service provider for the employee contribution and a portion of the employer contribution (5 percent) a direct remittance is also required to SCRS for the remaining portion of the employer contribution and an accidental death benefit contribution, if applicable, which is retained by SCRS.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

- PORS – To be eligible for PORS membership, an employee must be required by the terms of his employment, by election or appointment, to preserve public order, protect life and property, and detect crimes in the state; to prevent and control property destruction by fire; be a coroner in a full-time permanent position; or be a peace officer employed by the Department of Corrections, the Department of Juvenile Justice or the Department of Mental Health. Probate judges and coroners may elect membership in PORS. Magistrates are required to participate in PORS for service as a magistrate. PORS members, other than magistrates and probate judges, must also earn at least \$2,000 per year and devote at least 1,600 hours per year to this work, unless exempted by statute. An employee member of the system with an effective membership prior to July 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.

Benefits

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

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

The annual retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July 1 of the preceding year are eligible to receive the increase. Members who retire under the early retirement provisions at age 55 with 25 years of service are not eligible for the benefit adjustment until the 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.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

- PORS – 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 55 or with 25 years of service regardless of age. 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 at age 55 or with 27 years of service regardless of age. Both Class Two and Class Three members are eligible to receive a deferred annuity at age 55 with five or eight years of earned service, respectively. An incidental death benefit is also available to beneficiaries of active and retired members of employers who participate in the death benefit program. Accidental death benefits are also provided upon the death of an active member working for a covered employer whose death was a natural and proximate result of an injury incurred while in the performance of duty.

The retirement allowance of eligible retirees or their surviving annuitants is increased by the lesser of one percent or five hundred dollars every July 1. Only those annuitants in receipt of a benefit on July of the preceding year are eligible to receive the increase.

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 and PORS 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 and PORS employee contribution rates. Effective July 1, 2017, employee rates were increased to a capped rate of 9.00 percent for SCRS and 9.75 percent for PORS. The legislation also increased employer contribution rates beginning July 1, 2017 for both SCRS and PORS by two percentage points and further scheduled employer contribution rates to increase by a minimum of one percentage point each year through July 1, 2022. 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 and PORS is scheduled to be reduced over a ten-year schedule from 30 years beginning fiscal year 2018 to 20 years by fiscal year 2028.

Additionally, the Board is prohibited from decreasing the SCRS and PORS contribution rates until the funded ratio is at least 85 percent. If the most recent annual actuarial valuation of the Systems for funding purposes shows a ratio of the actuarial values of system assets to the actuarial accrued liability of the system (the funded ratio) that is equal to or greater than 85 percent, then the Board, effective on the following July first, may decrease the then current contribution rates upon making a finding that the

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

decrease will not result in a funded ratio of less than 85 percent. 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 percent, then effective on the following July first, 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 percent.

Required employee contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employee Class Two	9.00%	9.00%
Employee Class Three	9.00%	9.00%
State ORP		
Employee	9.00%	9.00%
PORS		
Employee Class Two	9.75%	9.75%
Employee Class Three	9.75%	9.75%

Required employer contribution rates¹ are as follows:

	<u>Fiscal Year 2021¹</u>	<u>Fiscal Year 2020¹</u>
SCRS		
Employee Class Two	15.41%	15.41%
Employee Class Three	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
State ORP		
Employer Contribution (2)	15.41%	15.41%
Employer Incidental Death Benefit	0.15%	0.15%
PORS		
Employee Class Two	17.84%	17.84%
Employee Class Three	17.84%	17.84%
Employer Incidental Death Benefit	0.20%	0.20%
Employer Accidental Death Program	0.20%	0.20%

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

- (1) Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.
- (2) Of this employer contribution, 5% of earnable compensation must be remitted by the employer directly to the ORP vendor to be allocated to the member's account with the remainder of the employer contribution remitted to the SCRS.

Actuarial Assumptions and Methods

Actuarial valuations of the 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 ending June 30, 2019 for first use in the July 2021 actuarial valuation

The June 30, 2019, 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, 2019. The total pension liability was rolled-forward from the valuation date to the plans' fiscal year end, June 30, 2020, using generally accepted actuarial principles.

The following provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2020:

	SCRS	PORS
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Investment rate of return ¹	7.25%	7.25%
Projected salary increases	3.0% to 12.5% (varies by service) ¹	3.5% to 9.5% (varies by service) ¹
Benefit adjustments	Lesser of 1% or \$500 annually	Lesser of 1% or \$500 annually
¹ Includes inflation at 2.25%		

The post-retiree mortality assumption is dependent upon the member's job category and gender. The base mortality assumptions, the 2016 Public Retirees of South Carolina mortality table (2016 PRSC), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using published Scale AA projected from the year 2016.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

Assumptions used in the determination of the June 30, 2020, TPL are as follows:

Former Job Class	Males	Females
Educators	2016 PRSC Males multiplied by 92%	2016 PRSC Females multiplied by 98%
General Employees and Members of the General Assembly	2016 PRSC Males multiplied by 100%	2016 PRSC Females multiplied by 111%
Public Safety and Firefighters	2016 PRSC Males multiplied by 125%	2016 PRSC Females multiplied by 111%

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

At June 30, 2021, the Commission reported a liability of \$334,301 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that 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 pension plan relative to the projected contributions of all participating members, actuarially determined.

For the year ended June 30, 2021, the Commission recognized pension expense totaling \$28,493, which consisted of contributions to the System of \$16,484 and additional expense of \$12,009, as a result of the increase in the net pension liability related to GASB 68 requirements. At June 30, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences between expected and actual experience	\$ 3,857	\$ 1,264
Assumption changes	410	-
Net difference between projected and actual earnings on pension plan investments	24,591	-
Changes in proportionate share and differences between employer contributions and proportionate share of total plan employer contributions	5,291	98,664
Commission contributions subsequent to the measurement date	-	-
Total SCRS	<u>\$ 34,149</u>	<u>\$ 99,928</u>

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

Approximately \$0 reported as deferred outflows of resources related to the Commission's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources (deferred pension charges) and deferred inflows of resources (deferred pension credits) will increase (decrease) pension expense as follows:

Year Ended December 31,	SCRS
2021	\$ (37,960)
2022	(17,233)
2023	(16,861)
2024	6,276
Total	<u>\$ (65,778)</u>

Net Pension Liability

The NPL is calculated separately for each system and represents that particular system's TPL determined in accordance with GASB No. 67 less that System's fiduciary net position. NPL totals, as of June 30, 2019, for SCRS and PORS are presented below:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Position Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	\$ 51,844,187,763	\$ 26,292,418,682	\$ 25,551,769,081	50.7%
PORS	8,046,386,629	4,730,174,642	3,316,211,987	58.8%

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.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

Long-term Expected Rate of Return

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

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2019 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation and is summarized in the table on the following page. For actuarial purposes, the 7.25 percent assumed annual investment rate of return and used in the calculation of the TPL includes a 5.00 percent real rate of return and a 2.25 percent inflation component.

Allocation/ Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.87%	3.16%
Bonds	26.0%	0.27%	0.07%
Private Equity	9.0%	9.68%	0.87%
Private Debt	7.0%	5.47%	0.39%
Real Assets	12.0%		
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 Actuarial Purposes			2.25%
			7.43%

Discount Rate

The discount rate used to measure TPL was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in SCRS and PORS will be made based on the actuarially determined rates based on provisions in the South Carolina Code of Laws. Based on those assumptions, the System's fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 5 – RETIREMENT PLAN (CONTINUED)

Sensitivity Analysis

The following table presents the collective NPL of the participating employers calculated using the discount rate of 7.25 percent, as well as what the employers' NPL would be if it were calculated using a discount rate that is 1.00 percent lower (6.25 percent) and 1.00 percent higher (8.25 percent) than the current rate.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

System	1.00% Decrease (6.25%)	Current Discount Rate (7.25%)	1.00% Increase (8.25%)
SCRS	\$ 414,325	\$ 334,301	\$ 267,480

Additional Financial and Actuarial Information

Information contained in these Notes to the Schedules of Employer and Nonemployer Allocations and Schedules of Pension Amounts by Employer (Schedules) was compiled from the Systems' audited financial statements for the fiscal year ended June 30, 2021, and the accounting and financial reporting actuarial valuation as of June 30, 2021. Additional financial information supporting the preparation of the Schedules (including the unmodified audit opinion on the financial statements and required supplementary information) is available in the Systems' ACFR.

NOTE 6 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through the date of the auditor's report, which is the date the financial statements were available to be issued.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

BUDGETARY COMPARISON SCHEDULE
YEAR ENDED JUNE 30, 2021

	Original and Final Budget	Actual	Various Favorable (Unfavorable)
REVENUES			
Appropriations	\$ 225,000	\$ 225,000	\$ -
Local government	56,350	82,115	25,765
TAG	38,250	19,760	(18,490)
Interest	800	1,556	756
Other reimbursement	-	5,690	5,690
State accommodations tax	48,509	34,607	(13,902)
Annual meeting	1,500	-	(1,500)
Backcountry carryover	2,201	-	(2,201)
Designated agencies	7,000	20,515	13,515
Market	7,500	11,796	4,296
Merchandise sales	-	308	308
Carryover	342,149	-	(342,149)
Covid relief	50,000	50,000	-
TOTAL REVENUES	779,259	451,347	(327,912)
EXPENDITURES			
Personnel	211,500	136,425	75,075
Travel	5,700	1,020	4,680
Insurance	41,000	35,914	5,086
General operating	83,440	55,084	28,356
Advertising	103,450	89,254	14,196
Trade shows	4,200	-	4,200
Programs	63,995	56,510	7,485
Miscellaneous	-	10,253	(10,253)
Capital expenditures	2,500	692	1,808
Rent	21,000	12,924	8,076
Property tax	725	921	(196)
TOTAL EXPENDITURES	537,510	398,997	138,513
EXCESS OF REVENUES OVER EXPENDITURES	\$ 241,749	\$ 52,350	\$ (189,399)

OLDE ENGLISH DISTRICT TOURISM COMMISSION

SCHEDULE OF PENSION PLAN CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 7 FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
<u>SCRS</u>							
Contractually required contribution	\$ 16,484	\$ 22,493	\$ 13,561	\$ 40,473	\$ 40,853	\$ 38,164	\$ 35,934
Contributions in relation to the contractually required contribution	(16,484)	(22,493)	(13,561)	(40,473)	(40,853)	(38,164)	(35,934)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commission's covered-employee payroll	\$ 104,379	\$ 137,992	\$ 88,000	\$ 180,601	\$ 203,552	\$ 200,128	\$ 191,650
Contributions as a percentage of covered-employee payroll	15.80%	16.3%	15.4%	22.4%	20.1%	19.1%	18.8%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM
LAST 7 FISCAL YEARS

	2021	2020	2019	2018	2017	2016	2015
<u>SCRS</u>							
Commission's proportion of the net pension liability	0.001%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%
Commission's proportionate share of the net pension liability	\$ 334,301	\$ 404,293	\$ 386,184	\$ 476,796	\$ 435,527	\$ 382,344	\$ 337,103
Commission's covered-employee payroll	\$ 104,379	\$ 137,992	\$ 103,000	\$ 180,601	\$ 203,552	\$ 200,128	\$ 191,650
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	312.23%	292.98%	224.83%	264.00%	213.96%	191.05%	175.90%
Plan fiduciary net position as a percentage of the total pension liability	50.70%	54.40%	54.10%	53.30%	52.90%	57.00%	59.90%

Draft

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the government will present information for those years for which information is available.

OLDE ENGLISH DISTRICT TOURISM COMMISSION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION RELATED TO PENSIONS
YEAR ENDED JUNE 30, 2021

Method and Assumptions Used in Calculations of Actuarially Determined Contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, 2020, one year prior to the end of the fiscal year in which contributions are reported. The actuarial methods and assumptions used to determine the contractually required contributions for the year ended June 30, 2021 reported in that schedule can be found in Note 6 of the basic financial statements.

Draft