CULTURE AND HERITAGE COMMISSION OF YORK COUNTY

(A Component Unit of York County)

ROCK HILL, SOUTH CAROLINA

FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

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CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
(A Component Unit of York County)

Rock Hill, South Carolina

Established

1997

BOARD OF COMMISSIONERS - June 30, 2024

DISTRICT 1 – George Sheppard

DISTRICT 2 – Ed Stewart

DISTRICT 3 – David Duncan, Chair

DISTRICT 4 – Jeff Lyon

DISTRICT 5 – Margaret Crawford Parson-Willins, Secretary/Treasurer

DISTRICT 6 – Annie Laurie Wheat, Vice Chair

DISTRICT 7 – Katherine Williams

Ex Officio – Katie Rutland

Ex Officio – Dr. Edward Lee

elliott davis

Independent Auditor's Report

Board of Commissioners
The Culture and Heritage Commission of York County
Rock Hill, South Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of the Culture and Heritage Commission of York County (the "Commission"), a component unit of York County, South Carolina, as of and for the year ended June 30, 2024, 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 and the major fund of the Commission as of June 30, 2024, 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 of Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to the 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 Auditors Responsibilities for the Audit of the Financial Statement 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.

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.

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 my raise substantial doubt shortly thereafter.

Auditor's Responsibility 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 GAAS 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 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 the reasonable user based on the financial statements.

In performing an audit in accordance with GAAS 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 judgement, 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 to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the required supplementary information as listed in the table of contents, 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.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary information, as listed in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2024 on our consideration of the Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.

Charleston, South Carolina
December 16, 2024

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED JUNE 30, 2024

This discussion and analysis of the Culture and Heritage Commission of York County's (the "Commission") financial performance provides an overview of the Commission's financial activities for the fiscal year ended June 30, 2024 ("2024"). The Commission is a component unit of York County (the "County"). The intent of this discussion and analysis is to present the Commission's financial performance as a whole; readers should also review the financial statements, the notes to the financial statements and the supplemental schedules to enhance their understanding of the Commission's financial performance.

FINANCIAL HIGHLIGHTS

Key financial highlights for 2024 are as follows:

- On the government-wide financial statements, the liabilities and deferred inflows of resources of the Commission exceeded its assets and deferred outflows of resources at June 30, 2024 by approximately $1,410,000. The Commission reported a deficit in unrestricted net position of approximately $2,184,000. This deficit was due to the net pension liability of approximately $4,591,000 as required by Governmental Accounting Standards Board ("GASB") statement No. 68 and the total other postemployment benefit ("OPEB") liability of approximately $1,580,000 as required by GASB statement No. 75.
- The General Fund reported ending fund balance of approximately $3,583,000, an increase of approximately $210,000 from the prior year ending fund balance. 90% of the total amount, or approximately $3,212,000, is unassigned and available for spending at the government's discretion. The unassigned fund balance represents 51% of fiscal 2024 expenditures.
- Total revenues for the year ended June 30, 2024 were approximately $6,451,000, of which over 70% came from appropriations from the County, compared to approximately $6,240,000 in total revenues for the prior year. This increase of approximately $212,000 (3%) was due primarily to an increase in York County appropriations received in the current year.
- Total expenditures for the year ended June 30, 2024 were approximately $6,241,000 compared to approximately $5,939,000 in the prior year, or an increase of approximately $302,000 (5%) due primarily to an increase in capital projects and an increase in salaries and benefits.
- The Commission's capital assets were approximately $716,000 at June 30, 2024, an increase of approximately $136,000 from the prior year, as additions of approximately $219,000 exceeded depreciation expense of approximately $83,000. The majority of the Commission's facilities and equipment are owned and maintained by the County and are reported in the County's financial statements.
- The Commission does not have any outstanding indebtedness.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts: the *Financial Section* (which includes management's discussion and analysis, the financial statements, and required supplementary information), and the *Compliance Section*.

Government-wide Financial Statements. The financial statements include two kinds of statements that present different views of the Commission. The first two statements are *government-wide financial statements* that provide a broad overview of the Commission's overall financial status, in a manner similar to a private-sector enterprise.

The *Statement of Net Position* presents information on all of the Commission's assets, deferred outflows, liabilities, and deferred inflows, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The *Statement of Activities* presents information showing how the Commission's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, for some items, revenues and expenses are reported in this statement that will only result in cash flows in future fiscal periods (e.g., unfunded OPEB obligations and earned but unused vacation leave).

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Both of the government-wide financial statements distinguish functions of the Commission that are principally supported by intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Commission include general operations. The Commission does not report any business-type activities. The government-wide financial statements can be found as listed in the table of contents of this report.

Fund Financial Statements. The remaining financial statements are *fund financial statements* that focus on *individual parts* of the Commission, reporting the Commission's operations in more detail than the government-wide statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. There are three categories of funds that are typically used by state and local governments: governmental funds, proprietary funds, and fiduciary funds. The Commission utilizes only governmental funds in reporting the operations of the Commission.

Governmental Funds – Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term uses of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Commission had only one governmental fund, the General Fund, as of June 30, 2024. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for this fund, which is a major fund. The governmental fund financial statements can be found as listed in the table of contents of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as listed in the table of contents of this report.

Other Information. The Commission adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided as required supplementary information for the General Fund. In addition, information on the Commission's participation in the State's pension plan is presented as required supplementary information along with a schedule of the Commission's changes in the OPEB liability and related ratios. A schedule of functional expenses has been provided as supplementary information for the General Fund. This schedule can be found as listed in the table of contents of this report.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Figure A-1
Major Features of the Commission's Government-Wide and Fund Financial Statements

		Fund Financial Statements
	Government-Wide Statements	General Fund (only fund)
Scope	Entire Commission.	The activities of the Commission.
Required Financial Statements	▪ Statement of Net Position ▪ Statement of Activities	▪ Balance Sheet ▪ Statement of Revenues, Expenditures, and Changes in Fund Balances
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial resources focus.
Type of Balance Sheet Information	All assets and deferred outflows of resources and liabilities and deferred inflows of resources, both financial and capital, and short-term and long-term.	All assets and deferred outflows of resources that are expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets included.
Type of Inflow/Outflow Information	All revenues and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Below is a summary of the Commission's net position for its governmental activities at June 30, 2024 and 2023:

Statement of Net Position

	June 30, 2024	June 30, 2023
Assets		
Current Assets	$ 6,082,824	$ 4,724,990
Capital Assets, Net	716,319	580,685
Total Assets	6,799,143	5,305,675
Deferred Outflows of Resources		
Deferred Pension Charges	782,847	602,547
Total Deferred Outflows of Resources	782,847	602,547
Liabilities		
Current Liabilities	2,499,680	1,352,184
Net Pension Liability	4,591,058	4,349,833
Total OPEB Liability	1,580,100	1,675,088
Long-Term Liabilities	271,186	256,106
Total Liabilities	8,942,024	7,633,211
Deferred Inflows of Resources		
Deferred Pension Credits	24,512	50,137
Deferred OPEB Credits	24,993	117,089
	49,505	167,226
Net Position		
Net Investment in Capital Assets	716,319	580,685
Restricted	58,324	68,486
Unrestricted (Deficit)	(2,184,182)	(2,541,386)
Total Net Position	$ (1,409,539)	$ (1,892,215)

The Commission's total assets and deferred outflows of resources at June 30, 2024 increased approximately $1,674,000 compared to the prior year primarily due to an increase in current assets of approximately $1,358,000 which consisted primarily of cash and the intergovernmental receivable from York County as well as an increase in deferred pension charges of approximately $180,000 due to changes in actuarial assumptions from year to year. Total liabilities and deferred inflows of resources at June 30, 2024 increased approximately $1,191,000 compared to the prior year primarily due to an increase in the net pension liability the Commission carries as required by GASB No. 68 and an increase in deferred revenue related to the ongoing capital projects and their associated grant revenues.

The Commission's net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) increased by approximately $483,000 during the current fiscal year due primarily to an increase in the Commission's fund balance. See the table below for additional information on the changes in net position in fiscal year 2024.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

A significant portion of the Commission's net position is reflected in its investment in capital assets totaling approximately $716,000 at June 30, 2024. The Commission uses these assets to provide services to citizens; these assets are not available for future spending. In addition, approximately $58,000 of the Commission's net position represents resources that are subject to external restrictions on how they may be used. The remaining portion of the Commission's net position is a deficit of approximately $2,184,000 due primarily to unfunded OPEB obligations of approximately $1,580,000 and pension obligations of approximately $4,591,000 at June 30, 2024.

The table below shows the changes in net position for Commission's governmental activities for fiscal years 2024 and 2023:

Statement of Activities

	2024	2023
Revenues		
Program Revenues:		
Charges for Services	$ 534,534	$ 505,729
Operating Grants	254,921	94,788
Capital Contributions	995,838	1,207,810
General Revenues:		
County Appropriation	4,580,000	4,320,000
Other	85,966	111,370
Total Revenues	6,451,259	6,239,697
Program Expenses		
Museum Services/Operations	5,968,583	5,747,846
Total Program Expenses	5,968,583	5,747,846
Change in Net Position	482,676	491,851
Net Position, Beginning of Year	(1,892,215)	(2,384,066)
Net Position, End of Year	$ (1,409,539)	$ (1,892,215)

The Commission's positive change in net position of approximately $483,000 was the result of current year revenues of approximately $6,451,000 exceeding current year expenditures of approximately $5,969,000. The increase in revenues of approximately $212,000 is primarily due to increased County appropriations of approximately $260,000 partially offset by a decrease of capital contributions directly related to ongoing capital projects. The increase in expenses is due primarily to an increase in capital projects and an increase in salaries and benefits.

FINANCIAL ANALYSIS OF THE COMMISSION'S FUNDS

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund – The analysis of governmental funds serves the purpose of determining available fund resources, how they were spent and what is available for future expenditures. Did the government generate enough revenue to pay for current obligations? What is available for spending at the end of the year?

At June 30, 2024, the Commission's General Fund reported a fund balance of approximately $3,583,000 as compared to the prior year amount of approximately $3,373,000. Unassigned fund balance was approximately $3,212,000 at June 30, 2024, representing 90% of the total fund balance and 51% of expenditures for the year ended June 30, 2024.

Revenues of approximately $6,451,000 exceeded expenditures of approximately $6,241,000 by approximately $210,000 for 2024. Appropriations from the County were approximately $4,580,000 for 2024, compared to approximately $4,320,000 for the prior year. Appropriations from the County represented over 70% of total revenues for the Commission for 2024. Total expenditures were approximately $6,241,000 for 2024. Salaries and benefits were approximately $3,770,000, representing 60% of total expenditures.

General Fund Budgetary Highlights

The Board of Commissioners adopts an annual budget for the Commission's General Fund. Amendments to the Commission's General Fund revenue and expenditure budget for the fiscal year 2024 totaled approximately $5,178,000 related primarily to increase in grant funding. The Commission budgeted to use approximately $476,000 in accumulated fund balance for fiscal year 2024. However, fund balance increased by approximately $210,000 in fiscal year 2024, or a difference of approximately $686,000. This is due to Carolina Foundation Grant Expenses coming in under budget by approximately $1,349,000, salaries and benefits coming in under budget by approximately $257,000, capital outlay coming in under budget by approximately $2,536,000, and positive variances in all other expenditures totaling approximately $605,000. These positive variances in expenditures were partially offset by grant revenues coming in under budget by $3,846,000 and all other revenues coming in under budget by approximately $215,000 due to continuing to try to engage the public for memberships and admissions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Commission's investment in capital assets includes building improvements and equipment and totaled approximately $716,000 at June 30, 2024, an increase of approximately $136,000 from the prior year. During 2024, the Commission capitalized approximately $219,000 in additions and recorded depreciation expense of approximately $83,000. The majority of the Commission's facilities and equipment are owned and maintained by the County and are reported in the County's financial statements. The Commission does not capitalize collections consisting of works of art, historical treasures, archives furnishings and similar assets held for public exhibition, education and research services as it is not cost beneficial to establish or estimate the amount at which the collection should be capitalized. For more detailed information on the Commission's capital assets, see Note III.B to the financial statements.

Debt Administration

At June 30, 2024, the Commission had no outstanding debt. The Commission had other long-term obligations outstanding at year end which consisted of compensated absence liabilities of approximately $271,000. For more detailed information on all of the Commission's long-term obligations, see Note III.C to the financial statements.

ECONOMIC FACTORS AND FISCAL YEAR 2025 BUDGET

Many factors were considered by the Commission's administration during the process of developing the FY 2025 budget which was approximately $379,000 or 6.5% more than the FY 2024 original budget. The most significant reason for the increase from the FY 2024 budget was the increase in county appropriations and appropriation of fund balance for capital projects. The Commission's top two goals were to balance the budget, while providing resources needed to carry out the mission of the Commission.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide those interested with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the York County Department of Finance at kevin.madden@yorkcountygov.com or call (803) 684-8528.

Basic Financial Statements

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2024

	PRIMARY GOVERNMENT
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	$ 3,847,999
Accounts Receivable	10,720
Due From York County	2,111,688
Inventory	48,895
Prepaids	63,522
Capital Assets:	
Depreciable, Net	716,319
TOTAL ASSETS	**6,799,143**
DEFERRED OUTLFOWS OF RESOURCES	
Deferred Pension Charges	782,847
TOTAL DEFERRED OUTFLOWS OF RESOURCES	**782,847**
LIABILITIES	
Accounts Payable and Accrued Expenses	285,493
Accrued Salaries, Fringe, Benefits, and Other Accrued Expenses	87,341
Unearned Revenue	2,126,846
Non-Current Liabilities:	
Total Other Postemployment Benefits Liability	1,580,100
Net Pension Liability	4,591,058
Long-Term Obligations - Due Within One Year	146,440
Long-Term Obligations - Due in More Than One Year	124,746
TOTAL LIABILITIES	**8,942,024**
DEFERRED INFLOWS OF RESOURCES	
Deferred Pension Credits	24,512
Deferred OPEB Credits	24,993
TOTAL DEFERRED INFLOWS OF RESOURCES	**49,505**
NET POSITION	
Net Investment in Capital Assets	716,319
Restricted For:	
Cultural Programs	58,324
Unrestricted/(Deficit)	(2,184,182)
TOTAL NET POSITION	**$ (1,409,539)**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

FUNCTIONS/PROGRAMS		PROGRAM REVENUES			NET (EXPENSE) REVENUE & CHANGE IN NET POSITION
PRIMARY GOVERNMENT:	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**	**Primary Government Governmental Activities**
Governmental Activities:					
Culture and Recreation	$ 5,968,583	534,534	254,921	995,838	$ (4,183,290)
TOTAL PRIMARY GOVERNMENT	**$ 5,968,583**	**534,534**	**254,921**	**995,838**	**(4,183,290)**
General Revenues:					
County Appropriation					4,580,000
Unrestricted Investment Earnings					57,822
Miscellaneous					28,144
Total General Revenues					4,665,966
CHANGE IN NET POSITION					**482,676**
NET POSITION, Beginning of Year					(1,892,215)
NET POSITION, End of Year					**$ (1,409,539)**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUND

JUNE 30, 2024

	GENERAL FUND
ASSETS	
Cash and Cash Equivalents	$ 3,847,999
Accounts and Grants Receivable	10,720
Due From York County	2,111,688
Inventory	48,895
Prepaids	63,522
TOTAL ASSETS	**$ 6,082,824**
LIABILITIES	
Accounts Payable	$ 285,493
Accrued Salaries, Fringe and Benefits	86,759
Accrued Expenses	582
Unearned Revenue	2,126,846
TOTAL LIABILITIES	2,499,680
FUND BALANCE	
Nonspendable:	
Inventory	48,895
Prepaids	63,522
Restricted for:	
Cultural Programs	58,324
Committed for:	
Capital Outlay	200,000
Unassigned	3,212,403
TOTAL FUND BALANCE	3,583,144
TOTAL LIABILITIES AND FUND BALANCE	**$ 6,082,824**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2024

TOTAL FUND BALANCE - GOVERNMENTAL FUND	**$**	**3,583,144**
Amounts reported for the governmental activities in the Statement of Net Position are different because of the following:		
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental fund. The cost of the assets was $2,675,352, and the accumulated depreciation was $1,959,033.		716,319
The Commission's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources related to its participation in the State pension plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(3,832,723)
The Commission's total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to the Commission's other postemployment benefit plan are not recorded in the governmental funds but are recorded in the Statement of Net Position.		(1,605,093)
Long-term liabilities are not due or payable in the current period and therefore are not reported as liabilities in the governmental funds. Long-term liabilities at year-end consisted of the following:		
Compensated Absences		(271,186)
TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES	**$**	**(1,409,539)**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUND

YEAR ENDED JUNE 30, 2024

	GENERAL FUND
REVENUES	
York County Appropriations	$ 4,580,000
Other Support	137,319
Program Revenues	1,733,940
TOTAL REVENUES	**6,451,259**
EXPENDITURES	
Current:	
Operations and Programs	5,756,102
Capital Outlay	484,819
TOTAL EXPENDITURES	**6,240,921**
NET CHANGE IN FUND BALANCE	**210,338**
FUND BALANCE, Beginning of Year	3,372,806
FUND BALANCE, End of Year	**$ 3,583,144**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

RECONCILIATION OF THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCE - GOVERNMENTAL FUND	**$**	**210,338**
Amounts reported for the governmental activities in the Statement of Activities are different because of the following:		
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.		(15,080)
Changes in the Commission's total other postemployment benefits liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental fund but are reported in the Statement of Activities.		187,084
Changes in the Commission's proportionate shares of the net pension liability, deferred outflows of resources, and deferred inflows of resources for the current year are not reported in the governmental funds but are reported in the Statement of Activities.		(35,300)
The governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital asset additions of $218,815 exceeded depreciation expense of $83,181 for the current period.		135,634
TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	**$**	**482,676**

The notes to the financial statements are an integral part of this statement.
See accompanying independent auditor's report.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Reporting Entity

On October 20, 1997, the York County Council formally adopted an ordinance to amend the York County Code to create a new commission to be known as ***Culture and Heritage Commission of York County*** (the "Commission"). The Commission assumed the duties and responsibilities of the Museum of York County and the York County Historical Commission. Additionally, the assets and property of the Museum of York County and the York County Historical Commission were transferred to the Commission. York County Council appoints all of the members of the Commission's Board of Commissioners, which is the Commission's governing authority. The County also provides the Commission with an annual appropriation, which is the majority of the Commission's operating revenues. Accordingly, the Commission is considered to be a component unit of the County and the Commission's financial position and activities are reported in the financial statements of the County as a discretely presented component unit.

The accompanying financial statements present the financial position and results of operations of the Commission only and do not include any financial information for the County or any other component unit of the County. The Commission does not have any component units. The financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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 nonfiduciary activities of the Commission.

Governmental activities, which normally are supported by County appropriations 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 report 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. Appropriations from the County 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets and liabilities associated with the operation of the Commission are included on the statement of net position.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental funds 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

County appropriations, intergovernmental revenues, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash has been received by the government.

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 to aid management in demonstrating compliance with finance-related legal and contractual provisions. There are a minimum number of funds maintained to keep the accounts consistent with legal and managerial requirements. The following fund type is used by the Commission.

Governmental fund types are those through which all of the 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 only has one fund:

The ***General Fund, a major fund,*** is the general operating fund of the Commission and accounts for all revenues and expenditures of the Commission. All County appropriations and other receipts are accounted for in the General Fund. General operating expenditures are paid from the General Fund. This is a budgeted fund, and any fund balance is considered a resource available for use.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity

1. Cash, Cash Equivalents, and Investments

The Commission considers all highly liquid investments (including restricted assets) with original maturities of three months or less when purchased to be cash equivalents. Securities with an initial maturity of more than three months (from when initially purchased) are reported as 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;

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

1. Cash, Cash Equivalents, and Investments (Continued)

(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; and

(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 one dollar 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 investments at fair value, which is normally determined by quoted market prices. The Commission did not have any investments during the year ended June 30, 2024.

2. *Inventories and Prepaid Assets*

Inventories consist of consumable supplies and are valued at cost, using the first-in, first-out method. The costs of inventories are recorded as expenses/expenditures when consumed rather than when purchased or produced. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid assets in both the government-wide and fund financial statements.

3. *Capital Assets*

Capital assets, which include property and equipment, are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the Commission as assets with an initial individual cost of more than $5,000 and an estimated useful life of two years or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Donated capital assets are recorded at estimated acquisition value at the date of donation. The majority of the Commission's facilities and equipment are owned and maintained by the County and are reported in the County's financial statements. The Commission does not capitalize collections consisting of works of art, historical treasures, archives furnishings and similar assets held for public exhibition, education and research services as it is not cost beneficial to establish or estimate the amount at which the collections should be capitalized.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

3. *Capital Assets (Continued)*

All reported capital assets, except land and construction in progress, are depreciated. Depreciation is provided using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10-30 years
Furniture, Fixtures and Equipment	3-7 years

4. Compensated Absences

It is the Commission's policy to permit employees to accumulate earned but unused personal leave benefits. Vacation benefits are paid when taken up to a 45-day maximum that may be accumulated; any unused portion of vacation leave (45-day maximum) is payable upon termination, retirement or death. No liability is reported for unpaid accumulated sick leave as the Commission does not pay any unused sick leave upon separation of service. All vacation pay is accrued when incurred in the government-wide financial statements. A liability is recorded in the governmental fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

5. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental funds financial statements regardless of whether they will be liquidated with current resources. However, long-term obligations that will be paid from governmental funds are reported as a liability in the funds financial statements only to the extent that they have matured (i.e., due and payable).

6. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and the 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 position 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 one type of deferred outflows of resources: (1) The Commission reports deferred pension charges in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. The deferred pension charges are either (a) recognized in the subsequent period as a reduction of the net pension liability (which includes contributions made after the measurement date) or (b) amortized in a systematic and rational method as pension expense in future periods in accordance with GAAP.

In addition to liabilities, the Statement of Net Position and the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Commission currently has two types of deferred inflows of resources: (1) The Commission reports deferred pension credits in its Statement of Net Position in connection with its participation in the South Carolina Retirement System. (2) The Commission reports deferred OPEB credits in its Statement of Net Position in connection with the Agent Multiple-Employer Defined benefit OPEB plan. The deferred pension and OPEB credits are amortized in a systematic and rational method and recognized as a reduction of pension expense in future periods in accordance with GAAP.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

7. Fund Balance

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definition*, the Commission classifies governmental fund balances as follows:

Nonspendable – includes amounts that inherently cannot be spent either because it is not in spendable form (i.e., prepaid assets, 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 Board of Commissioners before the end of the reporting period. The Board of Commissioners must commit fund balance by formal action before the end of the reporting period for this portion of fund balance to qualify for this category. Those committed amounts cannot be used for any other purpose unless the Board of Commissioners removes or changes the specified use of the committed fund balance by the same action.

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 by the highest level of decision making authority, or by parties delegated this authority, before the report issuance date. The Board of Commissioners assigns fund balance by an approved motion by the Board before report issuance for fund balance to qualify in this category.

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 restricted, committed, or assigned to specific purposes within the General Fund.

The Commission generally uses restricted amounts 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.

8. 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Equity (Continued)

9. Pensions and Other Postemployment Benefits

In government-wide financial statements, pensions and OPEB are required to be recognized and disclosed using the accrual basis of accounting (see Note IV.A and Note IV.D 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 in which it participates, which represent the excess of the total pension and OPEB liabilities over the fiduciary net position of the qualified plans, 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. Those changes in net pension and OPEB liabilities that are recorded as deferred outflows or inflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the respective qualified plan and recorded as a component of pension and OPEB expense beginning with the period in which they are incurred. Any projected earnings on qualified pension and OPEB plan investments are recognized as a component of pension and OPEB expense. Differences between projected and actual investment earnings are reported as deferred outflows or inflows of resources and amortized as a component of pension and OPEB expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

10. 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 (if any) and liabilities and deferred inflows of resources (if any) 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.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Board of Commissioners adopts a budget for General Fund revenues and expenditures prior to the beginning of each fiscal year. During the year, the Board of Commissioners made supplementary budget appropriations. The budget is presented in the required supplementary section of the financial statements. The budget is presented on the modified accrual basis of accounting, which is consistent with GAAP, and is based on funding expectations and past experience.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES

A. Deposits and Investments

Deposits

Custodial Credit Risk for Deposits: Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Commission's deposits might not be recovered. The Commission does not have a deposit policy for custodial credit risk but follows the investment policy statutes of the State of South Carolina. As of June 30, 2024, none of the Commission's bank balances of approximately $3,843,000 (which had a carrying value of approximately $3,843,000) were exposed to custodial credit risk.

III. DETAILED NOTES ON ALL FUNDS AND ACTIVITIES (CONTINUED)

B. Capital Assets

Governmental capital asset activity for the year ended June 30, 2024, is as follows:

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets, Non-Depreciable:				
Construction in Progress	$ -	-	-	$ -
Total Capital Assets, Non-Depreciable	-	-	-	-
Capital Assets, Depreciable:				
Buildings and Improvements	1,426,323	-	-	1,426,323
Furniture, Fixtures, and Equipment	1,044,113	218,815	(13,899)	1,249,029
Total Capital Assets, Depreciable	2,470,436	218,815	(13,899)	2,675,352
Less: Accumulated Depreciation For:				
Buildings and Improvements	1,024,440	24,826	-	1,049,266
Furniture, Fixtures, and Equipment	865,311	58,355	(13,899)	909,767
Total Accumulated Depreciation	1,889,751	83,181	(13,899)	1,959,033
Total Capital Assets, Depreciable, Net	580,685	135,634	-	716,319
Governmental Activities Capital Assets, Net	$ 580,685	135,634	-	$ 716,319

C. Long-Term Obligations

The following is a summary of changes in long-term obligations for the year ended June 30, 2024:

Long-Term Obligations	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 256,106	153,577	(138,497)	271,186	$ 146,440
Total Governmental Activities	$ 256,106	153,577	(138,497)	271,186	$ 146,440

General Fund resources are used to fund compensated absences payable.

IV. OTHER INFORMATION

A. Retirement Plans

The Commission participates in the State of South Carolina's retirement plans. The South Carolina Public Employee Benefit Authority ("PEBA"), created July 1, 2012, is the state agency responsible for the administration and management of the retirement systems and benefit 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' ("Systems") five defined benefit pension plans. PEBA has an 11-member Board of Directors ("PEBA Board"), 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.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (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.

The PEBA issues an annual comprehensive financial report containing financial statements and required supplementary information for the System' Pension Trust Funds. The annual comprehensive financial report is publicly available through the Retirement Benefits' link on the 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. The PEBA is a division of the primary government of the state of South Carolina and therefore, retirement trust fund financial information is also included in the annual comprehensive financial report of the state.

Plan Description

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 and other benefits for teachers and employees of the state and its political subdivisions. SCRS covers employees of state agencies, public school districts and participating charter schools, public higher education institutions, other participating local subdivisions of government and individuals first elected to the South Carolina General Assembly at or after the general election in November 2012.

Plan 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 first elected to the South Carolina General Assembly at or after the general election in November 2012. A member of the system with an effective date of membership prior to July 1, 2012, is a Class Two member. A member of the system with an effective date of membership on or after July 1, 2012, is a Class Three member.

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/current annual salary. A brief summary of 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 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.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Benefits (Continued)

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 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. Effective July 1, 2017, employee rates were increased and capped at 9.00 percent for SCRS. The legislation also increased employer contribution rates beginning July 1, 2017 for the SCRS until reaching 18.56 percent. The legislation included a further provision that if the scheduled contributions are not sufficient to meet the funding periods set in state statute, the PEBA board would increase the employer contribution rates as necessary to meet the funding periods set for the applicable year.

Pension reform legislation modified statute such that the employer contribution rates for the SCRS to be further increased, not to exceed one-half of one percent in any one year if necessary, in order to improve the funding of the plan. The statute set rates intended to reduce the unfunded liability of the SCRS to the maximum amortization period of twenty years from thirty years over a ten-year schedule, as determined by the annual actuarial valuation of the plan. Finally, under the revised statute, the contribution rates for the SCRS may not be decreased until the plan is at least 85 percent funded.

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

	SCRS Rates		
	2022	2023	2024
Employer Contribution Rate: ^			
Retirement	16.41%	17.41%	18.41%
Incidental Death Benefit	0.15%	0.15%	0.15%
Accidental Death Contributions	0.00%	0.00%	0.00%
	16.56%	17.56%	18.56%
Employee Contribution Rate ^	9.00%	9.00%	9.00%

^ Calculated on earnable compensation as defined in Title 9 of the South Carolina Code of Laws.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Plan Contributions (Continued)

The required contributions and percentages of amounts contributed to the Plan for the past three years were as follows:

Year Ended June 30,	SCRS Contributions	
	Required	% Contributed
2024	$ 465,799	100%
2023	421,587	100%
2022	$ 353,825	100%

In an effort to help offset a portion of the burden of the increased contribution requirement for employers, the State General Assembly ("State") funded 1 percent of the SCRS contribution increase for the year ended June 30, 2023. The State's budget appropriated these funds directly to the PEBA for the South Carolina Retirement System Trust Fund. The amount of funds appropriated by the State (nonemployer contributing entity) for the year ended June 30, 2023 (measurement date) to the Commission were approximately $16,000 for the SCRS.

The Commission recognized contributions (on-behalf benefits) from the State of approximately $16,000 for the year ended June 30, 2024. These contributions by the State are recognized as intergovernmental revenues and pension expenditures in the Commission's governmental fund financial statements.

Eligible payrolls covered under the Plan for the past three years were as follows:

Year Ended June 30,	SCRS Payroll
2024	$ 2,509,691
2023	2,400,838
2022	$ 2,136,622

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 ending June 30, 2019.

The June 30, 2023 total pension liability ("TPL"), net pension liability ("NPL"), and sensitivity information shown in this report were determined by the consulting actuary, Gabriel, Roeder, Smith and Company ("GRS"), and are based on an actuarial valuation performed as of July 1, 2022. The TPL was rolled-forward from the valuation date to the Plans' fiscal year end, June 30, 2023, using generally accepted actuarial principles. There was no legislation enacted during the 2023 legislative session that had a material change in the benefit provisions for any of the systems.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Actuarial Assumptions and Methods (Continued)

The following table provides a summary of the actuarial assumptions and methods used to calculate the TPL as of June 30, 2023 (measurement date) for the SCRS.

	SCRS
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Investment Rate of Return*	7.00%
Projected Salary Increases*	3.0% to 11.0% (varies by service)
Benefit Adjustments	Lesser of 1% or $500 annually

* 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 2020 Public Retirees of South Carolina Mortality table (“2020 PRSC”), was developed using the Systems' mortality experience. These base rates are adjusted for future improvement in mortality using 80% of Scale UMP projected from the year 2020.

Assumptions used in the determination of the June 30, 2023, TPL are as follows.

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

The long-term expected rate of return on pension plan investments is based upon 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.

The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2023 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 percent assumed annual investment rate of return used in the calculation of the TPL includes a 4.75 percent real rate of return and a 2.25 percent inflation component.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Long-Term Expected Rate of Return (Continued)

Allocation/Exposure	Policy Target	Expected Arithmetic Real Rate of Return	Long-Term Expected Portfolio Real Rate of Return
Public Equity	46.0%	6.62%	3.04%
Bonds	26.0%	0.31%	0.08%
Private Equity	9.0%	10.91%	0.98%
Private Debt	7.0%	6.16%	0.43%
Real Assets	**12.0%**		
Real Estate	9.0%	6.41%	0.58%
Infrastructure	3.0%	6.62%	0.20%
Total Expected Real Return	100.0%		5.31%
Inflation for Actuarial Purposes			2.25%
Total Expected Nominal Return			7.56%

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

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 the June 30, 2023 measurement date, for the SCRS, are presented in the following table:

System	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability (Asset)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
SCRS	$ 58,464,402,454	34,286,961,942	$ 24,177,440,512	58.6%

The TPL is calculated by the Systems' actuary, and each Plans' fiduciary net position is reported in the Systems' financial statements. The NPL is disclosed in accordance with the requirements of GASB No. 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, 2024, the Commission reported liabilities of approximately $4,591,000 for its proportionate share of the NPL for the SCRS. The NPL were measured as of June 30, 2023, and the TPL for the Plan used to calculate the NPL were determined based on the most recent actuarial valuation report of July 1, 2022 that was projected forward to the measurement date. The Commission's proportion of the NPL were 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, 2023 measurement date, the Commission's SCRS proportion was 0.018989 percent, which was an increase of 0.001046 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the Commission recognized pension expense of approximately $501,000 for the SCRS. At June 30, 2024, 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:

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

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

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
SCRS		
Differences Between Expected and Actual Experience	$ 79,709	$ 12,732
Change in Assumptions	70,342	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	6,284
Changes in Proportion and Differences Between the Employer's Contributions and Proportionate Share of Contributions	183,403	5,496
Employer Contributions Subsequent to the Measurement Date	449,393	-
Total SCRS	$ 782,847	$ 24,512

Approximately $449,000 that was reported as deferred outflows of resources related to the Commission's contributions subsequent to the measurement date to the SCRS, will be recognized as a reduction of the NPL in the year ended June 30, 2025. 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:

Year Ended June 30,	SCRS
2025	$ 153,613
2026	(21,800)
2027	179,821
2028	(2,692)
Total	$ 308,942

Discount Rate

The discount rate used to measure the TPL was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers in the 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 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.

IV. OTHER INFORMATION (CONTINUED)

A. Retirement Plans (Continued)

Sensitivity Analysis

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

System	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Commission's proportionate share of the net pension liability of the SCRS	$ 5,932,084	4,591,058	$ 3,476,443

Plan Fiduciary Net Position

Detailed information regarding the fiduciary net position of the Plan administered by the PEBA is available in the separately issued comprehensive annual financial report containing financial statements and required supplementary information for the SCRS. The comprehensive annual financial report is publicly available through the Retirement Benefits' link on the 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.

B. Risk Management

The Commission is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, job related illness and injuries and errors and omissions. The Commission is insured against such risk by the County, which carries commercial insurance. The Commission (through the County) carries employee health insurance. It also carries general liability and property insurance through the South Carolina Insurance Reserve Fund, which represents South Carolina government entities joined together in a public entity risk pool. The Commission purchases workers' compensation insurance from the South Carolina State Accident Fund, a public entity risk pool.

The South Carolina Insurance Reserve Fund and the South Carolina Accident Fund promise to pay to or on behalf of the insured for covered economic losses sustained during the policy period in accord with insurance policy and benefit program limits. The Commission pays annual premiums to the South Carolina Insurance Reserve Fund and the South Carolina State Accident Fund for its insurance coverage. These funds are self-sustaining through member premiums and by purchases of commercial insurance coverage on a portion of its liabilities. The state accumulates assets to cover risks that its members incur in their normal operations. Specifically, the state assumes substantially all of the risk of the above. Management believes such coverage is sufficient to preclude any significant uninsured losses for the covered risks. There has been no significant reduction in coverage and amounts of settlements have not exceeded coverage in any of the last three years.

IV. OTHER INFORMATION (CONTINUED)

C. Contingencies

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial. Management has not been informed of any significant matters of noncompliance with grant provisions or planned grantor audits.

D. Other Postemployment Benefit Plan

Plan Description

The Commission provides certain post-employment health care benefits for eligible retired employees and their dependents through a defined benefit other postemployment benefits plan (the "Plan") administered by York County. The Commission has the authority to establish and amend the benefit terms and financing requirements of the Plan. Participation in the Plan is optional. In accordance with the terms of the Plan effective January 1, 2015, the Commission will contribute a defined amount of funds into the Retiree Health Reimbursement Arrangement ("RHRA") for eligible employees.

Eligibility requirements are as follows:

- Employees hired before October 1, 2008 must meet the following eligibility criteria: (1) have at least ten years of continuous Commission service, (2) be eligible for retirement benefits under the South Carolina Retirement System regulations, and (3) be a Commission employee at the time of retirement.
- Employees hired after October 1, 2008 must meet the following criteria: (1) have twenty-five years of credible service with the South Carolina Retirement System, (2) have ten years of service as a Commission employee, (3) be eligible for retirement benefits under the South Carolina Retirement System regulations, and (4) be a Commission employee at the time of retirement.
- Employees hired after August 31, 2011 are not entitled to coverage of the employer cost of medical or dental coverage paid by the Commission at the time of retirement. Eligible retirees may continue coverage under the Plan, but they are required to pay both the employer and employee premiums.

Plan Membership

As of June 30, 2023, the last actuarial valuation, the following employees were covered by the OPEB Plan's benefit terms:

Inactive Members or Beneficiaries Currently Receiving Benefit Payments	9
Active Members	20
Total Membership	29

Plan Benefits and Contributions

The Commission's contributions to the Plan are neither guaranteed nor mandatory. The Commission has retained the right to unilaterally modify its payments toward retiree health care benefits at any time. The Plan does not issue a stand-alone financial report.

IV. OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan (Continued)

Plan Benefits and Contributions (Continued)

The Commission, as a component unit of the County, joined the South Carolina Counties Other Post Employment Benefit Trust ("SCCOPEBT"), an agent multiple employer investment trust administered by the South Carolina Association of Counties. A copy of the report may be obtained through the Controller at the South Carolina Association of Counties Office, Post Office Box 8207, Columbia, SC 29202-8207. Assets are held separately and may be used only for the payment of benefits to the members of the plan. The aggregate actuarial cost method does not identify or separately amortize unfunded actuarial liabilities. Employees are not required to contribute to this plan. The Commission has not made any contributions to date to the SCCOPEBT.

Upon retirement, employees who meet retiree eligibility requirements based on Commission policy and elect either continued coverage under the State Health plan or an individual policy such as Medicare Supplement and Part D plan purchased through representatives of Plan Benefit Services, Inc. are eligible. Eligible retirees are required to pay the full age adjusted premium for all coverage. In order to offset the cost associated with coverage, the Commission will establish an RHRA account for each eligible retiree and make monthly contributions to the account as follows: Pre-65 retirees (Retiree Only - $675 monthly/ Retiree & Spouse - $1,350 monthly), Post-65 retirees (Retiree Only - $350 monthly/ Retiree & Spouse - $700 monthly), and Retirees who only elect Dental (Retiree Only - $11.72 monthly/ Retiree and Spouse - $11.72 monthly).

The Commission will contribute funds to the RHRA for Pre-65 retirees for as long as the retiree or any covered dependent is under age of 65 and continues to be covered under the State Health plan or other eligible coverage. The Commission will contribute funds to the RHRA for Post-65 retirees for as long as the retiree has coverage through the State Health Plan or Medicare Supplemental Coverage and Part D coverage purchased through representatives of Plan Benefit Services, Inc. The Commission will make monthly contributions to the surviving spouse's RHRA for a period of one year from the retiree's date of death. The amount contributed to the surviving spouse's RHRA will be the same amount the "retiree only" class mentioned above.

Actuarial Assumptions and Method

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, 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 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.

IV. OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions and Method (Continued)

Actuarial Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation	2.50%
Discount Rate	3.97% - Changed from 3.65% in the PY.
Healthcare Cost Trend Rate	N/A - Future County RHRA contributions will not increase and
Coverage Elections	100% of eligible retirees and 35% of spouses will elect to receive coverage up on retirement.
Active Participation/Marriage	All active employees who are potentially eligible to receive healthcare benefits as a retiree. Former employees and their spouses or their survivors who are receiving benefits.
Mortality Table	July 1, 2022 SCRS and PORS Valuations.

Demographic assumptions were based on the results of an actuarial experience study for the five-year period ending June 30, 2022, as conducted for the SCRS.

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

The Commission's total OPEB liability was measured as of June 30, 2024 and the total OPEB liability was determined by an actuarial valuation as of June 30, 2023.

	Total OPEB Liability (a)
Balances as of June 30, 2023	1,675,088
Changes for the year:	
Service Cost	14,834
Interest	58,911
Changes of Assumptions or Other Inputs	(45,433)
Benefit Payments	(123,300)
Net Changes	(94,988)
Balances as of June 30, 2024	1,580,100

For the year ended June 30, 2024, the Commission recognized OPEB expense of approximately ($64,000). At June 30, 2024, the Commission reported deferred outflows of resources (deferred OPEB charges) and deferred inflows of resources (deferred OPEB credits) related to OPEB from the following sources:

Description	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 1,959
Changes of Assumptions	23,034
Total	$ 24,993

IV. OTHER INFORMATION (CONTINUED)

D. Other Postemployment Benefit Plan (Continued)

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

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:

Year Ended June 30,	Total
2025	$ 24,382
2026	611
Total	$ 24,993

Discount Rate

The discount rate used to measure the total OPEB liability was 3.97%. Because the Plan is not funded, a single discount rate that approximates the municipal bond rate was considered appropriate for this valuation.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following table presents the sensitivity of the Commission's total OPEB liability to changes in the discount rate, calculated using the discount rate of 3.97%, as well as what it would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Net OPEB Liability	$ 1,729,603	1,580,100	$ 1,451,088

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability	$ 1,580,100	1,580,100	$ 1,580,100

The Commission contributes a monthly amount to an RHRA account for all eligible retirees that does not fluctuate with healthcare trend. Therefore, the total OPEB liability does not change with a 1% decrease or 1% increase in healthcare trend rates.

E. Economic Dependence

The Commission receives a substantial amount of its support from state and local governments, including approximately $4,580,000 (over 70% of total revenues) from the County for the year ended June 30, 2024. A significant reduction in the level of the County's support could have a negative effect on the Commission's programs and activities. In addition, the County provides certain administrative services to the Commission, including performing all of the accounting (approximately 90% of accountant salary is paid by the Commission), human resources and purchasing functions, at no charge to the Commission.

IV. OTHER INFORMATION (CONTINUED)

F. Foundation for the Carolinas

In fiscal year 2015, the Commission's Capital Projects Fund was established at the Foundation for the Carolinas ("FFTC") with an initial deposit of approximately $8,000,000 as a result of a favorable settlement agreement. The Fund is to be used exclusively for capital projects (including planning and design) of the Commission. The Commission generates requests for funding annually which are reviewed by a special Advisory Board set up for that purpose by the agreement. By terms of the agreement, the seven-member Advisory Board includes the Executive Director of the Commission, three York County citizens appointed by the Commission, and three York County citizens appointed by the Culture and Heritage Foundation, Inc. The Advisory Board only considers requests from the Commission and makes a recommendation on the request to the FFTC that is within the guidelines established by the agreement. Up to 20% of the balance of the principle on January 1st plus an annual spendable allowance established by the FFTC (around 4% to 6%) is available each calendar year. If all of the 20% is not used in a given year, it is added to the total available in future years.

The Commission was awarded a grant by the FFTC for approximately $939,000 in fiscal year 2016. The grant was for the Phase I Capital Improvements associated with the Historic Brattonsville Interpretive Plan. Approximately $4,000 was expended in fiscal year 2016, approximately $110,000 was expended in fiscal year 2017, approximately $236,000 was expended in fiscal year 2018, approximately $25,000 was expended in fiscal year 2019, approximately $198,000 was expended in fiscal year 2020, approximately $0 was expended in fiscal year 2021, approximately $0 was expended during fiscal year 2022, approximately $0 was expended in fiscal year 2023, and approximately $0 was expended in fiscal year 2024 with the remaining approximate amount of $345,000 to be expended in fiscal year 2025 as an approximate $18,000 was reclassified to the 2019 award for historic Brattonsville and approximately $2,000 has been reclassified for future grant projects.

The Commission was awarded a grant by the FFTC for approximately $1,068,000 in fiscal year 2017. The grant was for the Phase II Capital Improvements associated with the Historic Brattonsville Interpretive Plan and Pleistocene Hall Phase I. No funds were expended in fiscal year 2017, approximately $203,000 was expended in fiscal year 2018, approximately $184,000 was expended in fiscal year 2019, approximately $93,000 was expended in fiscal year 2020, approximately $35,000 was expended in fiscal year 2021, approximately $24,000 was expended in fiscal year 2022, approximately $4,000 was expended in fiscal year 2023, and approximately $5,000 was expended in fiscal year 2024 with the remaining approximate amount of $462,000 to be expended in fiscal year 2025 as an approximate $58,000 has been reclassified for future grant projects.

The Commission was awarded a grant by the FFTC for approximately $1,999,000 in fiscal year 2019. The grant was for the Pleistocene Hall Phase II. Approximately $39,000 was expended in fiscal year 2019, approximately $1,499,000 was expended in fiscal year 2020, approximately $128,000 was expended in fiscal year 2021, and approximately $42,000 was expended in fiscal year 2022 leaving the remaining approximate amount of $0 as an approximate $291,000 has been reclassified for future grant projects.

The Commission was awarded a grant by the FFTC for approximately $2,630,000 in fiscal year 2019. An additional approximately $18,000 was reallocated from the 2016 award to the 2019 projects bringing the 2019 total to $2,648,000. The grant was for the Phase III Capital Improvements associated with the Historic Brattonsville Interpretive Plan. Approximately $500,000 was expended in fiscal year 2019, approximately $405,000 was expended in fiscal year 2020, approximately $164,000 was expended in fiscal year 2021, approximately $37,000 was expended in fiscal year 2022, approximately $1,073,000 was expended in fiscal year 2023, and approximately $454,000 was expended in fiscal year 2024 leaving the remaining approximate amount of $16,000 to be expended in fiscal year 2025.

The Commission was awarded a grant by the FFTC for approximately $437,000 in fiscal year 2021. The grant was for Hightower Hall: Tower Preservation/Stabilization projects. Approximately $261,000 was expended in fiscal year 2021 and approximately $0 was expended in fiscal year 2022 leaving the remaining approximate amount of $0 as an approximate $176,000 has been reclassified for future grant projects.

IV. OTHER INFORMATION (CONTINUED)

F. Foundation for the Carolinas (Continued)

The Commission was awarded a grant by the FFTC for approximately $920,000 in fiscal year 2023. The grant was for the Historic Brattonsville Interpretive Plan. Approximately $18,000 was expended in fiscal year 2023 and approximately $427,000 was expended in fiscal year 2024 leaving the approximate amount of $475,000 to be expended in fiscal year 2025.

The Commission was awarded a grant by the FFTC for approximately $153,000 in fiscal year 2023. The grant was for the Museum of York County Fluid Specimen Room. Approximately $0 was expended in fiscal year 2023 and approximately $16,000 was expended in fiscal year 2024 leaving the approximate amount of $137,000 to be expended in fiscal year 2025.

The Commission was awarded a grant by the FFTC for approximately $840,000 in fiscal year 2023. The grant was for the McCelvey History Museum. Approximately $0 was expended in fiscal year 2023 and 2024 leaving the approximate amount of $840,000 to be expended in fiscal year 2025.

The Commission was awarded a grant by the FFTC for approximately $700,000 in fiscal year 2023. The grant was for the Main Street Children's Museum Expansion. Approximately $0 was expended in fiscal year 2023 and 2024 leaving the approximate amount of $700,000 to be expended in fiscal year 2025.

G. Commitments

As of June 30, 2024 the Commission had approximately $2,355,000 in open architectural, construction, and design contracts for Historic Brattonsville projects, McCelvey Center roof repair, and other smaller ongoing projects.

Required Supplementary Information

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	BUDGET AMOUNTS			VARIANCE WITH REVISED
	ORIGINAL	REVISED	ACTUAL	BUDGET
REVENUES				
York County Appropriations	$ 4,580,000	4,580,000	4,580,000	$ -
Other Support:				
Memberships	127,900	127,900	99,730	(28,170)
Gifts	69,600	69,600	21,183	(48,417)
Miscellaneous	16,406	16,406	16,406	-
Total Other Support	213,906	213,906	137,319	(76,587)
Program Revenues:				
Admissions and Tours	232,000	232,000	185,122	(46,878)
Sales - Shops and Gallery	122,000	122,000	133,089	11,089
Public Programs	55,000	55,000	2,065	(52,935)
Educational Programs and Trip Income	188,100	188,100	105,502	(82,598)
Grants	183,890	2,730,073	233,738	(2,496,335)
Grants - FFTC	10,000	2,345,883	995,838	(1,350,045)
Building Rentals	28,000	28,000	9,025	(18,975)
Interest and Investment Income	9,000	9,000	57,822	48,822
Miscellaneous Income	8,200	8,200	11,739	3,539
Total Program Revenues	836,190	5,718,256	1,733,940	(3,984,316)
TOTAL REVENUES	**5,630,096**	**10,512,162**	**6,451,259**	**(4,060,903)**
EXPENDITURES				
Current:				
Operational and Program Expenditures:				
Salaries	2,654,075	2,761,690	2,630,711	130,979
Payroll Taxes	203,103	211,424	196,079	15,345
Health Insurance	546,132	546,132	455,316	90,816
Retirement	491,943	507,983	487,858	20,125
Professional Services	131,337	226,178	98,191	127,987
Maintenance and Service Contracts	82,842	93,889	87,834	6,055
Vehicle Maintenance and Operations	12,140	12,140	16,626	(4,486)
Carolina Foundation Grant Expenses	-	2,344,883	995,838	1,349,045
Building Repairs and Maintenance	138,675	157,543	126,936	30,607
Rentals and Leases	9,900	9,900	5,042	4,858
Insurance - General Liability and Workers' Comp	151,000	151,000	129,173	21,827
Utilities	161,000	161,000	164,711	(3,711)
Telephone	62,802	62,802	56,556	6,246
Advertising	124,990	125,890	45,800	80,090
Printing and Binding	28,515	28,515	17,145	11,370
Travel and Training	$ 45,207	46,817	18,138	$ 28,679

(Continued)

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND

YEAR ENDED JUNE 30, 2024

	BUDGET AMOUNTS			VARIANCE WITH REVISED
	ORIGINAL	REVISED	ACTUAL	BUDGET
Postage	$ 7,175	7,175	1,088	$ 6,087
Membership Dues	14,670	14,728	11,661	3,067
Office Supplies and Small Equipment	41,954	44,222	22,973	21,249
Books and Publications	2,800	2,767	416	2,351
Hospitality	13,650	13,800	8,988	4,812
Computer Hardware and Software	7,470	7,470	258	7,212
Uniforms and Clothing	9,900	9,900	9,568	332
Specialized Department Supplies	534,873	285,452	39,336	246,116
Archival Supplies	7,750	7,425	6,360	1,065
Film and Processing	100	100	-	100
Cost of Sales	71,186	76,186	81,399	(5,213)
Exhibition Supplies	19,900	19,900	8,516	11,384
Cleaning Supplies	7,250	7,250	6,896	354
Licenses and Permits	2,960	3,110	2,239	871
Miscellaneous	18,050	20,036	24,450	(4,414)
Total Operational and Program Expenditures	5,603,349	7,967,307	5,756,102	2,211,205
Capital Outlay	206,747	3,021,005	484,819	2,536,186
TOTAL EXPENDITURES	**5,810,096**	**10,988,312**	**6,240,921**	**4,747,391**
NET CHANGE IN FUND BALANCE	**(180,000)**	**(476,150)**	**210,338**	**686,488**
FUND BALANCE, Beginning of Year	3,372,806	3,372,806	3,372,806	-
FUND BALANCE, End of Year	**$ 3,192,806**	**2,896,656**	**3,583,144**	**$ 686,488**

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION - OPEB PLAN SCHEDULES

SCHEDULE OF CHANGES IN THE COMMISSION'S TOTAL OPEB LIABILITY AND RELATED RATIOS

LAST SEVEN FISCAL YEARS

	Year Ended						
	June 30, 2024	**June 30, 2023**	**June 30, 2022**	**June 30, 2021**	**June 30, 2020**	**June 30, 2019**	**June 30, 2018**
Total OPEB Liability:							
Service Cost	$ 14,834	18,892	24,824	31,527	23,160	32,216	$ 31,127
Interest	58,911	63,839	45,919	48,695	68,681	65,954	67,549
Differences Between Expected and Actual Experience	-	(145,547)	-	(42,422)	-	107,639	-
Changes of Assumptions	(45,433)	(826)	(264,877)	11,174	270,618	-	-
Benefit Payments, Including Refunds of Member Contributions	(123,300)	(128,150)	(129,000)	(124,000)	(118,475)	(137,150)	(151,159)
Net Change in Total OPEB Liability	(94,988)	(191,792)	(323,134)	(75,026)	243,984	68,659	(52,483)
Total OPEB Liability - Beginning of Year	1,675,088	1,866,880	2,190,014	2,265,040	2,021,056	1,952,397	2,004,880
Total OPEB Liability - End of Year	$ 1,580,100	1,675,088	1,866,880	2,190,014	2,265,040	2,021,056	$ 1,952,397
Covered-Employee Payroll	$ 470,922	470,922	510,186	510,186	618,735	618,735	$ 741,403
Net OPEB Liability as a Percentage of Covered-Employee Payroll	335.53%	355.70%	365.92%	429.26%	366.08%	326.64%	263.34%

Notes to Schedule:

The Commission adopted GASB #75 during the year ended June 30, 2018. Information is not available for prior years.

Significant Benefit Changes: None

Significant Changes of Assumptions: The discount rate was increased from 3.65% to 3.97% in FY 2024.

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Commission's Proportion of the Net Pension Liability	0.018989%	0.017943%	0.017993%	0.017878%	0.018288%	0.017900%	0.017677%	0.016609%	0.016185%	0.016797%
Commission's Proportionate Share of the Net Pension Liability	$ 4,591,058	4,349,833	3,893,884	4,568,264	4,175,798	4,010,834	3,979,377	3,547,658	3,069,563	$ 2,891,887
Commission's Covered Payroll	$ 2,400,838	2,136,622	2,033,928	1,994,585	1,931,112	1,861,588	1,809,098	1,608,408	1,517,549	$ 1,524,918
Commission's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	191.23%	203.58%	191.45%	229.03%	216.24%	215.45%	219.96%	220.57%	202.27%	189.64%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.65%	57.06%	60.75%	50.71%	54.40%	54.10%	53.34%	52.91%	56.99%	59.92%

Notes to Schedule:

The amounts presented for each fiscal year were determined as of June 30th of the preceding year.
The discount rate was lowered from 7.50% to 7.25% beginning with the year ended June 30, 2017 measurement date.
The discount rate was lowered from 7.25% to 7.00% beginning with the year ended June 30, 2022 measurement date.

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
SOUTH CAROLINA RETIREMENT SYSTEM

LAST TEN FISCAL YEARS

	Year Ended June 30,									
	2024	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually Required Contribution	$ 465,799	421,587	353,825	316,479	310,357	281,170	252,614	209,817	177,890	$ 165,413
Contributions in Relation to the Contractually Required Contribution:										
Contributions from the Commission	449,393	405,181	337,419	300,073	293,951	264,764	236,208	209,817	177,890	165,413
Contributions from the State	16,406	16,406	16,406	16,406	16,406	16,406	16,406	-	-	-
Contribution Deficiency (Excess)	$ -	-	-	-	-	-	-	-	-	$ -
Commission's Covered Payroll	$ 2,509,691	2,400,838	2,136,622	2,033,928	1,994,585	1,931,112	1,861,588	1,809,098	1,608,408	$ 1,517,549
Contributions as a Percentage of Covered Payroll:	18.56%	17.56%	16.56%	15.56%	15.56%	14.56%	13.57%	11.60%	11.06%	10.90%

Notes to Schedule:

None Noted.

Supplementary Information

CULTURE AND HERITAGE COMMISSION OF YORK COUNTY
ROCK HILL, SOUTH CAROLINA

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	PROGRAM SERVICES		SUPPORTING SERVICES		
	EDUCATION PROGRAM	CULTURAL ART PROGRAM	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL EXPENSES
Expenditures - Modified Accrual Basis					
Salaries	$ 543,688	1,545,859	475,295	65,869	$ 2,630,711
Payroll Taxes	39,759	114,226	34,425	7,669	196,079
Health Insurance	76,534	185,967	185,788	7,027	455,316
Retirement	100,355	285,071	89,388	13,044	487,858
Professional Services	4,774	85,072	8,345	-	98,191
Maintenance and Service Contracts	13,392	35,883	37,550	1,009	87,834
Vehicle Maintenance and Operations	2,691	9,687	3,919	329	16,626
Carolina Foundation Grant Expenses	173,768	555,999	245,438	20,633	995,838
Building Repairs and Maintenance	18,187	80,046	26,477	2,226	126,936
Rentals and Leases	1,788	3,254	-	-	5,042
Insurance - General Liability and Workers' Comp	-	-	129,173	-	129,173
Utilities	28,031	92,442	40,807	3,431	164,711
Telephone	-	-	56,556	-	56,556
Advertising	151	45,411	220	18	45,800
Printing and Binding	-	9,751	7,394	-	17,145
Travel and Training	6,150	10,102	1,471	415	18,138
Postage	-	170	460	458	1,088
Membership Dues	245	4,719	6,697	-	11,661
Office Supplies and Small Equipment	284	20,170	2,490	29	22,973
Books and Publications	237	179	-	-	416
Hospitality	295	6,754	942	997	8,988
Computer Hardware and Software	-	-	258	-	258
Uniforms and Clothing	299	9,269	-	-	9,568
Specialized Department Supplies	7,775	27,266	2,186	2,109	39,336
Archival Supplies	1,073	5,287	-	-	6,360
Film and Processing	-	-	-	-	-
Cost of Sales	-	6,667	74,732	-	81,399
Exhibition Supplies	315	8,201	-	-	8,516
Cleaning Supplies	1,174	3,870	1,708	144	6,896
Licenses and Permits	475	1,764	-	-	2,239
Miscellaneous	225	2,915	21,282	28	24,450
Capital Outlay	40,440	346,640	93,191	4,548	484,819
Total Expenditures - Modified Accrual Basis	1,062,105	3,502,641	1,546,192	129,983	6,240,921
Conversion to Accrual Basis:					
Depreciation	14,156	46,684	20,609	1,732	83,181
Capital Asset Additions/(Disposals)	(37,239)	(122,807)	(54,212)	(4,557)	(218,815)
Changes in the OPEB Liability and Related Accounts	(31,839)	(104,999)	(46,349)	(3,897)	(187,084)
Changes in the Compensated Absences Liability	2,566	8,463	3,737	314	15,080
Changes in Pension Liability and Related Accounts	6,008	19,812	8,745	735	35,300
Total Expenses - Accrual Basis	$ 1,015,757	3,349,794	1,478,722	124,310	$ 5,968,583

elliott davis

Independent Auditor's 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*

Board of Commissioners
The Culture and Heritage Commission of York County
Rock Hill, 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, and the major fund of the Culture and Heritage Commission of York County (the "Commission"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated December 16, 2024.

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Elliott Davis, LLC

Charleston, South Carolina
December 16, 2024