McKinley, Cooper & Co., LLC
CERTIFIED PUBLIC ACCOUNTANTS

June 2023

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Capital City/Lake Murray Country Regional Tourism Board
Irmo, South Carolina

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of Capital City/Lake Murray Country Regional Tourism Board (the "Board"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Board'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 Capital City/Lake Murray Country Regional Tourism Board as of June 30, 2023 and the respective changes in the financial position for the year ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Capital City/Lake Murray Country Regional Tourism Board 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Management has omitted Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the

Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. However, the budgetary comparison information as listed in the Table of Contents is presented. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2024, on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Capital City/Lake Murray Country Regional Tourism Board's internal control over financial reporting and compliance.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
January 4, 2024

CAPITAL CITY/LAKE MURRAY COUNTRY REGIONAL TOURISM BOARD

STATEMENT OF NET POSITION
JUNE 30, 2023

		Primary Government
		Governmental Activities
ASSETS		
Cash and cash equivalents	$	234,600
Accounts receivable		210,116
Inventory		351
Prepaid items		38,451
Capital assets, net of accumulated depreciation		452,704
Total assets		936,222
LIABILITIES		
Accounts payable		4,554
Noncurrent liabilities		
Due within one year		20,173
Due in more than one year		145,777
Total liabilities		170,504
NET POSITION		
Net investment in capital assets		286,754
Unrestricted		478,964
Total net position	$	765,718

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

CAPITAL CITY/LAKE MURRAY COUNTRY REGIONAL TOURISM BOARD

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
			Operating	Capital	Primary Government
Function/Programs	Expenses	Charges for Services	Grants and Contributions	Grants and Contributions	Governmental Activities
Primary government					
Governmental activities					
Taste of Lake Murray	$ 32,825	$ 118,701	$ -	$ -	$ 85,876
General Fund	1,834,684	119,700	-	-	(1,714,984)
Visitors Center	53,198	46,167	-	-	(7,031)
Total primary government	$ 1,920,707	$ 284,568	$ -	$ -	(1,636,139)
General revenues					
Corporate sponsorships					56,350
Partnership income					16,350
County/City accommodations tax					599,405
Hospitality tax					320,000
State grants					636,907
State accommodations tax					205,876
					1,834,888
Change in net position					198,749
Net position, beginning					566,969
Net position, ending					$ 765,718

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

CAPITAL CITY/LAKE MURRAY COUNTRY REGIONAL TOURISM BOARD

BALANCE SHEET
GOVERNMENTAL FUND
JUNE 30, 2023

		General
ASSETS		
Cash and cash equivalents	$	234,600
Accounts receivable		210,116
Inventory		351
Prepaid items		38,451
Total assets	$	483,518
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	$	4,554
Total liabilities		4,554
FUND BALANCES		
Unassigned		478,964
Total fund balances		478,964
Total liabilities and fund balances	$	483,518

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

CAPITAL CITY/LAKE MURRAY COUNTRY REGIONAL TOURISM BOARD

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUND TO THE STATEMENT OF NET POSITION JUNE 30, 2023

Fund balances - governmental fund		$ 478,964
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources, and therefore, are not reported in the governmental fund.		
Cost of capital assets	783,348	
Accumulated amortization/depreciation	(330,644)	452,704
Long-term liabilities, including bonds payable and capital lease obligations, are not due and payable in the current period, and therefore, are not reported as liabilities in the governmental funds balance sheet. Long-term liabilities at yearend consist of:		
Note payable	(165,950)	(165,950)
Net position - governmental activities		$ 765,718

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

CAPITAL CITY/LAKE MURRAY COUNTRY REGIONAL TOURISM BOARD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUND
YEAR ENDED JUNE 30, 2023

		General
REVENUES		
Advertising income	$	119,700
Corporate sponsorships		56,350
Partnership income		16,350
County/City accommodations tax		599,405
Hospitality grants		320,000
State grants		636,907
State accommodations tax		205,876
Taste of Lake Murray		118,701
Visitors Center		46,167
Total revenues		2,119,456
EXPENDITURES		
Current		
Personnel		537,192
Travel		15,449
Insurance		34,385
Marketing and advertising		1,119,257
Contract services		7,205
Bad debt		5,250
Bank fees		5,861
Office supplies		20,106
Printing		2,899
Telephone		10,755
Postage		9,920
Materials		23,961
Meetings		17,146
Taste of Lake Murray		32,825
Visitors Center		53,198
Capital outlay		29,545
Debt service		24,931
Total expenditures		1,949,885
Excess of revenues over expenditures		169,571
Net change in fund balances		169,571
FUND BALANCES, beginning		309,393
FUND BALANCES, ending	$	478,964

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

CAPITAL CITY/LAKE MURRAY COUNTRY REGIONAL TOURISM BOARD

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023

Net change in fund balances - total governmental fund	$	169,571
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.		9,809
The issuance of long-term debt (e.g., bonds, leases) provides current financial to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		19,369
Change in net position of governmental activities	$	198,749

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

CAPITAL CITY/LAKE MURRAY COUNTRY
REGIONAL TOURISM BOARD

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2023

CAPITAL CITY/LAKE MURRAY COUNTRY
REGIONAL TOURISM BOARD

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Activities and Reporting Entity

Capital City/Lake Murray Country Regional Tourism Board (the "Board") was created in 1981 by legislative act for the purpose of promoting economic development through a formal program of tourism promotion in the four counties surrounding Lake Murray. This includes Richland, Lexington, Newberry, and Saluda. The basic operations of the Board are funded by membership and annual appropriations by the state legislature through the South Carolina Department of Parks, Recreation, and Tourism, by funding through the South Carolina Department of Natural Resources, and by state and local accommodation tax and hospitality tax. Additional sources of funds are from advertising sold to local businesses and contributions by local businesses. All board members are elected through partnerships of the organization.

The accounting policies of the Board conform to accounting principles generally accepted in the United States of America as applicable to governments.

Basis of Presentation

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Board.

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. Other items not properly included among program revenues are reported instead as *general revenues*.

Fund Financial Statements

Fund financial statements report detailed information about the Board. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds are a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

The government reports the following major governmental fund:

The *general fund* is the Board's primary operating fund. It accounts for all financial resources of the general government.

Amounts reported as program revenues include operating grants and contributions.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide Financial Statements

The government-wide financial statements have been prepared using the *economic resources measurement focus* and the *accrual basis of accounting,* in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles for a single enterprise fund. Revenues are recorded when earned and expenses are recorded when the 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.

Governmental Fund Financial Statements

Governmental funds 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. Revenues are recognized when the eligibility requirements have been met. Expenditures generally are recorded when a liability is incurred, except for debt service expenditures, as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the balance sheet and the reported amounts of revenues and expenses for the operating period. Actual results could differ significantly from those estimates.

Inventory

Inventory, consisting of supplies and materials, is valued at the lower of cost (measured on a first in, first out basis) or market.

Capital Assets

Capital assets are reported in the government-wide financial statements. Capital assets are defined by the Board as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded as historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over their estimated useful lives.

Income Taxes

The Board qualifies as a tax-exempt organization under the provisions of the Internal Revenue Code and, accordingly, its income is not subject to federal or state income taxes. Management believes the Board continues to satisfy the requirements of its tax-exempt status and has no uncertain tax positions at June 30, 2023.

Cash and Cash Equivalents

Cash and cash equivalents consists of highly liquid investments with maturities of less than a year from purchase. The Board's policy is to ensure all cash accounts are protected by the Federal Deposit Insurance Corporation.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Compensated Absences

The Board grants compensated annual leave for all employees in varying amounts based on length of service. Unused leave cannot be carried over to the next fiscal year.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

Net Position

Net position is classified as three components:

Net investment in capital assets
Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or any other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position
Consists of net position with constraints placed on the use either by external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or are legally restricted through constitutional provisions or enabling legislation.

Unrestricted
All other net position that does not meet the definition of "restricted" or "net investments in capital assets."

It is the Board's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balances

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

Fund balance is classified in five categories as follows:

Nonspendable
Nonspendable fund balances include amounts that are not in spendable form or are legally required to remain intact.

Restricted
Restricted fund balances include amounts that have external restrictions by either grantors, debt covenants, laws, or other governments.

Committed
Committed fund balances include amounts that are committed to a specific purpose by Board resolution.

Assigned
Assigned fund balances include amounts that are constrained by limitations resulting from intended uses as established by the Board of Directors or management.

Unassigned
Unassigned fund balance includes amounts that have not been assigned to any purpose.

Unless specifically designated otherwise, fund expenditures and encumbrances are from restricted fund balance to the extent of restricted fund balance revenue, followed by committed fund balance, assigned fund balance, and unassigned fund balance, respectively.

Budgets and Budgetary Accounting

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

Fair Value

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

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

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

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

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

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

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of future net realizable values or reflective of future fair values. The Board believes that the valuation methods used are appropriate and consistent with GAAP. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date. There have been no significant changes from the prior year in the methodologies used to measure fair value.

NOTE 2 – DEPOSITS AND INVESTMENTS

Interest Rate Risk: The Board does not have a formal policy limiting investment maturities that would help manage its exposure to fair value losses from increasing interest rates.

Custodial Credit Risk for Deposits: Custodial credit risk is the risk that the Board's deposits will not be returned to it. The Board has no formal policy regarding custodial credit risk. The total cash balances are insured by the FDIC up to $250,000 per bank. From time to time during the year, the Board may have cash on deposit with banks that exceeds the balance insured by the FDIC. However, at June 30, 2023, none of the Board's bank balances of $245,485 (with a carrying value of $234,600) were exposed to custodial credit risk.

Concentration of Credit Risk: The Board does not have formal investment policies limiting the amount the Board may invest in any one issuer.

Credit Risk: Credit risk for investments is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board does not have a formal investment policy for credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2023 consists of the following:

Lexington County	$ 53,447
Richland County	77,500
SC ATX 2%	55,846
Other	23,323
	$ 210,116

No allowance for losses was provided at June 30, 2023, since, in the opinion of management, all accounts are considered collectible.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

Primary Government

Governmental Activities:	July 1, 2022	Increases	Decreases	June 30, 2023
Capital assets, not being depreciated				
Land	$ 52,000	$ -	$ -	$ 52,000
Total capital assets, not being depreciated	52,000	-	-	52,000
Capital assets, being depreciated				
Buildings and improvements	557,904	29,545	-	587,449
Furniture and equipment	144,820	-	(921)	143,899
Total capital assets, being depreciated	702,724	29,545	(921)	731,348
Less accumulated depreciation for				
Buildings and improvements	(175,518)	(17,809)	-	(193,327)
Furniture and equipment	(136,311)	(1,927)	921	(137,317)
Total accumulated depreciation	(311,829)	(19,736)	921	(330,644)
Total capital assets, being depreciated, net	390,895	9,809	-	400,704
Governmental activities capital assets, net	$ 442,895	$ 9,809	$ -	$ 452,704

During the year ended June 30, 2023, the Board recognized $19,736 in depreciation expense.

NOTE 5 – LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2023 was as follows:

	July 1, 2022	Additions	Reductions	June 30, 2023	Due Within One Year
Governmental activities					
Notes payable	$ 175,684	$ -	$ (17,366)	$ 158,318	$ 18,265
Totals	$ 175,684	$ -	$ (17,366)	$ 158,318	$ 18,265

Debt service requirements on long-term debt as of June 30, 2023 were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 18,265	$ 6,664	$ 24,929
2025	19,095	5,834	24,929
2026	19,962	4,967	24,929
2027	20,439	4,490	24,929
2028	21,817	3,112	24,929
Thereafter	58,740	2,813	61,553
	$ 158,318	$ 27,880	$ 186,198

Long-term debt at June 30, 2023 consisted of the following:

$200,00 note payable entered into December 2020 with monthly payments of $2,077 beginning January 2021 through December 2030, with interest at 4.45%. The note is secured by the building.	$ 158,318
Less current portion	(18,265)
	$ 140,053

NOTE 6 – OPERATING LEASE – LONG-TERM

The Board entered into an agreement to lease office equipment. The terms of the lease are 60 months and expire in 2027. Future lease payments under the lease agreement are as follows:

2024	$ 1,908
2025	1,908
2026	1,908
2027	1,908
	$ 7,632

At June 30, 2023, the Board has recorded the following asset and liabilities in connection with the lease:

Asset	
Operating lease assets, net of accumulated amortization	$ 7,708
Liabilities	
Operating lease liabilities - current	$ 1,908
Operating lease liabilities - long-term	$ 5,724

NOTE 7 – SUBSEQUENT EVENTS

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

CAPITAL CITY/LAKE MURRAY COUNTRY REGIONAL TOURISM BOARD

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts		Actual	Variance With
	Original	Final	Amounts	Final Budget
REVENUES				
Advertising income	$ 102,500	$ 102,500	$ 119,700	$ 17,200
Corporate sponsorships	114,400	114,400	56,350	(58,050)
Partnership income	18,000	18,000	16,350	(1,650)
County/City accommodations tax	599,724	599,724	599,405	(319)
Hospitality grants	320,000	320,000	320,000	-
State grants	645,455	645,455	636,907	(8,548)
State accommodations tax	205,818	205,818	205,876	58
Taste of Lake Murray	94,432	94,432	118,701	24,269
Visitors Center	33,000	33,000	46,167	13,167
Total revenues	2,133,329	2,133,329	2,119,456	(13,873)
EXPENDITURES				
Current				
Personnel	565,756	565,756	537,192	28,564
Travel	20,090	20,090	15,449	4,641
Insurance	34,810	34,810	34,385	425
Marketing and advertising	1,154,126	1,154,126	1,119,257	34,869
Contract services	7,500	7,500	7,205	295
Bad debt	5,442	5,442	5,250	192
Bank fees	7,211	7,211	5,861	1,350
Office supplies	22,955	22,955	20,106	2,849
Printing	4,635	4,635	2,899	1,736
Telephone	12,800	12,800	10,755	2,045
Postage	12,251	12,251	9,920	2,331
Materials	25,190	25,190	23,961	1,229
Meetings	17,280	17,280	17,146	134
Taste of Lake Murray	33,000	33,000	32,825	175
Visitors Center	57,083	57,083	53,198	3,885
Capital outlay	-	-	29,545	(29,545)
Debt service	25,709	25,709	24,931	778
Total expenditures	2,005,838	2,005,838	1,949,885	55,953
Excess of revenues over expenditures	127,491	127,491	169,571	42,080
Net change in fund balances	127,491	127,491	169,571	42,080
FUND BALANCES, beginning	309,393	309,393	309,393	-
FUND BALANCES, ending	$ 436,884	$ 436,884	$ 478,964	$ 42,080

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*

To the Board of Directors
Capital City/Lake Murray Country Regional Tourism Board
Irmo, 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 which is the general fund of the Capital City/Lake Murray Country Regional Tourism Board, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Capital City/Lake Murray Country Regional Tourism Board's basic financial statements, and have issued our report thereon dated January 4, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Capital City/Lake Murray Country Regional Tourism Board's internal control over financial reporting (internal control) to determine the 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 Capital City/Lake Murray Country Regional Tourism Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Capital City/Lake Murray Country Regional Tourism Board'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.

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To the Board of Directors
Capital City/Lake Murray Country Regional Tourism Board
January 4, 2024

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Capital City/Lake Murray Country Regional Tourism Board'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 determination of financial statement amounts. 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.

McKinley, Cooper & Co., LLC

Greenville, South Carolina
January 4, 2024