

# McGregor & COMPANY, LLP

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## INDEPENDENT AUDITOR'S REPORT

To Santee Cooper Counties Promotion Commission  
Santee, South Carolina

### Qualified and Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Santee Cooper Counties Promotion Commission, Santee, South Carolina ("the Commission") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

#### Summary of Opinions

##### Opinion Unit

Governmental Activities

General Fund

Accommodations Tax Fund

##### Type of Opinion

Qualified

Unmodified

Unmodified

#### Qualified Opinion on the Governmental Activities

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Commission as of June 30, 2023, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Unmodified Opinions on General Fund and Accommodations Tax Fund

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the general fund and accommodations tax fund of the Commission, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

#### Matter Giving Rise to the Qualified Opinion on the Governmental Activities

The Commission has not adopted Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, and, accordingly, has not calculated the estimated expense and related liability, deferred outflows of resources, and deferred inflows of resources for the Commission's future liability for postemployment benefits other than pensions. Accounting principles generally accepted in the United States of America require that an estimate of such future liability and deferred outflows and inflows of resources be provided for postemployment benefits other than pensions, which would increase the liability, deferred outflows and deferred inflows of resources, and expenses, and decrease the net position in the government-wide financial statements. The amount by which

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## INDEPENDENT AUDITOR'S REPORT (continued)

this departure would affect the liabilities, deferred outflows and deferred inflows of resources, net position and expenses of the governmental activities is not reasonably determinable.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and the schedules of the Commission's proportionate share of the net pension liability and contributions 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.

**INDEPENDENT AUDITOR'S REPORT**  
(continued)

Management has omitted the management's discussion and analysis information 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 the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*McHargre and Company, L.L.P.*

Orangeburg, South Carolina  
October 9, 2023



**SANTEE COOPER COUNTIES PROMOTION COMMISSION**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Current Assets:	
Cash and Cash Equivalents	\$ 608,770
Accounts Receivable	74,933
Prepaid Expenses	3,599
Total Current Assets	<u>687,302</u>
Noncurrent Assets:	
Capital Assets:	
Non-Depreciable	75,000
Other Capital Assets (Net of Depreciation)	144,288
Right to Use Assets (Net of Amortization)	6,736
Total Noncurrent Assets	<u>226,024</u>
<b>Total Assets</b>	<u>913,326</u>
<b><u>Deferred Outflows of Resources</u></b>	
Pension Deferrals	<u>72,209</u>
<b>Total Deferred Outflows of Resources</b>	<u>72,209</u>
<b><u>Liabilities</u></b>	
Current Liabilities:	
Accounts Payable	1,244
Accrued Payroll and Related Liabilities	8,558
Current Portion of Lease Liability	2,322
Total Current Liabilities	<u>12,124</u>
Noncurrent Liabilities:	
Accrued Compensated Absences	9,890
Lease Liability, Net of Current Portion	4,534
Net Pension Liability	282,156
Total Noncurrent Liabilities	<u>296,580</u>
<b>Total Liabilities</b>	<u>308,704</u>
<b><u>Deferred Inflows of Resources</u></b>	
Pension Deferrals	<u>17,121</u>
<b>Total Deferred Inflows of Resources</b>	<u>17,121</u>
<b><u>Net Position</u></b>	
Net Investment in Capital Assets	219,168
Restricted For:	
Promotions	62,470
Habitat Enhancement	9,250
Unrestricted	<u>368,822</u>
<b>Total Net Position</b>	<u>\$ 659,710</u>

See Notes to the Basic Financial Statements.

**SANTEE COOPER COUNTIES PROMOTION COMMISSION  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>General Fund</u>	<u>Accommodations Tax Fund</u>	<u>Total Governmental Funds</u>
<b><u>Assets:</u></b>			
Cash and Cash Equivalents	\$ 565,387	\$ 43,383	\$ 608,770
Accounts Receivable	55,846	19,087	74,933
Prepaid Expenses	3,599	-	3,599
<b>Total Assets</b>	<u><u>\$ 624,832</u></u>	<u><u>\$ 62,470</u></u>	<u><u>\$ 687,302</u></u>
<b><u>Liabilities and Fund Balances:</u></b>			
<b><u>Liabilities</u></b>			
Accounts Payable	\$ 1,244	\$ -	\$ 1,244
Accrued Payroll and Related Liabilities	8,558	-	8,558
<b>Total Liabilities</b>	<u>9,802</u>	<u>-</u>	<u>9,802</u>
<b><u>Fund Balances:</u></b>			
Nonspendable	3,599	-	3,599
Restricted	9,250	62,470	71,720
Committed	10,008	-	10,008
Assigned	3,446	-	3,446
Unassigned	588,727	-	588,727
<b>Total Fund Balances</b>	<u>615,030</u>	<u>62,470</u>	<u>677,500</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 624,832</u></u>	<u><u>\$ 62,470</u></u>	<u><u>\$ 687,302</u></u>

**SANTEE COOPER COUNTIES PROMOTION COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Accommodations Tax Fund</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
SC Department of Parks, Recreation & Tourism			
Recurring	\$ 320,455	\$ -	\$ 320,455
Non-Recurring	100,000	-	100,000
SC Public Service Authority	10,000	-	10,000
County Revenues	60,500	-	60,500
Berkeley County - Restricted	5,366	-	5,366
Accommodations Tax:			
State of South Carolina	205,876	53,699	259,575
Other Revenue:			
Advertising Fees - Vacation Guide	17,083	-	17,083
Map Sales	645	-	645
Interest Income	514	-	514
<b>Total Revenues</b>	<u>720,439</u>	<u>53,699</u>	<u>774,138</u>
<b>Expenditures</b>			
Current:			
General Government	351,053	-	351,053
Tourism Related	366,751	33,630	400,381
Debt Service:			
Principal	966	-	966
Interest	109	-	109
<b>Total Expenditures</b>	<u>718,879</u>	<u>33,630</u>	<u>752,509</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>1,560</u>	<u>20,069</u>	<u>21,629</u>
<b>Other Financing Sources (Uses)</b>			
Transfers from Other Funds	7,000	(7,000)	-
Lease Liabilities Issued	7,822	-	7,822
<b>Net Other Financing Sources (Uses)</b>	<u>14,822</u>	<u>(7,000)</u>	<u>7,822</u>
<b>Net Change in Fund Balances</b>	16,382	13,069	29,451
<b>Fund Balances, Beginning</b>	<u>598,648</u>	<u>49,401</u>	<u>648,049</u>
<b>Fund Balances, Ending</b>	<u>\$ 615,030</u>	<u>\$ 62,470</u>	<u>\$ 677,500</u>