

**GEORGETOWN COUNTY CHAMBER OF COMMERCE, INC.**

**AUDITED FINANCIAL STATEMENTS**

**JUNE 30, 2024**

**GEORGETOWN COUNTY CHAMBER OF COMMERCE, INC.**  
**AUDITED FINANCIAL STATEMENTS**

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## **C&A Assurance Services** **Certified Public Accountants & Certified Fraud Examiners**

**Office Address:**  
**180 Pvt. Dr.**  
**South Point, OH 45680**

### **Independent Auditor's Report**

#### **Opinion**

We have audited the accompanying financial statements of The Georgetown County Chamber of Commerce, Inc. (a nonprofit organization) and Georgetown County Marketing (a nonprofit organization) which comprise the statements of assets, liabilities, and net assets—cash basis as of June 30, 2024, and the accompanying financial statements of Pawleys Island Marketing (a non-profit organization) which comprise the statements of assets, liabilities, and net assets—cash basis as of December 31, 2023, and the related statements of support, revenue, and expenses—cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Georgetown County Chamber of Commerce, Inc. and Georgetown County Marketing as of June 30, 2024, and the assets, liabilities, and net assets of Pawleys Island Marketing as of December 31, 2023, and their support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note 1.

#### **Basis for Opinion**

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 Georgetown County Chamber of Commerce, Inc. and Georgetown County Marketing 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 opinion.

#### **Emphasis of Matter**

We draw attention to Note 4 of the financial statements, which describes the presentation of group financial statements for the three entities included herein which are under common control.

#### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

### **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 opinion. 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 Georgetown County Chamber of Commerce, Inc.; Georgetown County Marketing; and Pawleys Island Marketing'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 Georgetown County Chamber of Commerce, Inc.; Georgetown County Marketing; and Pawleys Island Marketing'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.

*C&A Assurance Services*



**C&A Assurance Services**

October 1, 2024

Georgetown County Chamber of Commerce, Inc.  
Statement of Assets, Liabilities, and Net Assets  
For the Fiscal Year Ended June 30, 2024

**ASSETS**

**Current Assets**

Cash	\$771,650
Accounts Receivable - Affiliates	5,308
<b>Total Current Assets</b>	<b>776,958</b>

**Property and Equipment**

Fixed Assets (Note 1)	229,462
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<b>Total Assets</b>	<b>\$1,006,420</b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Employee Advances	\$1,550
Credit Cards Payable	9,824
Current Portion - Long Term Debt	7,552
Due to Chamber Foundation	60
<b>Total Current Liabilities</b>	<b>18,986</b>

**Non-Current Liabilities**

SBA/EIDL Loan	298,306
Less Current Portion of SBA/EIDL Loan Payable	(7,552)
<b>Total Non-Current Liabilities</b>	<b>290,754</b>

<b>Total Liabilities</b>	<b>\$309,740</b>
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**Net Assets**

<b>Total Net Assets</b>	<b>\$696,680</b>
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<b>Total Liabilities and Net Assets</b>	<b>\$1,006,419</b>
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The accompanying notes are an integral part of these financial statements.

**Georgetown County Chamber of Commerce, Inc.**  
**Statement of Support, Revenue, and Expenses - Cash Basis**  
**For the Fiscal Year Ended June 30, 2024**

**Revenues, Gains, and Other Support**

Administrative Fees from Affiliates	\$160,772
Marketing Revenue	272,386
Membership Dues	211,611
Affinity Programs	7,652
Product Sales and Services	42,605
Program Revenues	130,516
A-Tax Grant	27,000
SC Parks - Tourism Advertising Grant	48,823
Interest Income	183
Miscellaneous Income	35

**Total Revenues, Gains, and Other Support** **\$901,583**

**Expenses and Losses:**

**Program Services:**

Marketing and Advertising	\$51,812
Program Expenses	74,897
Membership Development and Subscriptions	13,967
	<b>\$140,676</b>

**Building and Property:**

Facilities Rental	\$40,991
Building Maintenance	15,695
Utilities	11,240
Telephone and Internet	5,700
Mortgage Interest	15,696
Depreciation Expense	14,365
Equipment Leases	2,406
Insurance	60,694
	<b>\$166,787</b>

**Supporting Services:**

Salaries, Wages, and Benefits	\$355,392
Other Interest	0
Professional Services	86,802
Administrative Expenses	7,604
Office Supplies and Postage	9,751
Transportation Expense	6,621
Miscellaneous Expense	506
	<b>\$466,676</b>

**Total Expenses and Losses:** **\$774,139**

**Change in Net Assets:** **\$127,445**

**Other Comprehensive Income (Edward Jones)** **\$5,495**

**Prior Period Adjustment to SBA loan balance** **(\$9,020)**

**Net Assets at Beginning of Year** **\$572,761**

**Net Assets at End of Year** **\$696,680**

See auditor's report and notes to financial statements



Georgetown County Marketing  
Statement of Assets, Liabilities, and Net Assets  
For the Fiscal Year Ended June 30, 2024

**ASSETS**

Cash	-	\$1,019,850
Total Current Assets		\$1,019,850

<b>Total Assets</b>		<b>\$1,019,850</b>
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**LIABILITIES AND NET ASSETS**

Total Liabilities		\$0
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**Net Assets**

Total Net Assets		\$1,019,850
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<b>Total Liabilities and Net Assets</b>		<b>\$1,019,850</b>
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The accompanying notes are an integral part of these financial statements.

Georgetown County Marketing  
Statement of Support, Revenue, and Expenses - Cash Basis  
For the Fiscal Year Ended June 30, 2024

<b><u>Revenues, Gains, and Other Support</u></b>	-
65% A-tax Grants	\$693,769
30% A-tax Grants	653,199
SC PRT Tourism Advertising Grant	98,750
Interest Income	1,069
<b>Total Revenues, Gains, and Other Support</b>	<b>\$1,446,787</b>

**Expenses and Losses:**

**Program Services:**

Print Advertising	\$319,104
Marketing/Advertising - Other	113,977
Creative and Production	4,030
Waccamaw Golf Trail Co-op	50,128
Festivals and Events	90,124
Interactive	291,400
Billboards	34,415
Television	13,333
Public Relations	4,746
Website	80,914
Social Media	34,728

<b>Total Program Services:</b>	<b>1,036,899</b>
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**Supporting Services:**

Administrative	147,189
Accounting and Audit Expenses	14,200
Research	4,345

<b>Total Supporting Services:</b>	<b>165,734</b>
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<b>Total Expenses and Losses:</b>	<b>1,202,634</b>
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<b>Change in Net Assets:</b>	<b>\$244,154</b>
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<b>Net Assets at Beginning of Year</b>	<b>\$775,696</b>
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<b>Net Assets at End of Year</b>	<b>\$1,019,850</b>
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See Accountant's Report and Notes to Financial Statements



Pawleys Island Marketing  
Statement of Assets, Liabilities, and Net Assets  
December 31, 2023

**ASSETS**

Cash	\$166,726
Total Current Assets	\$166,726

<b>Total Assets</b>	<b>\$166,726</b>
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**LIABILITIES AND NET ASSETS**

Total Liabilities	\$0
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**Net Assets**

Total Net Assets	\$166,726
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<b>Total Liabilities and Net Assets</b>	<b>\$166,726</b>
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The accompanying notes are an integral part of these financial statements.

**Pawleys Island Marketing**  
**Statement of Support, Revenue, and Expenses - Cash Basis**  
**For the Year Ended December 31, 2023**

<b><u>Revenues, Gains, and Other Support</u></b>	
30% A-tax Grants	141,376
SC PRT Tourism Advertising Grant	41,625
<b>Total Revenues, Gains, and Other Support</b>	<b>183,001</b>

**Expenses and Losses:**

**Program Services:**

Website	8,497
Print and Digital	49,474
Digital	57,240
Social Media	19,330
Newsletter	13,848
Collateral	564

<b>Total Program Services:</b>	<b>148,953</b>
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**Supporting Services:**

Administrative	6,600
Accounting and Audit Expenses	1,150

<b>Total Supporting Services:</b>	<b>7,750</b>
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<b>Total Expenses and Losses:</b>	<b>156,703</b>
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<b>Change in Net Assets:</b>	<b>\$26,298</b>
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<b>Net Assets at Beginning of Year</b>	<b>\$140,428</b>
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<b>Net Assets at End of Year</b>	<b>\$166,726</b>
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See Accountant's Report and Notes to Financial Statements

**Georgetown County Chamber of Commerce, Inc. and  
Georgetown County Marketing  
Notes to the Financial Statements  
June 30, 2024**

**Pawleys Island Marketing  
Notes to the Financial Statements  
December 31, 2023**

**NOTE 1: NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES:**

Georgetown County Chamber of Commerce (The Organization) was chartered by the state of South Carolina on June 17, 1976. The purpose of the Organization is to enhance tourism growth and services, small business leadership, economic development and the quality of life within Georgetown County. Revenues are derived principally from the Organization's programs, memberships, and from the South Carolina Department of Parks, Recreation, and Tourism, the Tourism Marketing Commission, and the Tourism Review Committee.

**SUPPORT AND EXPENSES**

Contributions received, if any, are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**ESTIMATES IN FINANCIAL STATEMENTS**

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 that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash held in checking accounts. Georgetown County Chamber of Commerce, Inc. maintains checking accounts with South State Bank and First Citizens Bank. Georgetown County Marketing (an affiliate considered as a group component (see Note 4) maintains checking accounts at TD Bank and South State Bank for County Marketing funds. Pawleys Island Marketing (an affiliate considered as a group component (see Note 4) maintains a checking account at First Citizens Bank. Management believes the Organization is not exposed to any significant credit risk on cash and cash equivalents.



#### DONATED SERVICES

The Organization has several volunteers donating time to its program services during the year; however, these donated services are not reflected in the financial statements since these services do not require specialized skills. Donated professional services, if any, are reflected in the Statement of activities at their fair value.

#### CONCENTRATION OF CREDIT RISK

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash equivalents. Cash equivalents are maintained at high quality financial institutions. The Organization has not experienced any losses on its cash equivalents.

#### BASIS OF ACCOUNTING AND PRESENTATION

The Organization uses the cash basis of accounting which is a special purpose framework. This method recognizes revenue when collected and expenses when paid.

#### FIXED ASSETS AND DEPRECIATION

Fixed assets are recorded and carried at historical cost to the Organization. Depreciation is provided for on the straight-line basis over the assets' estimated useful lives. Fixed assets and accumulated depreciation are detailed as follows:

<u>Detail</u>	<u>Useful Life</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Office Furniture and Equipment	5 years	\$121,924	\$121,618	\$306
Signs and Telephone Equipment	7 years	6,736	6,736	0
Leasehold Improvements	20 years	71,967	69,816	2,151
Building	39 years	445,395	218,390	227,005
<b>Total</b>		<b>\$646,022</b>	<b>\$416,563</b>	<b>\$229,462</b>

#### **NOTE 2: TAX EXEMPT ORGANIZATION AND UNRELATED BUSINESS INCOME**

The Organization is exempt from income taxes under provisions of the Internal Revenue Code paragraph 501(c)(6) and by the South Carolina Department of Revenue under provisions for eleemosynary corporations. The Organization is, however, taxed upon income, if any, considered "unrelated business income" by the Internal Revenue Service. The Organization files a Form 990 annually and this tax return is open for public inspection upon request.



### NOTE 3: NOTE PAYABLE

On June 9, 2020, the Organization received an Economic Injury Disaster Loan through the Small Business Administration (SBA) in the amount of \$149,900. Proceeds from a second Economic Injury Disaster Loan in the amount of \$150,000 were received on August 24, 2021. The loan is a thirty-year obligation with an annual interest rate of 2.75 percent. Monthly principal and interest payments of \$641.00 commenced in August 2020. The Organization also made its scheduled payments in September and October 2020, then arranged to have all further monthly payments deferred until December 2022. However, the Organization made two voluntary payments of \$641.00 each toward the loan in January 2021. During fiscal years 2022 and 2023, total payments in the amount of \$10,228 were made, leaving the balance of the combined loan at \$298,829.13 including accrued interest, at June 30, 2023.

During fiscal year 2023-24, all twelve of the monthly payments were made totaling \$16,182.00; all of the first eleven payments were applied toward the accrued interest. The June 2024 payment of \$1,400.00 caught up the previously accrued interest and applied \$523.24 to the principal, leaving a balance at June 30, 2024 of \$298,305.89.

The following is a summary of remaining scheduled principal payments until maturity:

<u>Year ending 6/30:</u>	
2025	\$ 7,552
2026	7,760
2027	7,974
2028	8,193
2029	8,418
Thereafter	258,409
<u>TOTAL</u>	<u>\$298,306</u>

### NOTE 4: AUDITED GROUP FINANCIAL STATEMENTS

Generally accepted accounting standards define group financial statements as financial statements that include the financial information of more than one component, and further defines a component as an entity or business activity for which financial information aggregates components under common control.

Pursuant to a previously executed Memorandum of Understanding (MOU) updated July 1, 2021, the Georgetown County Council and the Georgetown County Chamber of Commerce, Inc. (GCCC) agreed that GCCC will provide support in the role of a tourism promotion agency to the Georgetown County Council and shall be exclusively responsible for providing management and staff to support county marketing for tourism in the following manner:

1. Provide Executive and Administrative Support;
2. Provide Finance Support; and
3. Provide Operational Support.

The Georgetown County Council was to be responsible for the following:

1. Appointing a seven-member Tourism Marketing Commission (TMC);
2. Ensure sufficient information is provided to the TMC for the discharge of their responsibilities;
3. Direct the TMC to monitor planning and implementation of a County marketing plan and to update Council.
4. Be available to participate in review meetings to discuss issues related to the MOU.

For the rendering of all duties outlined in that agreement, Georgetown County agreed to compensate Georgetown County Chamber of Commerce in the amount of \$139,872 annually. That fee is paid monthly in the amount of \$11,656. The County's compensation is to be disbursed from the County's 30% designed tourism promotional funding.

A similar Memorandum of Understanding exists between the Georgetown County Chamber of Commerce and the Town of Pawleys Island. For the rendering of all duties outlined in that agreement, the Town of Pawleys Island agreed to compensate Georgetown County Chamber of Commerce in the amount of \$550 monthly or \$65 per hour, whichever is higher. The County's compensation is to be disbursed from the County's 30% designed tourism promotional funding.

Accordingly, financial statements are herein presented separately for each of the entities, and a combined statement of Support, Revenues, and Expenditures is also presented as supplementary information for the group.

#### **NOTE 5: LEASE COMMITMENTS**

Effective December 27, 2002, the Organization entered into an operating lease agreement with Georgetown Communications, Inc. to lease a 30-foot by 50-foot parcel of land located on Queen Street between Front Street and the Sampit River in Georgetown, SC. This agreement commenced on December 9, 2002 and expires on December 9, 2052. The annual lease payment is \$1 in exchange for the Organization's commitment to relocate and restore a historic building as close as possible to its original exterior appearance. The restored building and any improvements become the property of Georgetown Communications, Inc. at the termination of the lease. The entire amount of the lease, \$50 (fifty dollars), was paid on February 9, 2015.

#### **NOTE 6 - RELATED PARTY TRANSACTION**

As described in Note 5 above, the Organization entered into a long-term leasing arrangement for property to be used as an office facility commencing December 9, 2002, and ending December 9, 2052, with Georgetown Communication, Inc. as the lessor. Upon execution of the lease, the lessor was represented by the president of Georgetown Communications, Inc. The president was an officer of the Board of Directors of the Georgetown County Chamber of Commerce, Inc.

The above-mentioned lease was employed as an instrument to collateralize the line of credit the Organization obtained with Carolina First Bank for the renovation of the Harper House. The lender, TD Bank (formerly Carolina First Bank), was represented by Danny Siau as senior vice president. Mr. Siau was an officer of the Board of Directors of the Georgetown County Chamber of Commerce, Inc.

#### **NOTE 7 - DATE OF MANAGEMENT'S REVIEW**

In preparing the financial statements, GCCC has evaluated events and transactions for potential recognition or disclosure through October 1, 2024, the date that the financial statements were available to be issued. No issues were noted. In addition, there were no open tax issues that require disclosure or possible recognition through October 1, 2024. The Organization currently has four years open for tax review by the appropriate governmental authorities as of October 1, 2024.

Georgetown County Chamber of Commerce  
 Georgetown County Marketing  
 (Year ended June 30, 2024)  
 Pawleys Island Marketing  
 (Year Ended December 31, 2023)  
Audited Supplementary Information  
Combined Group -  
Summary Statements of Support, Revenue, and Expenses - Cash Basis

	<u>Georgetown County</u> <u>Chamber</u> <u>of Commerce</u>	<u>Georgetown County</u> <u>Marketing</u>	<u>Pawleys</u> <u>Island</u> <u>Marketing</u>
Revenues and Gains	\$907,078	\$1,446,787	\$183,001
Expenses and Losses	<u>774,139</u>	<u>1,202,633</u>	<u>156,703</u>
Change in Net Assets	132,939	244,154	26,298
Net Assets, Beginning of Year	<u>563,741</u>	<u>775,696</u>	<u>140,428</u>
Net Assets, End of Year	<u><u>\$696,680</u></u>	<u><u>\$1,019,850</u></u>	<u><u>\$166,726</u></u>

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