

**GREATER BLYTHEWOOD CHAMBER OF COMMERCE**

**REPORT ON FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2018**

## **GREATER BLYTHEWOOD CHAMBER OF COMMERCE**

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# LOVE BAILEY

CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Greater Blythewood Chamber of Commerce  
Blythewood, South Carolina

We have reviewed the accompanying financial statements of the Greater Blythewood Chamber of Commerce (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—cash basis as of June 30, 2018, and the related statement of revenues, expenses, and other changes in net assets—cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of 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.

### **Accountant's Responsibility**

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

### **Accountant's Conclusion**

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the cash basis of accounting.

### **Basis of Accounting**

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

### **Other Matters**

Our review was made primarily for the purpose of expressing a conclusion that there are no material modifications that should be made to the financial statements in order for them to be in confirmatory with the cash basis of accounting. The schedule of functional expenses on page 7 and the supplementary information included on page 11 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. This supplementary information had not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements but has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, we do not express an opinion or provide any assurance on such supplementary information.

*Love Bailey & Associates, LLC*

Love Bailey & Associates, LLC

Laurens, SC

November 1, 2018

**GREATER BLYTHEWOOD CHAMBER OF COMMERCE**  
**STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS -**  
**CASH BASIS**  
**JUNE 30, 2018**

**ASSETS**

**CURRENT ASSETS**

Operating checking account	\$ 20,673
Scholarship account	240
EventBrite account	60
Other assets	1,600
Total current assets	<u>22,573</u>
Total assets	<u><u>\$ 22,573</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued payroll	\$ 4,104
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**NET ASSETS**

Unrestricted	7,469
Temporary restricted	11,000
Total net assets	<u>18,469</u>
Total liabilities and net assets	<u><u>\$ 22,573</u></u>

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

**GREATER BLYTHEWOOD CHAMBER OF COMMERCE  
STATEMENT OF SUPPORT, REVENUE, EXPENSES,  
AND CHANGES IN NET ASSETS - CASH BASIS  
YEAR ENDED JUNE 30, 2018**

**REVENUE AND OTHER SUPPORT**

Annual dues	\$ 23,885
Events	32,268
Visitors center	31,843
Accommodations tax funds	47,643
Grants	15,000
Other	9,582
Total revenue and other support	<u>160,221</u>

**EXPENSES**

Program services expense	113,779
Supporting services expense	
Management and general	10,972
Fundraising and development	23,295
Total supporting services expense	<u>34,267</u>
Total expenses	<u>148,046</u>
Changes in net assets	<u>12,175</u>

**NET ASSETS**

Net assets, beginning of year	<u>6,294</u>
Net assets, end of year	<u>\$ 18,469</u>

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

**GREATER BLYTHEWOOD CHAMBER OF COMMERCE**  
**STATEMENT OF CASH FLOWS -**  
**CASH BASIS**  
**YEAR ENDED JUNE 30, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Changes in net assets	\$ 12,175
Adjustments to reconcile changes in net assets to net cash provided by operating activities	
(Increase) decrease in:	
Other assets	250
Increase (Decrease) in:	
Payroll liabilities	<u>2,077</u>
Net cash provided by operating activities	<u>14,502</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Net payments on line of credit	<u>(4,926)</u>
Net cash used in financing activities	<u>(4,926)</u>
Net increase in cash	9,576

**CASH**

Beginning of year	<u>11,397</u>
End of year	<u><u>\$ 20,973</u></u>

**SUPPLEMENTAL INFORMATION**

Interest paid	<u><u>\$ 53</u></u>
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The accompanying notes are an integral part of the financial statements.

**GREATER BLYTHEWOOD CHAMBER OF COMMERCE**  
**STATEMENT OF FUNCTIONAL EXPENSES -**  
**CASH BASIS**  
**YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and wages	\$ 45,687	\$ 2,405	\$ -	\$ 48,092
Payroll taxes	4,372	230	-	4,602
Bank service charges	-	74	-	74
Scholarships	1,000	-	-	1,000
Dues and subscriptions	45	-	-	45
Insurance	1,534	81	-	1,615
Interest	-	53	-	53
Meetings	123	-	-	123
Professional fees	-	4,131	-	4,131
Advertising and marketing	1,960	-	-	1,960
Co-work space	2,510	-	-	2,510
Rent	16,115	848	-	16,963
Repairs and maintenance	548	29	-	577
Office and admin expenses	-	2,767	-	2,767
Software and support	1,471	77	-	1,548
Visitors center	32,180	-	-	32,180
Utilities	5,257	277	-	5,534
Other expenses	977	-	-	977
Event expenses	-	-	23,295	23,295
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total expenses	<u>\$ 113,779</u>	<u>\$ 10,972</u>	<u>\$ 23,295</u>	<u>\$ 148,046</u>

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



**GREATER BLYTHEWOOD CHAMBER OF COMMERCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Greater Blythewood Chamber of Commerce (the “Chamber”) prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Under that basis, certain revenues and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligations are incurred.

Nature of The Business

The Greater Blythewood Chamber of Commerce was incorporated in the state of South Carolina on June 24, 2008 as a non-profit, non-stock corporation. The Chamber began as the Blythewood Business Coalition which was a Neighborhood Watch program in 1999 and formally organized in 2008 as a membership organization serving businesses in Richland and Fairfield counties.

Financial Statement Presentation

The Chamber presents its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations* as promulgated by the Financial Accounting Standards Board. Net assets and revenues, expenses, gains and losses are classified based on the existence of absences of donor-imposed restrictions. Accordingly, as required by SFAS No. 117, the Chamber reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Cash and Cash Equivalents

The Chamber considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents.

Net Assets

Temporarily restricted net assets consist of amounts that are subject to donor restrictions. The Chamber is permitted to use or expend the donated assets in accordance with the donor restriction.

The Chamber reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 activities as net assets released from restrictions.

Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Chamber reports expirations of donor restrictions when the donated or acquired long-lived assets are places in service.

(Continued)

**GREATER BLYTHEWOOD CHAMBER OF COMMERCE**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2018**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

At June 30, 2018, the Chamber had \$11,000 of state accommodation tax funds in temporary restricted net assets to be used for future marketing and advertising of the Town.

Advertising Costs

Advertising costs are expensed as incurred and approximated \$1,960 for the year ended June 30, 2018.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited

Income Taxes

The Chamber is exempt from federal income taxes under the provisions of IRC Section 501(c)(6) of the Internal Revenue Code and therefore no provision has been made for Federal income taxes in the accompanying financial statements. The entity is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. It has been determined that the entity is not subject to unrelated business income tax and have not filed an Exempt Organization Business Income Tax Return.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the Chamber to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates, and those differences could be material.

**NOTE 2 – CASH AND CASH EQUIVALENTS**

Cash, as presented in the statement of cash flows, consist of amounts on hand and in demand bank accounts without restricted access. The book balance of the Chamber's cash accounts at June 30, 2018 was \$20,571 and the bank balances totaled \$22,439.

At June 30, 2018, all bank deposits were insured by Federal Deposit Insurance Coverage.

**GREATER BLYTHEWOOD CHAMBER OF COMMERCE  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 2018**

**NOTE 3 – CONCENTRATIONS OF RISK AND FINANCIAL INSTRUMENTS**

Fair Values of Financial Instruments

The Chamber's financial instruments include cash and cash equivalents, other current assets and various payables. The carrying amounts of these financial instruments have been estimated by management to approximate fair value.

**NOTE 4 – CONTINGENCIES**

The Chamber's management is of the opinion that its insurance coverage is adequate to cover any potential losses on asserted claims and is unaware of any incidents, which would ultimately result in a loss in excess of the Chamber's insurance coverage.

**NOTE 5 – CAPITAL LINE ACCOUNT**

The Chamber has a \$20,000 capital line account with a bank, the line bears interest at 5.00 percent and matures on May 11, 2019. The line had a zero balance at June 30, 2018.

**NOTE 6 – LEASES**

The Chamber leases office space and common area maintenance under an operating lease that expires on June 30, 2020 however the lease can be renewed for an additional three years. The monthly rent lease payment is \$1,500 and \$463 for common maintenance area. The future minimum lease payments is \$23,550 for each year ending June 30, 2019 and 2020, respectively. The Chamber has other month to month leases.

Rent expense for the year ended June 30, 2018 totaled \$16,963.

**NOTE 7 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through November 1, 2018, the date the financial statements were available to be issued.

## STATEMENT OF REVENUES AND EXPENSES

## BY A-TAX SUPPORTED ACTIVITY - CASH BASIS

YEAR ENDED JUNE 30, 2018

	BIG GRAB	SOLAR ECLIPSE	VISTORS CENTER	TOTAL
<b>REVENUE AND OTHER SUPPORT</b>				
Accommodation funds	\$ 8,750	\$ 12,750	\$ 26,143	\$ 47,643
Event fees	3,827	-	-	3,827
Sponsors	1,263	1,600 *	2,225	5,088
Vendor fees	-	725	-	725
Shirt sales	-	9,571	-	9,571
Other	-	-	1,632	1,632
Total revenue and other support	<u>13,840</u>	<u>24,646</u>	<u>30,000</u>	<u>68,486</u>
<b>EXPENSES</b>				
Salaries and wages	4,618	7,475	15,808	27,901
Insurance	-	-	484	484
Professional fees	-	-	1,239	1,239
Advertising and marketing	2,136	1,114	929	4,179
Rent	2,240	2,400	5,089	9,729
Repairs and maintenance	-	-	173	173
Office and admin expenses	-	-	520	520
Software and support	-	-	465	465
Visitors center supplies	-	-	53	53
Utilities	680	-	1,660	2,340
Other expenses	-	5,247	-	5,247
Event expenses	2,760	14,102	-	16,862
Total expenses	<u>12,434</u>	<u>30,338</u>	<u>26,420</u>	<u>69,192</u>
Event net income (loss)	<u>\$ 1,406</u>	<u>\$ (5,692)</u>	<u>\$ 3,580 **</u>	<u>\$ (706)</u>

## Notes

\* The chamber received another \$3,750 in solar eclipse sponsorships in fiscal year 2017 however the Chamber financials are prepared on the cash basis so that revenue has not been recorded in fiscal year 2018. This change under the accrual basis would bring the solar eclipse event's actual net loss to \$1942.

In April 2018, the Chamber was paid \$7,643 by the Town of Blythewood in additional funding from the 65% allocation of the state accommodations tax fund (included above). This was paid to reimburse the Chamber for certain visitor center expenses. At the time the Chamber submitted this spreadsheet, the Chamber was allocating 25% (based on an estimate) of chamber-visitor center shared expenses, some of these being start-up expenses paid by the Chamber in fiscal year 2017. Later, the Chamber performed actual floor space measurements and arrived at a more accurate 30% allocation. The actual visitors center 30% share of office start-up costs incurred and paid by the chamber in fiscal year 2017 totaled \$1,867. So this number should be subtracted from fiscal year 2018 visitors center net income, as well as approx. \$150 for gift shop vendor payments payable in fiscal year 2019 for sales included in fiscal year 2018, and gift shop inventory sold in fiscal year 2018 (mostly rodeo t-shirts and hats) but not paid for until fiscal year 2019 of \$1,588. These changes under the accrual basis would bring the visitors center actual net income to a loss of \$25.