

GOING FURTHER

BEAUFORT COUNTY ECONOMIC  
DEVELOPMENT CORPORATION

FINANCIAL REPORT  
JUNE 30, 2025



CPAs & ADVISORS

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## Independent Auditor's Report

**To the Board of Directors  
Beaufort County Economic Development Corporation  
Beaufort, South Carolina**

### **Opinion**

We have audited the accompanying financial statements of **Beaufort County Economic Development Corporation** (a nonprofit organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows 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 financial position of Beaufort County Economic Development Corporation as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 Beaufort County Economic Development Corporation 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.

### **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 Beaufort County Economic Development Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

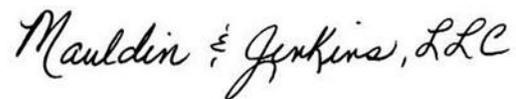
## Auditor's Responsibilities for the Audit of the Financial Statements

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 Beaufort County Economic Development Corporation'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 Beaufort County Economic Development Corporation'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.



Columbia, South Carolina  
December 11, 2025

# Beaufort County Economic Development Corporation

## STATEMENT OF FINANCIAL POSITION

JUNE 30, 2025

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<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and cash equivalents	\$ 1,476,783
Grants receivable	99,585
Due from County	130,000
Prepaid expenses	8,049
Total current assets	<u>1,714,417</u>
<b>Noncurrent Assets</b>	
Land held for investment	461,115
Advanced grant payments	621,825
Total noncurrent assets	<u>1,082,940</u>
Total assets	<u><u>2,797,357</u></u>
<b>LIABILITIES AND NET ASSETS</b>	
<b>Current Liabilities</b>	
Accounts payable	12,279
Accrued Expenses	18,677
Deferred revenue - conditional	1,641,825
Total current liabilities	<u>1,672,781</u>
<b>Noncurrent Liabilities</b>	
Refundable advance	<u>461,115</u>
<b>Net Assets</b>	
Without donor restrictions	438,004
With donor restrictions	<u>225,457</u>
Total net assets	<u>663,461</u>
Total liabilities and net assets	<u><u>\$ 2,797,357</u></u>

See notes to financial statements.

# Beaufort County Economic Development Corporation

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Support and Revenue</b>			
<b>Revenue</b>			
Public support dues	\$ 535,000	\$ -	\$ 535,000
Sponsorships	22,750	-	22,750
Restricted grants	-	555,614	555,614
Contributed nonfinancial asset	5,400	-	5,400
Interest and dividends	20,886	-	20,886
Net assets released from donor restriction	407,946	(407,946)	-
Total support and revenue	<u>991,982</u>	<u>147,668</u>	<u>1,139,650</u>
<b>Expenses</b>			
Programmatic expenses	949,457	-	949,457
General and administration	142,331	-	142,331
Total expenses	<u>1,091,788</u>	<u>-</u>	<u>1,091,788</u>
Increase (decrease) in net assets	<u>(99,806)</u>	<u>147,668</u>	<u>47,862</u>
<b>Net Assets</b>			
Beginning	<u>537,810</u>	<u>77,789</u>	<u>615,599</u>
Ending	<u>\$ 438,004</u>	<u>\$ 225,457</u>	<u>\$ 663,461</u>

See notes to financial statements.

# Beaufort County Economic Development Corporation

## STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED JUNE 30, 2025

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	<u>Program</u>	<u>General and Administrative</u>	<u>Total</u>
Salaries	\$ 295,020	\$ 56,195	\$ 351,215
Payroll benefits	69,116	13,165	82,281
Dues and subscriptions	10,860	2,068	12,928
Legal and professional services	-	12,332	12,332
Office supplies and software	2,413	4,031	6,444
Miscellaneous administration	11,363	2,164	13,527
Site/project development	276,770	-	276,770
Grants to companies	131,175	-	131,175
Advertising	73,546	14,009	87,555
Travel and meals	58,123	11,071	69,194
Learning and development	4,229	806	5,035
Sponsorships	-	23,282	23,282
Rent	12,306	2,344	14,650
Contributed nonfinancial asset - rent	4,536	864	5,400
<b>Total</b>	<u>\$ 949,457</u>	<u>\$ 142,331</u>	<u>\$ 1,091,788</u>

See notes to financial statements.

# Beaufort County Economic Development Corporation

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2025

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<b>Cash Flows from Operating Activities</b>	
Change in net assets	\$ 47,862
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Unrealized gains on investments	-
Changes in operating assets and liabilities:	
Increase in grants receivable	(31,902)
Increase in due from county	(130,000)
Increase in prepaids	(8,049)
Increase in advanced grant payments	(157,172)
Increase in accounts payable	11,143
Increase in accrued expenses	5,081
Increase in deferred revenue	577,172
Increase in refundable advance	461,115
Net cash provided by operating activities	<u>775,250</u>
<b>Cash Flows from Investing Activities</b>	
Purchases of land held for investment	<u>(461,115)</u>
Net cash used in investing activities	<u>(461,115)</u>
Net increase in cash and cash equivalents	314,135
<b>Cash and Cash Equivalents</b>	
Beginning	<u>1,162,648</u>
Ending	<u>\$ 1,476,783</u>

See notes to financial statements.

# Notes To Financial Statements

## NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Beaufort County Economic Development Corporation (the "Corporation") is a non-profit organization under the laws of the State of South Carolina and is the lead entity for organizing, structuring and leading economic development efforts on behalf of Beaufort County (the "County"). The vision is to be the driver for leading economic development efforts in the communities that are served.

### **Basis of Presentation**

The Corporation's financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

### **Net Assets**

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, net assets are reported in each of the following two classes:

*Net Assets without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions.

*Net Assets with Donor Restrictions* – Net assets subject to donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Expenditures that relate to the fulfillment of the temporary restriction are shown as a reduction in revenue with donor restrictions as net assets released from restrictions.

Unrealized and realized gains and losses, and dividends and interest from investing activities may be included in either of these net asset classifications depending on donor-imposed restrictions and the Corporation's interpretation of relevant state law.

It is the Corporation's policy to report donor restricted contributions whose restrictions are met in the same reporting period in which the contributions are recognized as an increase in net assets without donor restrictions.

## **NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **Cash and Cash Equivalents**

The Corporation considers all highly liquid investments with a maturity date of three months or less at the date of acquisition to be cash equivalents.

The Corporation maintains its cash in bank accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts. The Corporation believes it is not exposed to any significant credit risk on cash and cash equivalents.

### **Contributions**

Unconditional promises to give cash and other assets are reported at estimated fair value at the date the promise is received. Conditional promises to give are recognized when the conditions are substantially met, and indications of intentions to give are reported at fair value at the date the gift is received. The gifts are reported as net assets with donor restrictions 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), net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions with donor-imposed restrictions that are met in the same reporting period are reported as net assets without donor restrictions.

### **Receivables and Revenue Recognition**

Receivables are primarily related to local and state governmental entities for cost reimbursed grants.

Public support dues are recognized over the period for which they apply, as the performance obligation is satisfied. Program income is recognized at the time the benefit is received by the customer. Income from programs is deferred and recognized over the periods to which the events occur.

Gifts of land, buildings and equipment are presented 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 Corporation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

### **Fair Value of Financial Instruments**

The estimated fair values of the Corporation's short-term financial instruments, including cash, cash equivalents, land held for investment, receivables and accounts payable arising in the ordinary course of business, approximate their individual carrying amounts due to the relatively short period of time between their origination and expected realization.

**NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributed Nonfinancial Assets**

The Corporation records various types of in-kind support including contributed facilities, professional services and materials. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at fair market value when received. When in-kind support is received, it is reflected in the accompanying financial statements as contributed nonfinancial assets and is offset by like amounts included in expenses.

For the year ending June 30, 2025, contributed nonfinancial assets recognized within the statement of activities included:

Office rent	<u>\$ 5,400</u>
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Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The Corporation receives office space through a local not for profit. In valuing rent and space, the Corporation estimated fair value based on current rates for similar space.

**Functional Allocation of Expenses**

The statement of activities reports certain categories of expenses that are attributable to more than one program or supporting function. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs, supporting services and fundraising categories as required by FASB's Not-for-Profit presentation and disclosure guidance. The expenses that are allocated include salaries, payroll benefits, dues and subscriptions, legal services, office supplies, site/project development, grants to companies, advertising, travel/meals, learning/development, sponsorships, rent, and contributed financial assets, which are allocated on the basis of estimates of time and effort.

**Income Taxes**

The Corporation is exempt from federal and state income taxes according to IRS Section 501(c)(3). Management has evaluated the Corporation's tax positions and concluded that the Corporation had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

**Management 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 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 expenses during the reporting period. Actual results could differ from those estimates.

**NOTE 2. LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditure, that is without donor restrictions limiting their use, within one year of the statement of financial position date comprise the following:

Financial Assets:	
Cash and cash equivalents	\$ 1,476,783
Grants receivable	99,585
Due from County	130,000
Land held for sale	461,115
Advanced grant payments	621,825
Financial assets, at year end	<u>2,789,308</u>
Less those unavailable for general expenditure within one year, due to:	
Deferred revenue	(1,641,825)
Due to County	(461,115)
Donor restriction	<u>(225,457)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 460,911</u>

As part of the Corporation’s liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation manages liquidity during the year by operating with a balanced budget and regularly reviewing and analyzing operating results versus budget.

**NOTE 3. EMPLOYEE RETIREMENT**

The Corporation provides a 401(k) plan for all eligible employees. Employees are eligible upon hire. All employer contributions made on behalf of employees are fully vested and nonforfeitable at all times. Participants have an unrestricted right to withdraw contributions at any time, subject to standard IRA taxation and penalty provisions. The employer contributions are accrued quarterly and contributed to the Plan. Retirement expense was \$16,472 for the year ending June 30, 2025.

**NOTE 4. ECONOMIC DEPENDENCY**

In 2025, the Corporation received contributions from two sources that each exceeded 10% of its total revenue. Contributions of \$150,000 and \$600,686, represented 11% and 75% of total revenue for the fiscal year ending June 30, 2025, respectively.

**NOTE 5. SUPPORT FROM GOVERNMENTAL UNITS**

The Corporation received approximately 84% of its support in 2025 from local and state governments. Any significant reduction in the level of government support could have a significant effect on the Corporation's programs and activities.

**NOTE 6. LAND HELD FOR INVESTMENT/REFUNDABLE ADVANCE**

As part of an agreement with the County to enhance economic development in the area, the Corporation received funding to purchase land which is then held for sale for companies looking to expand in the County. All investment property purchases require approval from the County Council before the Corporation can agree to the sale. Upon sale of the land investment, all funds received are due back to the County. At June 30, 2025, the Corporation had a refundable advance of \$461,115 which equals the fair market value of the land held for investment.

**NOTE 7. NET ASSETS WITH DONOR RESTRICTIONS/CONDITIONS**

During the year, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows:

Site and job funds	\$	228,021
Conditional grants awarded		131,175
SC Department of Commerce cost reimbursement grant		48,750
	\$	<u>407,946</u>

Net assets with donor restrictions are available for the following purposes at June 30, 2025:

Site and job funds	\$	457
Dominion Energy BCP Wetland site work		75,000
Dominion Energy land grant		150,000
	\$	<u>225,457</u>

Support from the following awards remains conditional and is included in cash and advance grant payments at June 30, 2025:

Land acquisition	\$	1,000,000
Advanced grants to local entities		641,825
	\$	<u>1,641,825</u>

**NOTE 8. SUBSEQUENT EVENTS**

The Corporation has evaluated subsequent events through December 11, 2025, the date these financial statements were available to be issued. On July 25, 2025, the Corporation purchased one hundred and seventeen acres of land in Lobeco, South Carolina for \$1,495,000. Funds to purchase the land were provided by the County and other restricted donations. The land will be held for investment purposes.