

Finance Review Committee
March 3, 2016
Myrtle Beach Area Chamber of Commerce
Boardroom 2:00 p.m.

Committee Attendees: Billy Huggins, Joel Foster, Lynn Kornita, Ken McKelvey, David Meese

Other Attendees: Bob Calliham, Glenn Bodenheimer

Staff: Jim Wright, Nancy Maloney, Elaine Morgan Weidman, Susan Giaquinto

- I. **Call to Order 2:09 p.m.** **Billy Huggins**
- II. **Approval of Minutes** – Ken McKelvey made a motion to accept the minutes for the November 19, 2015 meeting as presented. That motion was seconded by Lynn Kornita. The motion was approved.
- III. **Unfinished Business –MBACC Education Foundation** – Jim Wright reviewed the discussion from the November 19, 2016 meeting regarding the risk allocation of the Educational Foundation’s managed assets and suggestions that we move additional monies from the money market account to the managed investments to achieve a dollar cost averaging effect. Subsequent to and in follow-up to the November meeting and via email, Lynn Kornita made a motion which was seconded by Terrance Herriott to address this matter. Unfortunately, due to email issues our then Chairman was experiencing, the motion was never put to a vote. The motion was as follows:

Revise the risk allocation from its current 65% treasuries / 35% equities to a 50/50 split and, transfer \$60,000 (at the rate of \$5,000 per month for a twelve-month period beginning January 1, 2016) from the money market account to the managed investment account.

A motion was made by Joel Foster to amend the motion to change the start date from January 1, 2016 to a “to be determined” date in March, 2016. The amended motion was seconded by David Meese, and passed unanimously by those in attendance. Ken McKelvey voted in favor of the amended motion via email.

IV. New Business

- A. Presentation of the 2015 Audit** – Bob Calliham from Smith Sapp presented the audit report and consolidated financial statements of the Myrtle Beach Area Chamber of Commerce and its subsidiary as of December 31, 2015 to the Committee. Mr. Calliham reported that there were no problems or difficulties encountered in performing their audit, and the staff were excellent and cooperative to work with. He further noted the Chamber is in sound financial condition and suggested the organization continue to increase its reserves. Jim Wright provided a brief history of the reserves and the evolution of the Chamber’s budgeting practices. The Committee discussed at length the need for and importance of adequate reserves, with the consensus being that future budgets should begin to include a “line-item” allocation to methodically grow the Chamber’s reserves. Glenn Bodenheimer concluded the audit overview with commendation to the staff for its successful transitioning of the Accounting Manager’s position, quality of work, and thorough preparation for the audit.
- B. Biannual Agreed Upon Procedures Engagement** – Jim Wright provided information requesting the Committee’s concurrence to engage McGladrey for the performance of the bi-annual Agree Upon Procedures Engagement. This engagement relates specifically to the confirmation and verification of various data and analyses used to monitor compliance with certain attributes of the States “PRT Destination Specific Tourism Marketing Grant” (the 2:1 Proviso). The last engagement was performed in 2014 for a six-year period (2008-2013). The 2014 FRC and Board both agreed that it was a beneficial process and should be conducted every two years. Committee members in attendance agreed with the importance of the process and instructed Jim to initiate the engagement. Jim indicated that fieldwork is tentatively planned for April, with the hopes of having the draft report in May.
- C. Review of February 29, 2016 Financial Statements** – Jim Wright reviewed the February 29, 2016 financial statements and the associated Management Discussion and Analysis, noting trends and variances.
- D. Adjournment @ 3:20 PM** **Billy Huggins**
Joel Foster made a motion to adjourn the meeting @ 3:20 p.m. The motion was seconded by Lynn Kornita. The motion passed unanimously.