

**Finance Review Committee
May 11, 2016
Myrtle Beach Area Chamber of Commerce
Boardroom 2:00 p.m.**

Committee Attendees: Billy Huggins, Kenny Generette, Joel Foster, Terrance Herriott, Lynn Kornita, Ken McKelvey, David Meese, David Olive

Other Attendees: Ben Whitlock, CPA - RSM
David Barton, First Guarantee

Staff: Jim Wright, Nancy Maloney, Elaine Morgan Weidman

- I. **Call to Order 2:00 p.m.** **Billy Huggins**
- II. **Approval of Minutes** – Mr. Joel Foster made a motion to accept the minutes for the March 3, 2016 meeting as presented. That motion was seconded by Mr. David Olive. The motion was approved.
- III. **Unfinished Business** – None
- IV. **New Business**
- A. Presentation of the 2014/2015 Agreed Upon Procedures** – Mr. Ben Whitlock from RSM presented the report for the bi-annual Agree Upon Procedures Engagement, which 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). Mr. Whitlock explained the differences between an agreed upon procedure vs. an audit and a brief history of first performed in 2014 for a six-year period (2008-2013). Mr. Whitlock reviewed marketing revenues versus expenses, internal procedures, a sampling of expenditures from detailed accountability reports and certain external documents and data.
- In summary, no exceptions were noted. Mr. Jim Wright further provided information on the importance of the Agreed Upon Procedures Engagement for transparency and disclosure of this funding source. Staff recommends the continuation of this bi-annual process.
- B. Annual 401(k) Investment Update** – Mr. David Barton, SVP, First Citizens Bank, presented the annual 401(k) investment update. First Citizens serves as the Plan’s 3(21) Advisor, and as such in addition to other duties, monitors the performance of the Plan’s investment portfolio. Mr. Barton indicated the only fund recommended to be replaced is the AB Discovery Growth Advisor fund to the Janus fund and that no other plan changes and/or modifications are either suggested or required at this time. Mr. Barton concluded his presentation with the certain benchmarking data relative to total Plan costs, noting that the Plan currently compares very favorably to peer comparisons in this regard. The Committee requested the information be compiled on the fund change and sent to Mr. Wright for distribution to committee members.

- C. Chamber Reserve Policy Statement** – Mr. 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. A variety of methods to fund future reserves were discussed, and how to methodically grow the Chamber’s reserves. Mr. Wright presented a scenario of a disaster occurring on July 1st, the worst time of the year for the Chamber from a financial perspective. He updated the Committee on his visit to Mississippi and New Orleans, Louisiana to learn what efforts it took before business was normalized after their disasters. Mr. Wright explained that the Chamber has a formal Disaster Recovery Plan (DRP) and that the business community will be looking to the Chamber for guidance and assistance in getting their businesses back up and running. The Committee has tasked Mr. Wright to redo the analysis of targeted reserve funds using a September 15th “event date” with 12- 18- and 24-month reserves.
- D. Review of April 30, 2016 Financial Statements** – Mr. Jim Wright reviewed the April 30, 2016 financial statements and the associated Management Discussion and Analysis, noting trends and variances.
- E. Extension of Current Audit Engagement Letter** - Mr. Jim Wright recommended the extension of the current auditor, Smith Sapp, through 2017. Mr. David Meese made a motion for the staff to recommend retaining Smith Sapp thorough 2017. The motion was seconded by Mr. Terrance Herriott. The motion passed unanimously.
- F. Real Estate Task Force** – Mr. Jim Wright notified the Committee that the Board of Directors approved the closing of the south strand visitors center located at 3401 Highway 17 South, Murrells Inlet, SC. A task force composed of FRC members will be chaired by Billy Huggins and Tony Cox to oversee the sale of the real estate. Mr. Wright provided the Committee with the estimated timeline from the appraisal on May 20, 2016 through the winning bidder notification on or about July 22, 2016.
- G. Adjournment @ 4:00 PM** **Billy Huggins**
Mr. Joel Foster made a motion to adjourn the meeting @ 4:00 p.m. The motion was seconded by Mr. Terrance Herriott. The motion passed unanimously.