

Myrtle Beach Area Chamber of Commerce
Financial Statements and Additional Information
Year Ended December 31, 2023

**Myrtle Beach Area Chamber of Commerce
Table of Contents
December 31, 2023**

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
Additional Information	
Schedule of Support, Revenues and Expenses - Budget and Actual	14



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Independent Auditors' Report

To the Board of Directors
Myrtle Beach Area Chamber of Commerce

Opinion

We have audited the accompanying financial statements of the Myrtle Beach Area Chamber of Commerce (a nonprofit organization) (the "Chamber"), which comprise the statement of financial position as of December 31, 2023, 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 the Chamber as of December 31, 2023, 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 of 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Chamber 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 the 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 the Chamber's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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, including omissions, 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 the Chamber'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 the Chamber'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

Report on Summarized Comparative Information

We have previously audited the Chamber's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Support, Revenues and Expenses – Budget to Actual comparison is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Smith Sapp Professional Association
Certified Public Accountants

Myrtle Beach, South Carolina
April 25, 2024

Myrtle Beach Area Chamber of Commerce
Statement of Financial Position
December 31, 2023
With Comparative Amounts for December 31, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and Cash Equivalents	\$ 32,249,242	\$ 37,385,760
Trade Receivables (Net)	267,433	448,620
Investments	10,425,191	8,028,644
Prepaid Marketing	3,227,707	975,498
Prepaid Insurance	53,245	48,427
Property and Equipment (Net)	804,312	831,260
Intangible Assets (Net)	<u>727,083</u>	<u>872,500</u>
TOTAL ASSETS	\$ <u>47,754,213</u>	\$ <u>48,590,709</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts Payable and Accrued Expenses	\$ 2,718,725	\$ 2,084,844
Refundable Advances		
Membership and Related Dues	1,146,469	1,670,504
Grants	<u>31,252,630</u>	<u>34,039,295</u>
Total Liabilities	<u>35,117,824</u>	<u>37,794,643</u>
Net Assets		
Without Contractual Restrictions	<u>12,636,389</u>	<u>10,796,066</u>
Total Net Assets	<u>12,636,389</u>	<u>10,796,066</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>47,754,213</u>	\$ <u>48,590,709</u>

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

Myrtle Beach Area Chamber of Commerce
Statement of Activities
Year Ended December 31, 2023
With Comparative Amounts for December 31, 2022

	Without Contractual Restrictions	With Contractual Restrictions	Totals	
			2023	2022
Support and Revenues				
Public Support				
Local Governments	\$	\$ 45,425,057	\$ 45,425,057	\$ 29,387,186
Grants and Promotions		4,888,478	4,888,478	10,187,475
Destination Specific Matching Grants	15,000,000		15,000,000	15,000,000
Membership Dues	2,229,018		2,229,018	2,793,424
Volume Based Member Contributions	894,209		894,209	1,009,538
Programs and Events	315,780		315,780	332,374
Cooperative Advertising	3,557,500	460,222	4,017,722	2,299,146
Other Grants		5,520,000	5,520,000	6,900,000
Investment and Other Income	1,756,840		1,756,840	627,504
Total Support and Revenues	<u>23,753,347</u>	<u>56,293,757</u>	<u>80,047,104</u>	<u>68,536,647</u>
Net Assets Released From Restrictions	<u>56,293,757</u>	<u>(56,293,757)</u>		
Program Expenses				
Tourism Development	73,903,394		73,903,394	62,336,300
Business Development	1,508,123		1,508,123	1,366,891
Advocacy	1,133,013		1,133,013	1,010,198
Community Development	372,753		372,753	390,532
Total Program Expenses	<u>76,917,283</u>		<u>76,917,283</u>	<u>65,103,921</u>
Support Services				
Administration and Operations	1,289,498		1,289,498	1,203,566
Total Expenses	<u>78,206,781</u>		<u>78,206,781</u>	<u>66,307,487</u>
Increase in Net Assets	1,840,323		1,840,323	2,229,160
Net Assets - Beginning	10,796,066		10,796,066	8,566,906
Net Assets - Ending	<u>\$ 12,636,389</u>	<u>\$</u>	<u>\$ 12,636,389</u>	<u>\$ 10,796,066</u>

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

Myrtle Beach Area Chamber of Commerce
Statement of Functional Expenses
Year Ended December 31, 2023
With Comparative Amounts for December 31, 2022

	Totals						
	Tourism Development	Business Development	Advocacy	Community Development	Administration and Operations	2023	2022
Advertising and Promotions	\$ 68,008,281	\$	\$	\$	\$	\$ 68,008,281	\$ 57,416,737
Publications	913,941					913,941	759,098
Government - Designated Funds	29,823					29,823	25,159
Programs and Events	54,102	222,957	393,135	81,859	27,002	779,055	659,951
Convention and Group Sales	2,219,434					2,219,434	1,753,078
Member Services		162,029				162,029	82,122
Employee Compensation	2,237,643	917,310	687,438	204,201	756,299	4,802,891	4,491,237
Facility Expenses	303,173	103,079	18,189	18,189	163,707	606,337	443,950
Other Expenses	136,997	102,748	34,251	68,504	342,490	684,990	676,155
Total Expenses	\$ 73,903,394	\$ 1,508,123	\$ 1,133,013	\$ 372,753	\$ 1,289,498	\$ 78,206,781	\$ 66,307,487

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

Myrtle Beach Area Chamber of Commerce
Statement of Cash Flows
Year Ended December 31, 2023
With Comparative Amounts for December 31, 2022

	2023	2022
Cash Flows From Operating Activities		
Increase in Net Assets	\$ 1,840,323	\$ 2,229,160
Adjustments to Reconcile Increase in Net Assets to Net Cash and Cash Equivalents Provided from Operating Activities		
Depreciation and Amortization	305,045	150,761
Unrealized Gain on Investments	(183,547)	(31,126)
Decrease in Accounts Receivable	181,187	1,948,205
(Increase) Decrease in Prepaid Marketing	(2,252,209)	381,290
(Increase) in Prepaid Insurance	(4,818)	(2,418)
Increase (Decrease) in Accounts Payable and Accrued Expenses	633,881	(842,883)
Increase (Decrease) in Refundable Advances	(3,310,700)	6,373,445
Net Cash and Cash Equivalents From Operating Activities	(2,790,838)	10,206,434
Cash Flows From Investing Activities		
Purchases of Property and Equipment	(132,680)	(177,262)
Purchases of Intangible Assets		(872,500)
Purchases of Investments	(10,400,000)	(7,997,518)
Proceeds from Sale of Investments	8,187,000	
Net Cash and Cash Equivalents From Investing Activities	(2,345,680)	(9,047,280)
Net Increase in Cash and Cash Equivalents	(5,136,518)	1,159,154
Cash and Cash Equivalents - Beginning	37,385,760	36,226,606
Cash and Cash Equivalents - Ending	\$ 32,249,242	\$ 37,385,760

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

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2023

Note 1 – Summary of Significant Accounting Policies

Organization

The Myrtle Beach Area Chamber of Commerce (the “Chamber”) is a nonprofit Chamber whose purpose is to provide community leadership in the promotion of economic development, including tourism. The Chamber receives revenue primarily through state and local government grants, contributions and membership dues. The Chamber operates under the following divisions: Finance, Administration, Group Sales, Marketing, Business Development, Legislative, and Executive.

Basis of Presentation

The accompanying financial statements are prepared on the accrual basis of accounting and are in conformity with generally accepted accounting principles within the United States (“US GAAP”). All material intercompany accounts and transactions have been eliminated in consolidation.

Certain prior year amounts have been reclassified to conform with current period presentation.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Grants

The chamber receives grants from local governments, which management has determined to be non-exchange transactions as the local governments do not receive direct commensurate value in exchange for the resources provided. The grants can only be used for advertising and promotion of tourism to develop and increase tourist attendance through the generation of publicity for the Grand Strand area. Funds received through these grant programs are deferred upon receipt due to their spending restrictions and are recognized as grant revenues when the Chamber has utilized the funds for their specific purpose and satisfies the associated restrictions. Amounts deferred due to purpose restrictions and recorded as Refundable Advances – Grants were \$31,252,630 and \$34,039,295 at December 31, 2023 and 2022, respectively.

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. All contributions are considered to be without contractual restrictions unless specifically restricted by the contributor. The Chamber reports gifts of cash and other assets as restricted support if they are received with contractual or other stipulations that limit the use of the assets, or if they are designated as support for future periods. When a restriction expires, that is, when a stipulated time restriction ends or the purpose restriction is accomplished, net assets with contractual restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Contractually-restricted contributions whose restrictions are met in the same reporting period are reported first as net assets with contractual restrictions.

Membership Dues

Membership dues received pertaining to all membership categories are recognized as revenue ratably over the term of the membership period. Amounts not yet earned by the end of the fiscal year are reported as deferred income. The Chamber has reviewed membership dues as part of the adoption of Topic 606 and has determined the Chamber provides service to members equally over the membership term and thus requires no change to the accounting of this revenue. Amounts deferred due to the service not yet having been provided are recorded as Refundable Advances – Membership and Related Dues were \$1,146,469 and \$1,670,504 at December 31, 2023 and 2022, respectively.

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2023

Net Assets

Net assets, revenue and support are classified based on the existence or absence of contractually-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets With Contractual Restrictions - Net assets subject to contractual restrictions. Some contractual restrictions are temporary in nature, such as those that will be met by the expenditures of certain funds for qualifying expenditures or other events specified by the contract. Generally, the contracts governing these assets permit the Chamber to use all or part of the income earned on related investments for general or specific purposes.

Net Assets Without Contractual Restrictions - Net assets available for use in general operations and not subject to contractual restrictions.

Expense Allocation

The costs of providing program and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the program expenses and supporting services benefited on a reasonable basis that is consistently applied. The expenses that are allocated include the following:

	<u>Method Of Allocation</u>
Employee Compensation	Time and Effort
Facility Expenses	Usage Studies
Other Expenses	Usage Studies

Cash and Cash Equivalents

The Chamber considers all demand deposits, money market accounts and other highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments

Investments in short-term instruments and fixed income securities are valued at the last sale price on the principal exchange; in the absence thereof, such securities are valued at the closing bid quotation for long positions and at the closing ask quotation for short positions.

Purchase and sale of short-term instruments and fixed income securities are reflected on a trade-date basis. Gains and losses on the sale of securities are based on the difference between the sale price and average historical cost basis, where such basis represents the cost of securities purchased. Interest income is recorded on an accrual basis.

Concentration of Credit Risk

The Chamber maintains bank accounts with various financial institutions which are all insured at December 31, 2023.

Receivables

Receivables consist primarily of support, taxes and amounts due in conjunction with the Chamber's programs, services and events. All amounts are due during the year ending December 31, 2023. The Chamber utilizes the allowance method to account for uncollectable accounts receivable. The Chamber's estimate is based on historical collection experience and a review of the current status of specific accounts. Concentrations of credit risk with regard to receivables are limited due to the large number of accounts and their dispersion across different industries. There is no allowance for uncollectable accounts as of December 31, 2023.

**Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2023**

Prepaid Expenses

Prepaid expenses are recognized when payments have been made for products or services that will not be used in operations until the following year. For the year ending December 31, 2023, the prepaid expenses consist primarily of prepaid marketing and advertising.

Property and Equipment

All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method over the estimated useful lives of the related assets which are as follows:

Land	N/A
Land Improvements	15 years
Buildings and Improvements	31 to 39 years
Furnishings, Fixtures and Equipment	3 to 8 years

Leases

The Company adopted Accounting Standards Update (“ASU”) No. 2016-02, “Leases (Topic 842),” and its related amendments (collectively “ASC 842”) on January 1, 2022 using the cumulative adjustment transition method. The standard requires lessees to recognize right-of-use (“ROU”) asset and lease liability for all leases. As of the year ended December 31, 2023 the leases recognized did not have a material effect on the Chamber’s financial statements

Lease Accounting Policies and Disclosures

The Company determines if an agreement is a lease upon inception. An agreement is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an asset includes the right to obtain substantially all of the economic benefits of the underlying asset and the right to direct how and for what purpose the asset is used.

Lease ROU assets and associated liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. The Chamber’s leases generally do not provide a readily determinable implicit borrowing rate. As such, the discount rate used to calculate present value is the Chamber’s collateralized incremental borrowing rate. The Chamber determines the incremental borrowing rate for each lease based primarily on its lease term. Lease expense is recognized on a straight-line basis over the lease term.

Intangible Assets

Intangible Assets are stated on the basis of cost. Intangible assets are comprised of the Visit Myrtle Beach website. Amortization of the website is calculated using the straight-line method over 5 years.

Income Taxes

The Chamber is a nonprofit Chamber as described in Section 501(c)(6) of the United States Internal Revenue Code and is exempt from federal and state income taxes. As such, only unrelated business income is subject to income tax. The Chamber is not classified as a private foundation.

Recent Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board issued ASU No. 2016-13, “Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” and subsequent amendments to the initial guidance: ASU 2018-19, ASU 2019-04 and ASU 2019-05 (collectively, “Topic 326”). Topic 326 requires measurement and recognition of expected credit losses for financial assets held. The Chamber adopted Topic 326 on January 1, 2023 and the adoption had no impact on the Chamber’s

**Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2023**

financial statements. The Chamber reviewed other newly issued accounting pronouncements and concluded that they either are not applicable to the Chamber's operations or that no material effect is expected on the Chamber's financial statements upon future adoption.

Summarized Comparative Information

The financial statements include prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Chamber's financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Note 2 – Liquidity and Availability of Financial Assets

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures come due. In addition, excess cash is invested in interest bearing cash sweep accounts. The following reflects the Chamber's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual restrictions or board designations within one year of the statement of financial position date.

Financial assets at December 31, 2023	
Cash and Cash Equivalents	\$ 32,249,242
Trade Receivables (Net)	267,433
Investments	<u>10,425,191</u>
Total Financial Assets at December 31, 2023	<u>\$ 42,941,866</u>

Less unavailable for general expenditures within one year, due to:

Board Designation without Contractual Restrictions	
Capital Projects	(150,000)
Leadership Grand Strand Alumni	(30,618)
Leadership Grand Strand	(31,276)
Leadership Grand Strand Scholarship Fund	<u>(6,260)</u>
Total Contractual Restrictions and Board Designations	<u>(218,154)</u>

Financial assets available to meet cash needs for general expenditures within twelve months	<u>\$ 42,723,712</u>
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Note 3 – Board Designated Reserves

The Board of Directors has designated the following net assets at December 31, 2023:

Net Assets Without Contractual Restrictions	
Operating Reserves	\$ 12,418,235
Capital Projects	150,000
Leadership Grand Strand Alumni	30,618
Leadership Grand Strand	31,276
Leadership Grand Strand Scholarship Fund	<u>6,260</u>
Total Net Assets Without Contractual Restrictions	<u>\$ 12,636,389</u>

**Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2023**

Note 4 – Property and Equipment (Net)

Property and equipment consisted of the following at December 31, 2023:

Land and Improvements	\$ 276,766
Buildings and Improvements	2,096,417
Furnishings, Fixtures and Equipment	<u>679,663</u>
	3,052,846
Accumulated Depreciation	<u>(2,248,534)</u>
	<u>\$ 804,312</u>

Current year depreciation expense is \$159,628.

Note 5 – Intangible Assets

The Chamber's intangible assets are amortized on a straight line basis. During the year ended December 31, 2023, the gross carrying amount of the intangible asset(s) was \$727,083. Accumulated amortization for the year ended December 31, 2023 was \$145,417.

Note 6 – Investments

The Chamber has U.S. treasury securities, which are stated at a fair market value of \$10,425,191 as of December 31, 2023. The total cost of the investment portfolios was \$10,400,000 as of December 31, 2023 and the unrealized loss for the year then ended was \$183,547.

In accordance with the authoritative guidance on fair value measurements and disclosures under US GAAP, the Chamber discloses the fair value of its investments in a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for those assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the guidance are as follows:

- Level 1: Quoted market prices for identical instruments in active markets. Level 1 assets include cash, cash equivalents, bonds, and equity securities actively traded on recognized exchanges both domestic and foreign. These investments are freely tradeable and are valued based on quoted prices from active markets.
- Level 2: Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, observable inputs other than quoted prices, inputs derived principally from or corroborated by observable market data by correlation or other means. Level assets primarily consist of funds that invest in exchange-traded equity, fixed income securities, and derivatives. The receipt of information regarding underlying holdings generally is less frequent than assets classified as Level 1. Valuations are based on quoted prices or other significant observable inputs.
- Level 3: Valuation models in which significant inputs are unobservable or where there is little, if any, market activity. An investment's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgement by the Chamber. The Chamber considers observable market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple, independent sources that are

**Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2023**

actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the pricing transparency of the investment and does not necessarily correspond to the Chamber's perceived risk of that investment.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Chamber's financial instruments as stated on the Statement of Financial Position are fixed income securities and government bonds valued at Level 2 of the fair value hierarchy.

As of December 31, 2023, the Chamber's investment in U.S. Treasury securities represent 82.5% of net assets. There are no restrictions for the investment return for the year ended December 31, 2023.

Note 7 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at December 31, 2023:

Trade Accounts Payable	\$ 1,894,386
Accrued Salaries and Wages	72,477
Accrued Marketing and Group Sales	646,887
Accrued Other Expenses	<u>104,975</u>
	<u>\$ 2,718,725</u>

Note 8 – Refundable Advances – Government Grants

At December 31, 2023, Refundable Advances – Grants consisted of the following:

Local Government Funds	
1% TDF	\$ 16,841,155
City of Myrtle Beach A-Tax	1,238,803
Horry County A-Tax	105,811
Town of Surfside Beach	101,949
City of Myrtle Beach A-Tax – 5%	198,548
Horry County A-Tax – 5%	224,562
Town of Surfside Beach – 5%	107,397
State Grants	
SC Proviso	12,229,623
PRT/SCATR	149,432
Other Restricted Funding	
Airport Investments	<u>55,350</u>
	<u>\$ 31,252,630</u>

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2023

During the year ended December 31, 2023, refundable advances from government grants were recognized by incurring expenses satisfying the purpose specified by the agencies or by satisfaction of the time restrictions by the agencies as follows:

<u>Satisfaction of Project / Program Restrictions</u>	
Local Government Funds	
1% TDF	\$ 41,166,213
City of Myrtle Beach A-Tax	1,714,683
Horry County A-Tax	2,060,378
Town of Surfside Beach	443,556
City of Myrtle Beach A-Tax – 5%	
Horry County A-Tax – 5%	40,000
Town of Surfside Beach – 5%	226
State Grants	
SC Proviso	9,985,993
PRT/SCATR	422,486
Other Restricted Funding	
Airport Investments	<u>460,222</u>
Total Refundable Advances – Government Grants Recognized	<u>\$ 56,293,757</u>

Note 9 – Local Government Contingency Agreements

The Chamber reserves approximately five percent of accommodations tax revenues received from the respective local governments. These amounts are to be used for future program (advertising and promotion of tourism) expenditures related to the specific funding locality. Activity within the local government contingency accounts during the year ended December 31, 2023, was as follows:

	<u>2022</u>	<u>Additions</u>	<u>Expenditures</u>	<u>2023</u>
City of Myrtle Beach, SC	\$ 134,103	\$ 64,445	\$ 198,548	\$ 198,548
Horry County, SC	211,503	53,059	40,000	224,562
Town of Surfside Beach, SC	99,094	8,529	226	107,397
	<u>\$ 444,700</u>	<u>\$ 126,033</u>	<u>\$ 40,226</u>	<u>\$ 530,507</u>

Note 10 – Retirement Plan

The Chamber has an Internal Revenue Code Section 401(k) plan for its eligible full-time employees who have been with the Chamber for twelve months. Employer contributions to the plan during the year ended December 31, 2023 were \$126,508, which represents a matching contribution of up to 5.0% of covered employees' salaries.

Note 11 – Subsequent Events

Management has evaluated subsequent events through April 25, 2024, the date the financial statements were available to be issued.

Additional Information

Myrtle Beach Area Chamber of Commerce
Schedule of Support, Revenues and Expenses - Budget and Actual
Year Ended December 31, 2023

	<u>Budget</u>	<u>2023 Actual</u>	<u>Variance Positive (Negative)</u>
Support and Revenues			
Public Support			
Local Governments	\$ 39,088,969	\$ 45,425,057	\$ 6,336,088
Grants and Promotions	6,964,078	4,888,478	(2,075,600)
Destination Specific Matching Grants	15,000,000	15,000,000	
Membership Dues	2,305,000	2,229,018	(75,982)
Volume Based Member Contributions	1,045,444	894,209	(151,235)
Programs and Events	323,965	315,780	(8,185)
Cooperative Advertising	3,690,000	4,017,722	327,722
Other Grants		5,520,000	5,520,000
Other Revenue	914,864	1,756,840	841,976
Total Support and Revenues	<u>69,332,320</u>	<u>80,047,104</u>	<u>10,714,784</u>
Expenses			
Program Expenses			
Government - Designated Funds	510,000	29,823	(480,177)
Advertising and Promotions	69,395,060	68,008,281	(1,386,779)
Publications	1,294,350	913,941	(380,409)
Programs and Events	690,400	779,055	88,655
Member Services	147,000	162,029	15,029
Convention and Group Sales	2,766,275	2,219,434	(546,841)
Total Program Expenses	<u>74,803,085</u>	<u>72,112,563</u>	<u>(2,690,522)</u>
Personnel Expenses			
Salaries and Wages	3,901,877	3,791,717	(110,160)
Contract Labor	13,200	26,787	13,587
Payroll Taxes	246,420	240,099	(6,321)
Benefits	852,816	744,288	(108,528)
Total Personnel Expenses	<u>5,014,313</u>	<u>4,802,891</u>	<u>(211,422)</u>
Facility Expenses			
Utilities	35,000	30,203	(4,797)
Facility Services	113,650	78,579	(35,071)
Lease and Rental Expenses	36,000	29,109	(6,891)
Insurance	83,400	84,323	923
Property Tax and Licenses	65,500	79,078	13,578
Depreciation	162,000	305,045	143,045
Total Facility Expenses	<u>\$ 495,550</u>	<u>\$ 606,337</u>	<u>\$ 110,787</u>

Myrtle Beach Area Chamber of Commerce
Schedule of Support, Revenues and Expenses - Budget and Actual
Year Ended December 31, 2023

	Budget	Actual	Variance Positive (Negative)
Expenses (continued)			
Other Expenses			
Supplies and Equipment	\$ 73,400	\$ 70,035	\$ (3,365)
Postage and Freight	14,390	15,079	689
Telecommunications	85,500	75,713	(9,787)
Travel and Entertainment	170,000	146,570	(23,430)
Dues and Subscriptions	29,175	27,889	(1,286)
Meetings and Conferences	44,800	17,864	(26,936)
Training and Development	49,500	59,792	10,292
Professional and Contractual Services	306,600	180,626	(125,974)
Other Operating Expenses	97,100	91,422	(5,678)
Bad Debt Expense			
Total Operating Expenses	870,465	684,990	(185,475)
 Total Expenses	 81,183,413	 78,206,781	 (2,976,632)
 Increase (Decrease) in Net Assets	 \$ (11,851,093)	 \$ 1,840,323	 \$ 13,691,416