



October 11, 2023

Tonisha James
Grants/Accounts Payable Analyst
South Carolina Department of Parks, Recreation & Tourism
1205 Pendleton Street, Room 517
Columbia, SC 29201

Dear Tonisha:

Attached you'll find a copy of the documentation you requested to meet the guidelines for providing SCATR - Regional Promotions for the FY 2023-2024. Included with the application pages are all requested documents. If you should need anything further, please advise.

Sincerely,

Mary L Mroz

Mary Mroz
Finance Reporting Manager
Myrtle Beach Area Chamber of Commerce/CVB
Myrtle Beach, SC 29577
(843) 916-7262
Mary.Mroz@VisitMyrtleBeach.com

Basic Information for Your Organization

| Your Organization | |
|---|---|
| Name | Myrtle Beach Area Chamber of Commerce |
| Address (Street or PO Box) | 1200 N Oak Street |
| Address (City, State, Zip) | Myrtle Beach, SC 29577 |
| SCEIS Vendor Number (Determines remittance) | 17110 |
| Organization website address | myrtlebeachareachamber.com visitmyrtlebeach.com |
| Organization type (nonprofit, local government, etc.) | Non Profit Organization |

| Organization Contact | |
|----------------------|--|
| Name | Karen Riordan |
| Position | President and CEO |
| Telephone | 843-916-7240 |
| Email | Karen.Riordan@visitmyrtlebeach.com |

| State Contribution | |
|-------------------------------------|-------------------------------|
| Amount | \$40,404.56 |
| Earmark Name | SCATR Regional Promotions |
| Project Summary | Destination Tourism Marketing |
| State Agency Providing Contribution | SCPRT |

| Person Completing this Report | |
|-------------------------------|-----------------------------|
| Name | Mary Mroz |
| Position | Financial Reporting Manager |

Governing Board and Executive Officer - Nonprofit Organizations Only

For nonprofit organizations only, provide below the names of the individuals who serve on your organization's governing board and, if applicable, their board position. Please also provide the name and title of your organization's executive officer.

| Members of Your Organization's Governing Board | |
|--|--|
| Name | Board Position, if applicable |
| Ryan Swaim | Chairman |
| Alex Husner | Past Chair |
| Michael Benson | Board Member |
| Sean Bailey | Board Member |
| Woody Bronson | Board Member |
| Kristin Call | You Professionals Committee Chair |
| Chad Carlson | Board Member |
| Tracy Connor | Advocacy Council Chair |
| Hatton Gravely | Non Profit Council Chair |
| John Rutenberg | Finance Committee Chair |
| Dr Jessica Greene | Diversity Equity and Inclusion Council Chair |
| Lori Heafner | Board Member |
| Mayur Jeram | Board Member |
| Mark Loos | Board Member |
| Ross Martin | Board Member |
| Patrick Norton | Marketing Council Chair |
| Bhumi Patel | Board Member |
| Alberto Semidei | Board Member |
| Todd Setzer | Board Member |
| Chris Schroff | Board Member |
| Jacob Smith | Board Member |
| Jay Smith | Board Member |
| Eileen Soisson | Community Engagement Council Chair |
| Heidi Vokou | Business Development Committee Chair |
| | |

| Your Organization's Executive Officer | |
|---------------------------------------|-------------------|
| Name | Title |
| Karen Riordan | President and CEO |
| | |
| | |

Accounting of how the funds will be spent

Provide below an accounting of how the state funds will be spent*. Total expenditures should equal the total appropriation received. Expenditure descriptions similar to those used in your organization's accounting records should be used to maximize comparability of this budget to your organization's accounting of actual expenditures. For any category exceeding 10% of the total state contribution, provide additional details or subcategories of expenditures.

* Per Proviso 11-9-110, a contribution must not be made to an organization until it agrees in writing to allow the contribution to be audited by the State Auditor.

| Description | Budget |
|---------------------|---------------------|
| Digital Advertising | \$40,404.56 |
| | |
| | |
| | |
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| | |
| | |
| Grand Total | \$ 40,404.56 |

Insert additional lines if needed. Grand total should equal the state funds to be received.

Success Measures

List the success measures that will determine the effectiveness of the use of the state funds to be received. Success measures should be stated in a way that can be measured. At least one success measure is required, but if there are more success measures than lines provided, copy and paste the last line as needed to expand the list.

| Measure | Description |
|---------|----------------------------------|
| 1 | Economic Impact to the State |
| 2 | ROI per dollar invested |
| 3 | Visitation- occupancy rates- ADR |
| 4 | |
| 5 | |
| 6 | |
| 7 | |
| 8 | |
| 9 | |
| 10 | |
| 11 | |
| 12 | |
| 13 | |
| 14 | |
| 15 | |

At least one success measure is required. If additional lines are needed, copy and paste Measure 15.

Goals accomplished

List the goals to be accomplished with the state funds to be received. Goals should be stated in a way that can be measured. At least one goal is required, but if there are more goals than lines provided, copy and paste the last line as needed to expand the list.

| Goal | Description |
|------|---|
| 1 | influencing measurable overnight visitation from our core audience segments to the 14 communities that make up the Myrtle Beach area. |
| 2 | Continue to improve the visitor experience on VisitMyrtleBeach.com |
| 3 | Increase investment in digital advertising to expand awareness and drive incremental demand |
| 4 | Bolster year-round visitation and tourism revenues by increasing demand |
| 5 | |
| 6 | |
| 7 | |
| 8 | |
| 9 | |
| 10 | |
| 11 | |
| 12 | |
| 13 | |
| 14 | |
| 15 | |

If additional lines are needed, copy and paste Goal 15.

**Statement of Non-Discrimination
By Organizations Funded in the
South Carolina General Appropriations Act**

To meet requirements of a provision of the South Carolina General Appropriations Act regarding your funding, please fill in the blanks below, sign and return to PRT with your other credentials. If desired, you may retype the statement on your own letterhead.

Statement of Non-Discrimination

10/11/2023
Date

Assurance is hereby given by the

Myrtle Beach Area Chamber of Commerce
(Name of Organization)

that no person shall, upon the grounds of race, creed, color or national origin be excluded from participation in, be denied the benefit of or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.

Signature Karen Renda

Title President and CEO

**SOUTH CAROLINA DEPARTMENT OF PARKS, RECREATION
&
TOURISM**

PROCUREMENT CERTIFICATION FORM

GRANTEE NAME: Myrtle Beach Area Chamber of Commerce

PROJECT NAME: SCATR Regional Promotions

I hereby certify that all labor, materials and contracts acquired or performed in the accomplishment of the above named project will be accomplished in accordance with the named entity's established procurement guidelines. Any questions, concerns or grievances should be directed to this agency.

Karen Riordan
PRINTED NAME

President and CEO
TITLE

Karen Riordan
SIGNATURE

10/10/23
DATE



State of South Carolina Request for Contribution Distribution

This form is designed to collect the information required by South Carolina in accordance with Proviso 117.21 of the appropriations act and Executive Order 2022-19. This form must be submitted to the state agency that is providing the contribution for the designated organization. The state agency providing the contribution should use this form to collect information from the designated organization. The information must be collected from the designated organization before the funds can be disbursed.

| Contribution Information | | |
|--------------------------|---|--|
| Amount | State Agency Providing the Contribution | Purpose |
| \$40,404.56 | SCPRT | SCATR Regional Funds - Destination Marketing |

| Organization Information | |
|--------------------------|---|
| Entity Name | Myrtle Beach Area Chamber of Commerce |
| Address | 1200 N Oak Street |
| City/State/Zip | Myrtle Beach, SC 29577 |
| Website | myrtlebeachareachamber.com visitmyrtlebeach.com |
| SCEIS Vendor # | 17110 |
| Entity Type | Nonprofit Organization |

| Organization Contact Information | |
|----------------------------------|------------------------------------|
| Contact Name | Karen Riordan |
| Position/Title | President and CEO |
| Telephone | 843-916-7240 |
| Email | Karen.Riordan@visitmyrtlebeach.com |

| Plan/Accounting of how these funds will be spent: | | |
|---|-------------|--|
| Description | Budget | Explanation |
| Digital Advertising | \$40,404.56 | out of state advertising to drive tourism visitation |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| Grand Total | \$40,404.56 | |

Please explain how these funds will be used to provide a public benefit:

Through implementing a research-based global marketing strategy to influence tourism to Horry County, the Myrtle Beach Area Chamber of Commerce creates significant economic impact to South Carolina. Enhanced promotion to key target audiences to stimulate year-round travel (e.g. multi-generational, couples, culinary, events, live music, nature, RV/campground, girlfriend getaways, millennials, boomers, family golf, multi-cultural, fishing/boating) as well as regional event sponsorships such as Darlington Raceway, MB Pelicans and CCU sports broadcasts.

Organization Certifications

- 1) Organization hereby gives assurance that no person shall, upon the grounds of race, creed, color, or national origin, be excluded from participation in, be denied the benefit of, or be otherwise subjected to discrimination under any program or activity for which this organization is responsible.
- 2) Organization certifies that it will provide quarterly spending reports to the Agency Providing Contribution listed above.
- 3) Organization certifies that it will provide an accounting at the end of the fiscal year to the Agency Providing Contribution listed above.
- 4) Organization certifies that it will allow the State Auditor to audit or cause to be audited the contributed funds.


Organization Signature

President and CEO
Title

Karen Riordan
Printed Name

10/11/23
Date

Certifications of State Agency Providing Contribution

- 1) State Agency certifies that the planned expenditure aligns with the Agency's mission and/or the purpose specified in the appropriations act.
- 2) State Agency certifies that the Organization has set forth a public purpose to be served through receipt of the expenditure.
- 3) State Agency certifies that it will make distributions directly to the organization.
- 4) State Agency certifies that it will provide the quarterly spending reports and accounting received from the organization to the Senate Finance Committee, House Ways and Means Committee, and the Executive Budget Office by June 30, 2024.
- 5) State Agency certifies that it will publish on their website any and all reports, accountings, forms, updates, communications, or other materials required by Proviso 117.21 of the appropriations act.
- 6) State Agency will certify to the Office of the Governor that it has complied with the requirements of Executive Order 2022-19 by June 30, 2024.


Agency Head Signature

10/17/2023
Date

Duane Parrish
Printed Name

Myrtle Beach Area Chamber of Commerce
Total MBACC Consolidated
2023 Budget

Budget Approved by MBACC Board of Directors on 12/15/2022

| | 2023 Budget |
|--|------------------------|
| Non Restricted Revenues | |
| Chamber Dues | \$ 950,000 |
| CVB Investment Revenue Dues | \$ 1,355,000 |
| Ad Sales & Placement | \$ 7,500 |
| Program & Event Revenue | \$ 323,965 |
| Sponsorships | \$ 3,150,000 |
| Other Revenue | \$ 2,492,808 |
| Total Non Restricted Revenues | \$ 8,279,273 |
| DSMG Revenue | \$ 15,000,000 |
| Restricted Revenues | |
| Local Govt Revenue | \$ 39,088,969 |
| State Govt Revenue | \$ 6,964,078 |
| Total Restricted Revenues | \$ 46,053,047 |
| TOTAL REVENUES | \$ 69,332,320 |
| Program Expenses | |
| CVB Programs Restricted | \$ 73,525,388 |
| CVB Programs Non Restricted | \$ 1,243,900 |
| Chamber Member Programs & Services Non Restricted | \$ 315,000 |
| Total Program Expenses | \$ 75,084,288 |
| Personnel Expenses | \$ 4,741,010 |
| Operating Expenses | \$ 862,565 |
| Facility Expenses | \$ 184,650 |
| Fixed Expenses | \$ 310,900 |
| TOTAL EXPENSES | \$ 81,183,413 |
| INCREASE (DECREASE) IN NET ASSETS | \$ (11,851,093) |
| Non Restricted Revenues | \$ 8,279,273 |
| Non Restricted Expenses | \$ 7,658,025 |
| Non Restricted Variance | \$ 621,248 |
| Restricted Revenues | \$ 61,053,047 |
| Restricted Expenses | \$ 73,525,388 |
| \$6.9M ARPA Grant and \$5.6M to Spend Down Restricted Balance | \$ (12,472,341) |
| Restricted Variance | \$ - |
| Capital Expenses Budget Requests | \$ 150,000 |

South Carolina Secretary of State

Business Entities Online

File, Search, and Retrieve Documents Electronically

MYRTLE BEACH AREA CHAMBER OF COMMERCE THE

Corporate Information

Entity Id: 00017110

Entity Type: Nonprofit

Status: Good Standing

Domestic/Foreign: Domestic

Incorporated State: South Carolina

Important Dates

Effective Date: 09/11/1947

Expiration Date N/A

:

Term End Date: N/A

Dissolved Date: N/A

Registered Agent

Agent: BRAD DEAN

Address: 1200 N OAK ST
MYRTLE BEACH, South Carolina 29577

Official Documents On File

| Filing Type | Filing Date |
|---------------------------|-------------|
| Change of Agent or Office | 09/19/2003 |
| Amendment | 07/22/1999 |
| Amendment | 08/24/1979 |
| Incorporation | 09/11/1947 |

Former Names

| Name | Filing Date |
|------|-------------|
|------|-------------|

MYRTLE BEACH CHAMBER OF COMMERCE THE

N/A

For filing questions please contact us at **803-734-2158**

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Myrtle Beach Area Chamber of Commerce
Financial Statements and Additional Information
Year Ended December 31, 2022

**Myrtle Beach Area Chamber of Commerce
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December 31, 2022**

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Certified Public Accountants & Consultants

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4728 Jenn Drive
Suite 100
Myrtle Beach, SC 29577

Phone (843) 448-8334
Fax (843) 626-7363
www.sccpa.com

Conway
1109 Main Street
Suite A
Conway, SC 29526

Phone (843) 248-5284
Fax (843) 381-0027
www.sccpa.com

Pawleys Island
245 Business Center Drive
Suite 4A
Pawleys Island, SC 29585

Phone (843) 237-3453
Fax (843) 237-4809
www.sccpa.com

Independent Auditors' Report

To the Board of Directors
Myrtle Beach Area Chamber of Commerce
Myrtle Beach, South Carolina

Opinion

We have audited the accompanying financial statements of the Myrtle Beach Area Chamber of Commerce (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 Myrtle Beach Area Chamber of Commerce as of December 31, 2022, 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 Myrtle Beach Area Chamber of Commerce 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 Myrtle Beach Area Chamber of Commerce'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 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, 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 Myrtle Beach Area Chamber of Commerce'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 Myrtle Beach Area Chamber of Commerce'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 Myrtle Beach Area Chamber of Commerce's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 23, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Additional 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 20, 2023



Myrtle Beach Area Chamber of Commerce
Statement of Financial Position
December 31, 2022
With Comparative Amounts for December 31, 2021

| | <u>2022</u> | <u>2021</u> |
|---|-----------------------------|-----------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 37,385,760 | \$ 36,226,606 |
| Trade Receivables (Net) | 448,620 | 2,396,825 |
| Investments | 8,028,644 | |
| Prepaid Marketing | 975,498 | 1,356,788 |
| Prepaid Insurance | 48,427 | 46,009 |
| Property and Equipment (Net) | 831,260 | 804,759 |
| Intangible Assets (Net) | <u>872,500</u> | |
| TOTAL ASSETS | <u>\$ 48,590,709</u> | <u>\$ 40,830,987</u> |
| LIABILITIES AND NET ASSETS | | |
| Liabilities | | |
| Accounts Payable and Accrued Expenses | \$ 2,084,844 | \$ 2,927,727 |
| Refundable Advances | | |
| Membership and Related Dues | 1,670,504 | 1,910,578 |
| Grants | <u>34,039,295</u> | <u>27,425,776</u> |
| Total Liabilities | <u>37,794,643</u> | <u>32,264,081</u> |
| Net Assets | | |
| Without Contractual Restrictions | <u>10,796,066</u> | <u>8,566,906</u> |
| Total Net Assets | <u>10,796,066</u> | <u>8,566,906</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u>\$ 48,590,709</u> | <u>\$ 40,830,987</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, 2022
With Comparative Totals for December 31, 2021

| | Without Contractual Restrictions | With Contractual Restrictions | Totals | |
|--|--|-------------------------------------|----------------------|---------------------|
| | | | 2022 | 2021 |
| Support and Revenues | | | | |
| Public Support | | | | |
| Local Governments | \$ | \$ 29,387,186 | \$ 29,387,186 | \$ 24,158,613 |
| Grants and Promotions | | 10,187,475 | 10,187,475 | 9,730,205 |
| Destination Specific Matching Grants | 15,000,000 | | 15,000,000 | 15,000,000 |
| Membership Dues | 2,793,424 | | 2,793,424 | 2,402,039 |
| Volume Based Member Contributions | 1,009,538 | | 1,009,538 | 931,412 |
| Programs and Events | 332,374 | | 332,374 | 236,885 |
| Cooperative Advertising | 2,089,718 | 209,428 | 2,299,146 | |
| COVID Relief Grants | | 6,900,000 | 6,900,000 | 4,829,137 |
| Other Revenue | 627,504 | | 627,504 | 1,862,229 |
| Total Support and Revenues | <u>21,852,558</u> | <u>46,684,089</u> | <u>68,536,647</u> | <u>59,150,520</u> |
| Net Assets Released From Restrictions | <u>46,684,089</u> | <u>(46,684,089)</u> | | |
| Program Expenses | | | | |
| Tourism Development | 62,336,300 | | 62,336,300 | 55,949,466 |
| Business Development | 1,366,891 | | 1,366,891 | 966,595 |
| Advocacy | 1,010,198 | | 1,010,198 | 515,998 |
| Community Development | 390,532 | | 390,532 | 246,218 |
| Total Program Expenses | <u>65,103,921</u> | | <u>65,103,921</u> | <u>57,678,277</u> |
| Support Services | | | | |
| Administration and Operations | <u>1,203,566</u> | | <u>1,203,566</u> | <u>1,358,309</u> |
| Total Expenses | <u>66,307,487</u> | | <u>66,307,487</u> | <u>59,036,586</u> |
| Increase in Net Assets | 2,229,160 | | 2,229,160 | 113,934 |
| Net Assets - Beginning | 8,566,906 | | 8,566,906 | 8,452,972 |
| Net Assets - Ending | <u>\$ 10,796,066</u> | <u>\$</u> | <u>\$ 10,796,066</u> | <u>\$ 8,566,906</u> |

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, 2022
With Comparative Amounts for December 31, 2021

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| Cash Flows From Operating Activities | | |
| Increase in Net Assets | \$ 2,229,160 | \$ 113,934 |
| Adjustments to Reconcile Increase in Net Assets to Net Cash and Cash Equivalents Provided from Operating Activities | | |
| Depreciation | 150,761 | 131,957 |
| Gain on Disposal of Assets | | (16,000) |
| Unrealized Gain on Investments | (31,126) | |
| Decrease in Accounts Receivable | 1,948,205 | 6,337,164 |
| (Increase) Decrease in Prepaid Marketing | 381,290 | (353,128) |
| (Increase) in Prepaid Insurance | (2,418) | (2,712) |
| Increase (Decrease) in Accounts Payable and Accrued Expenses | (842,883) | 2,413,500 |
| Increase in Refundable Advances | 6,373,445 | 11,156,097 |
| Net Cash and Cash Equivalents From Operating Activities | <u>10,206,434</u> | <u>19,780,812</u> |
| Cash Flows From Investing Activities | | |
| Purchases of Property and Equipment | (177,262) | (93,758) |
| Proceeds from Sale of Property and Equipment | | 16,000 |
| Purchases of Intangible Assets | (872,500) | |
| Purchases of Investments | (7,997,518) | |
| Net Cash and Cash Equivalents From Investing Activities | <u>(9,047,280)</u> | <u>(77,758)</u> |
| Net Increase in Cash and Cash Equivalents | 1,159,154 | 19,703,054 |
| Cash and Cash Equivalents - Beginning | <u>36,226,606</u> | <u>16,523,552</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 37,385,760</u> | <u>\$ 36,226,606</u> |

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

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 \$34,039,295 and \$27,425,776 at December 31, 2022 and 2021, 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 and recorded as Refundable Advances – Membership and Related Dues were \$1,670,504 and \$1,910,578 at December 31, 2022 and 2021, respectively.

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2022

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, 2022.

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, 2022. 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, 2022.

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2022

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, 2022, 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 |

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.

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 consolidated financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Recent Issued Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), and has since issued amendments thereto, related to the accounting for leases (collectively referred to as "ASC 842"). During the year ending December 31, 2022, the Company adopted ASC 842, which did not have a material effect on the Chamber's financial statements.

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.

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2022

| | |
|---|----------------------|
| Financial assets at December 31, 2022 | |
| Cash and Cash Equivalents | \$ 37,385,760 |
| Trade Receivables (Net) | 448,620 |
| Investments | <u>8,028,644</u> |
| Total Financial Assets at December 31, 2022 | \$ <u>45,863,024</u> |

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

| | |
|---|------------------|
| Board Designation without Contractual Restrictions | |
| Capital Projects | (150,000) |
| Leadership Grand Strand Alumni | (31,286) |
| Leadership Grand Strand | (35,914) |
| Leadership Grand Strand Scholarship Fund | <u>(5,838)</u> |
| Total Contractual Restrictions and Board Designations | <u>(223,038)</u> |

| | |
|--|----------------------|
| Financial assets available to meet cash needs for general expenditures within twelve months | \$ <u>45,639,986</u> |
|--|----------------------|

Note 3 – Board Designated Reserves

The Board of Directors has designated the following net assets at December 31, 2022:

| | |
|---|----------------------|
| Net Assets Without Contractual Restrictions | |
| Operating Reserves | \$ 10,573,028 |
| Capital Projects | 150,000 |
| Leadership Grand Strand Alumni | 31,286 |
| Leadership Grand Strand | 35,914 |
| Leadership Grand Strand Scholarship Fund | <u>5,838</u> |
| Total Net Assets Without Contractual Restrictions | \$ <u>10,796,066</u> |

Note 4 – Property and Equipment (Net)

Property and equipment consisted of the following at December 31, 2022:

| | |
|-------------------------------------|--------------------|
| Land and Improvements | \$ 276,766 |
| Buildings and Improvements | 2,093,624 |
| Furnishings, Fixtures and Equipment | <u>578,687</u> |
| | 2,949,077 |
| Accumulated Depreciation | <u>(2,117,817)</u> |
| | \$ <u>831,260</u> |

Current year depreciation expense is \$150,761.

Note 5 – Intangible Assets

The Chamber's intangible assets are amortized on a straight line basis. During the year ended December 31, 2022, the gross carrying amount of the intangible asset(s) was \$872,500. There was no accumulated amortization for the year ended December 31, 2022.

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2022

Note 6 – Investments

The Chamber has U.S. treasury securities, which are stated at a fair market value of \$8,028,644 as of December 31, 2022. The total cost of the investment portfolio was \$7,997,518 as of December 31, 2022 and the unrealized gain for the year then ended was \$31,126.

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 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, government bonds valued at Level 2 of the fair value hierarchy.

As of December 31, 2022, the Chamber's investment in U.S. Treasury securities represented 74.4% of net assets. There are no restrictions for the investment return for the year ended December 31, 2022.

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2022

Note 7 – Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consisted of the following at December 31, 2022:

| | |
|-----------------------------------|---------------------|
| Trade Accounts Payable | \$ 1,278,802 |
| Accrued Salaries and Wages | 58,898 |
| Accrued Marketing and Group Sales | 646,560 |
| Accrued Other Expenses | <u>100,584</u> |
| | <u>\$ 2,084,844</u> |

Note 8 – Refundable Advances – Government Grants

At December 31, 2022, Refundable Advances – Grants consisted of the following:

| | |
|---------------------------------|----------------------|
| Local Government Funds | |
| 1% TDF | \$ 21,893,431 |
| City of Myrtle Beach A-Tax | 843,281 |
| Horry County A-Tax | 282,769 |
| Town of Surfside Beach | 209,244 |
| City of Myrtle Beach A-Tax – 5% | 134,103 |
| Horry County A-Tax – 5% | 211,503 |
| Town of Surfside Beach – 5% | 99,094 |
| State Grants | |
| SC Proviso | 9,895,616 |
| PRT/SCATR | 254,682 |
| Other Restricted Funding | |
| Airport Investments | <u>215,572</u> |
| | <u>\$ 34,039,295</u> |

During the year ended December 31, 2022, 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:

Satisfaction of Project / Program Restrictions

| | |
|--|----------------------|
| Local Government Funds | |
| 1% TDF | \$ 25,275,565 |
| City of Myrtle Beach A-Tax | 1,975,976 |
| Horry County A-Tax | 1,885,748 |
| Town of Surfside Beach | 199,737 |
| City of Myrtle Beach A-Tax – 5% | 10,000 |
| Horry County A-Tax – 5% | 40,000 |
| Town of Surfside Beach – 5% | 160 |
| State Grants | |
| SC Proviso | 16,794,173 |
| PRT/SCATR | 293,302 |
| Other Restricted Funding | |
| Airport Investments | <u>209,428</u> |
| Total Refundable Advances – Government Grants Recognized | <u>\$ 46,684,089</u> |

Myrtle Beach Area Chamber of Commerce
Notes to Financial Statements
December 31, 2022

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, 2022, was as follows:

| | Balance 12/31/21 | Additions | Expenditures | Balance 12/31/22 |
|----------------------------|---------------------|-------------------|------------------|---------------------|
| City of Myrtle Beach, SC | \$ 33,300 | \$ 110,803 | \$ 10,000 | \$ 134,103 |
| Horry County, SC | 148,253 | 103,250 | 40,000 | 211,503 |
| Town of Surfside Beach, SC | 83,695 | 15,559 | 160 | 99,094 |
| | <u>\$ 265,248</u> | <u>\$ 229,612</u> | <u>\$ 50,160</u> | <u>\$ 444,700</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, 2022 were \$125,946, 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 20, 2023, 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, 2022

| | <u>Budget</u> | <u>2022 Actual</u> | <u>Variance Positive (Negative)</u> |
|--------------------------------------|----------------------|------------------------|---|
| Support and Revenues | | | |
| Public Support | | | |
| Local Governments | \$ 36,325,697 | \$ 29,387,186 | \$ (6,938,511) |
| Grants and Promotions | 6,937,774 | 10,187,475 | 3,249,701 |
| Destination Specific Matching Grants | 15,000,000 | 15,000,000 | |
| Membership Dues | 2,874,582 | 2,793,424 | (81,158) |
| Volume Based Member Contributions | 1,205,966 | 1,009,538 | (196,428) |
| Programs and Events | 272,167 | 332,374 | 60,207 |
| Cooperative Advertising | 2,300,000 | 2,299,146 | |
| COVID Relief Grants | | 6,900,000 | 6,900,000 |
| Other Revenue | 285,500 | 627,504 | 342,004 |
| Total Support and Revenues | \$ 65,201,686 | \$ 68,536,647 | \$ 3,335,815 |
| Expenses | | | |
| Program Expenses | | | |
| Government - Designated Funds | \$ 440,000 | \$ 25,159 | \$ (414,841) |
| Advertising and Promotions | 59,769,250 | 57,416,737 | (2,352,513) |
| Publications | 2,326,000 | 759,098 | (1,566,902) |
| Programs and Events | 598,650 | 659,951 | 61,301 |
| Member Services | 17,750 | 82,122 | 64,372 |
| Convention and Group Sales | 2,729,096 | 1,753,078 | (976,018) |
| Total Program Expenses | \$ 65,880,746 | \$ 60,696,145 | \$ (5,184,601) |
| Personnel Expenses | | | |
| Salaries and Wages | \$ 3,700,016 | \$ 3,513,993 | \$ (186,023) |
| Contract Labor | 16,450 | 19,996 | 3,546 |
| Payroll Taxes | 246,605 | 219,034 | (27,571) |
| Benefits | 791,760 | 738,214 | (53,546) |
| Total Personnel Expenses | \$ 4,754,831 | \$ 4,491,237 | \$ (263,594) |
| Facility Expenses | | | |
| Utilities | \$ 32,000 | \$ 28,360 | \$ (3,640) |
| Facility Services | 103,400 | 75,689 | (27,711) |
| Lease and Rental Expenses | 35,000 | 37,612 | 2,612 |
| Insurance | 81,825 | 75,639 | (6,186) |
| Property Tax and Licenses | 64,100 | 75,889 | 11,789 |
| Depreciation | 136,800 | 150,761 | 13,961 |
| Total Facility Expenses | \$ 453,125 | \$ 443,950 | \$ (9,175) |

Myrtle Beach Area Chamber of Commerce
Schedule of Support, Revenues and Expenses - Budget and Actual
Year Ended December 31, 2022

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------------|--------------------------------|---|
| Expenses (continued) | | | |
| Other Expenses | | | |
| Supplies and Equipment | \$ 50,690 | \$ 57,959 | \$ 7,269 |
| Postage and Freight | 15,890 | 8,895 | (6,995) |
| Telecommunications | 81,740 | 78,285 | (3,455) |
| Travel and Entertainment | 141,875 | 139,951 | (1,924) |
| Dues and Subscriptions | 20,820 | 24,242 | 3,422 |
| Meetings and Conferences | 41,250 | 34,638 | (6,612) |
| Training and Development | 44,880 | 24,290 | (20,590) |
| Professional and Contractual Services | 330,950 | 219,665 | (111,285) |
| Other Operating Expenses | 66,700 | 85,430 | 18,730 |
| Bad Debt Expense | | 2,800 | 2,800 |
| Total Operating Expenses | <u>\$ 794,795</u> | <u>\$ 676,155</u> | <u>\$ (118,640)</u> |
| Total Expenses | <u>\$ 71,883,497</u> | <u>\$ 66,307,487</u> | <u>\$ (5,576,010)</u> |
| Increase (Decrease) in Net Assets | <u><u>\$ (6,681,811)</u></u> | <u><u>\$ 2,229,160</u></u> | <u><u>\$ 8,910,971</u></u> |