

**Myrtle Beach Area Chamber of Commerce**  
**Financial Statements and Additional Information**  
**Year Ended December 31, 2025**

**Myrtle Beach Area Chamber of Commerce  
Table of Contents  
December 31, 2025**

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7
<b>Additional Information</b>	
Schedule of Support, Revenues and Expenses - Budget to Actual	15



Trusted Advisors Since 1948

## **Independent Auditors' Report**

To the Board of Directors  
of 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, 2025, 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, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 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 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

#### **Disclaimer of Opinion on 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, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Smith Sapp Professional Association  
Certified Public Accountants

Myrtle Beach, South Carolina  
April 23, 2026

**Myrtle Beach Area Chamber of Commerce**  
**Statement of Financial Position**  
**December 31, 2025**  
**With Comparative Amounts for December 31, 2024**

	2025	2024
<b>Assets</b>		
Cash and Cash Equivalents	\$ 17,231,615	\$ 22,945,069
Trade Receivables, net	510,868	395,420
Grant Receivable	1,895,009	
Investments	9,181,047	12,945,225
Prepaid Marketing	3,324,971	3,095,109
Prepaid Insurance	71,038	61,686
Property and Equipment, net	756,572	768,005
Intangible Assets, net	1,076,000	946,833
Total Assets	\$ 34,047,120	\$ 41,157,347
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 4,470,974	\$ 4,976,607
Deferred Revenue	1,541,120	917,021
Refundable Advances	13,758,981	21,444,882
Total Liabilities	19,771,075	27,338,510
<b>Net Assets</b>		
Without Donor Restrictions	14,276,045	13,818,837
Total Net Assets	14,276,045	13,818,837
<b>Total Liabilities and Net Assets</b>	\$ 34,047,120	\$ 41,157,347

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

**Myrtle Beach Area Chamber of Commerce**  
**Statement of Activities**  
**Year Ended December 31, 2025**  
**With Comparative Amounts for December 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Totals	
			2025	2024
<b>Support and Revenues</b>				
Public Support				
Local Governments	\$	\$ 43,649,836	\$ 43,649,836	\$ 49,305,084
Grants and Promotions		8,100,020	8,100,020	6,598,902
Destination Specific Matching Grants	15,000,000		15,000,000	15,000,000
Membership Dues	846,765		846,765	868,957
Volume Based Member Contributions	897,905		897,905	964,206
Programs and Events	355,536		355,536	352,559
Cooperative Advertising	5,227,442		5,227,442	5,245,998
Other Grants		4,191,830	4,191,830	3,460,884
Investment Income	984,292		984,292	1,617,699
Other Income	166,532		166,532	215,289
Total Support and Revenues	<u>23,478,472</u>	<u>55,941,686</u>	<u>79,420,158</u>	<u>83,629,578</u>
<b>Net Assets Released From Restrictions</b>	<u>55,941,686</u>	<u>(55,941,686)</u>		
<b>Program Expenses</b>				
Tourism Development	73,635,783		73,635,783	77,193,227
Business Development	1,876,026		1,876,026	1,965,601
Advocacy	1,415,519		1,415,519	1,292,878
Community Development	495,506		495,506	555,421
Total Program Expenses	<u>77,422,834</u>		<u>77,422,834</u>	<u>81,007,127</u>
<b>Supporting Services</b>	<u>1,540,116</u>		<u>1,540,116</u>	<u>1,440,003</u>
Total Expenses	<u>78,962,950</u>		<u>78,962,950</u>	<u>82,447,130</u>
<b>Increase in Net Assets</b>	457,208		457,208	1,182,448
<b>Net Assets - Beginning</b>	13,818,837		13,818,837	12,636,389
<b>Net Assets - Ending</b>	<u>\$ 14,276,045</u>	<u>\$</u>	<u>\$ 14,276,045</u>	<u>\$ 13,818,837</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, 2025**  
**With Comparative Amounts for December 31, 2024**

	Tourism Development	Business Development	Advocacy	Community Development	Administration and Operations	Totals	
						2025	2024
Advertising and Promotions	\$ 65,917,149	132,670		75,000		\$ 66,124,819	\$ 70,380,671
Publications	1,794,463					1,794,463	1,409,319
Government - Designated Funds	135,237					135,237	81,261
Programs and Events	38,802	217,159	380,379	63,562		699,902	746,004
Convention and Group Sales	2,569,536					2,569,536	2,599,317
Member Services		153,961				153,961	153,391
Employee Compensation	2,622,336	1,113,226	969,573	249,177	907,825	5,862,137	5,640,260
Facility Expenses	389,460	132,415	23,367	23,367	210,300	778,909	672,604
Other Expenses	168,800	126,595	42,200	84,400	421,991	843,986	764,303
Total Expenses	<u>\$ 73,635,783</u>	<u>\$ 1,876,026</u>	<u>\$ 1,415,519</u>	<u>\$ 495,506</u>	<u>\$ 1,540,116</u>	<u>\$ 78,962,950</u>	<u>\$ 82,447,130</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, 2025**  
**With Comparative Amounts for December 31, 2024**

	2025	2024
<b>Cash Flows From Operating Activities</b>		
Increase in Net Assets	\$ 457,208	\$ 1,182,448
Adjustments to Reconcile Increase in Net Assets to Net Cash and Cash Equivalents Provided from Operating Activities		
Depreciation and Amortization	432,034	361,325
Change in Realized and Unrealized Gain on Investments	(42,833)	(229,716)
(Increase) Decrease in Accounts Receivable	(115,448)	(127,987)
Increase in Grant Receivable	(1,895,009)	
(Increase) Decrease in Prepaid Marketing	(229,862)	132,598
(Increase) Decrease in Prepaid Insurance	(9,352)	(8,441)
Increase (Decrease) in Accounts Payable and Accrued Expenses	(505,633)	1,908,814
Increase in Deferred Revenue	624,099	119,620
Decrease in Refundable Advances	(7,685,901)	(9,807,748)
<b>Net Cash and Cash Equivalents From Operating Activities</b>	<b>(8,970,697)</b>	<b>(6,469,087)</b>
 <b>Cash Flows From Investing Activities</b>		
Purchases of Property and Equipment	(149,768)	(129,768)
Purchases of Intangible Assets	(400,000)	(415,000)
Purchases of Investments	(9,147,694)	(12,686,649)
Proceeds from Sale of Investments	12,954,705	10,396,331
<b>Net Cash and Cash Equivalents From Investing Activities</b>	<b>3,257,243</b>	<b>(2,835,086)</b>
 <b>Net Increase in Cash and Cash Equivalents</b>	<b>(5,713,454)</b>	<b>(9,304,173)</b>
 <b>Cash and Cash Equivalents - Beginning</b>	<b>22,945,069</b>	<b>32,249,242</b>
 <b>Cash and Cash Equivalents - Ending</b>	<b>\$ 17,231,615</b>	<b>\$ 22,945,069</b>

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

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

---

**Note 1 – Summary of Significant Accounting Policies**

**Organization**

The Myrtle Beach Area Chamber of Commerce (the “Chamber”) is a nonprofit organization 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, Support Services, 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”).

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.

**Revenue Recognition**

*Membership Dues*

Membership dues are accounted for as exchange transactions under ASC Topic 606. Membership provides customers with access to benefits over the membership period. The Chamber has concluded that membership represents a single performance obligation consisting of a stand-ready obligation to provide services over the membership term. Revenue is recognized ratably over the membership period, generally one year, as the member simultaneously receives and consumes the benefits.

The Chamber acts as an agent for certain membership dues collected on behalf of an affiliated organization. As the Chamber does not control these funds and does not have discretion in their use, such amounts are excluded from revenue. Amounts collected and not yet remitted are recorded as liabilities. For the year ended December 31, 2025, the Chamber remitted approximately \$500,000 to the affiliated entity, and as of December 31, 2025, the Chamber had a liability of approximately \$400,000 related to dues collected to be remitted.

*Cooperative Advertising*

Cooperative advertising revenue consists of fees for sponsorships, advertising placements, and promotional services and is accounted for as exchange transactions under ASC Topic 606. Performance obligations are identified based on specific services promised in each arrangement. Revenue is recognized when control of the promised services is transferred to the customer, either at a point in time or over time, depending on the nature of the services provided. Amounts deferred due to the service not yet having been provided are recorded as Deferred Revenue and were \$1,541,120 at December 31, 2025.

*Contributions*

Contributions received and unconditional promises to give are recognized as revenue when received or unconditionally promised and are measured at their fair values. Contributions are reported as increases in net assets without donor restrictions unless donor-imposed restrictions are present. Contributions with donor restrictions are reported as increases in net assets with donor restrictions and are reclassified to net assets without donor restrictions when the restrictions are satisfied. Conditional contributions are not recognized

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

---

until the conditions on which they depend have been substantially met. Amounts received in advance of satisfying conditions are recorded as refundable advances.

*Government Grants*

The Chamber receives funding from state and local governmental agencies to support tourism promotion and economic development activities. Management has evaluated these grants in accordance with ASC 958-605, *Revenue Recognition for Not-for-Profit Entities*, and has concluded that these arrangements are non-exchange transactions because the resource providers do not receive commensurate value in return for the resources provided. These grants are considered conditional contributions as they contain both (i) a barrier to entitlement and (ii) a right of return. The barrier is satisfied as the Chamber incurs qualifying expenditures in accordance with the grant agreements. Provisions requiring the return of unspent funds or disallowed costs establish a right of return. Accordingly, amounts received in advance of satisfying these conditions are recorded as refundable advances within liabilities on the statement of financial position. At December 31, 2025, refundable advances related to these grants totaled \$13,758,981.

A substantial portion of the Chamber's revenue is derived from governmental grants. The Chamber's ability to carry out its programs is dependent upon the continued availability of such funding. See Note 8 for additional information on refundable advances related to government grants.

*Contract Balances*

Accounts receivable are recognized when the Chamber has an unconditional right to consideration. Contract liabilities (deferred revenue) consist of amounts received in advance of satisfying performance obligations and relate primarily to membership dues and cooperative advertising. Revenue recognized during the year from amounts included in contract liabilities at the beginning of the period relates primarily to membership dues and cooperative advertising services recognized over time. Refundable advances represent amounts received under conditional contribution arrangements for which the conditions have not yet been met.

*Performance Obligations*

Performance obligations related to membership dues are satisfied over time as services are provided over the membership period. Performance obligations related to cooperative advertising are satisfied either at a point in time or over time depending on the nature of the services provided. The transaction price is allocated to each performance obligation based on the relative standalone selling price of the services promised in the contract.

**Net Assets**

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

Net Assets With Donor Restrictions - Net assets subject to donor restrictions. Some donor 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 Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions.

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

---

**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 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.

**Receivables and Allowance for Credit Losses**

Receivables consist primarily of amounts due from members, governmental agencies, and other program-related activities. Receivables are stated at the amount management expects to collect.

The Chamber evaluates its allowance for credit losses in accordance with ASC 326, *Financial Instruments – Credit Losses*. The allowance is based on historical collection experience, current economic conditions, and reasonable and supportable forecasts that affect the collectability of receivables.

In estimating expected credit losses, the Chamber considers factors such as the aging of receivables, subsequent collections, historical write-off experience, and the creditworthiness of counterparties.

Based on this analysis, management determined that an allowance for credit losses was not necessary as of December 31, 2025, as substantially all receivables are expected to be collectible and historical credit losses have been insignificant.

**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 ended December 31, 2025, 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.

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

---

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 organization 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.

**Concentration of Credit Risk**

The Chamber maintains bank accounts with various financial institutions which are all insured at December 31, 2025.

Concentrations of credit risk with regard to receivables are limited due to the large number of accounts and their dispersion across different industries.

**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, 2024, from which the summarized information was derived.

**Note 2 – Liquidity and Availability of Financial Assets**

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 refundable advance obligation, donor restrictions or board designations within one year of the statement of financial position date.

Financial assets at December 31, 2025	
Cash and Cash Equivalents	\$ 17,231,615
Trade Receivables, net	510,868
Grant Receivable	1,895,009
Investments	<u>9,181,047</u>
Total Financial Assets at December 31, 2025	<u>28,818,539</u>
Less amounts unavailable for general use:	
Refundable Advances – (Note 8)	(13,758,981)
Total Board Designations (Note 3)	<u>(256,089)</u>
Financial assets available to meet cash needs for unrestricted and undesignated expenditures within twelve months	\$ <u>14,803,469</u>

As part of the Chamber’s liquidity management plan, cash in excess of daily requirements and its donor restrictions is invested in interest bearing financial assets and cash sweep accounts. Amounts that are unavailable for general purposes include refundable advances from government programs as enumerated in

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

Note 8 “Refundable Advances”. In addition, the board has also designated reserves for specific programs. The Chamber’s operating reserves are included in financial assets available for general expenditure as they are not subject to external restrictions and may be utilized at the discretion of the Board of Directors.

**Note 3 – Board Designated Reserves**

The Board of Directors has designated the following net assets at December 31, 2025:

Net Assets Without Donor Restrictions	
Capital Projects	\$ 150,000
Leadership Grand Strand Alumni	9,780
Leadership Grand Strand	86,904
Leadership Grand Strand Scholarship Fund	<u>9,405</u>
	<u>256,089</u>
Operating Reserves	<u>14,019,956</u>
Total Net Assets Without Donor Restrictions	<u>\$ 14,276,045</u>

**Note 4 – Property and Equipment, net**

Property and equipment consisted of the following at December 31, 2025:

Land and Improvements	\$ 276,766
Buildings and Improvements	2,247,006
Furnishings, Fixtures and Equipment	<u>749,181</u>
	3,272,953
Accumulated Depreciation	<u>(2,516,381)</u>
	<u>\$ 756,572</u>

Depreciation expense was \$161,201 for the year ended December 31, 2025.

**Note 5 – Intangible Assets, net**

Intangible assets consist primarily of capitalized costs related to the Chamber’s “Visit Myrtle Beach” website, which is considered a finite-lived intangible asset. Intangible assets are recorded at cost and amortized on a straight-line basis over their estimated useful life of five years.

Intangible assets consisted of the following at December 31, 2025:

Website Costs	\$ 1,687,500
Accumulated Amortization	<u>(611,500)</u>
Intangible Assets, net	<u>1,076,000</u>

Amortization expense was \$270,833 for the year ended December 31, 2025.

**Note 6 – Investments**

The Chamber holds U.S. Treasury Securities, which are stated at a fair market value and cost of \$9,181,047 and \$9,150,855, respectively, resulting in a cumulative unrealized gain of \$30,192 as of December 31, 2025.

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:

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

---

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Chamber has the ability to access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include quoted prices for similar assets in active markets and quoted prices for identical or similar assets in markets that are not active.

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 judgment 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 investments consist of U.S. Treasury securities. U.S. Treasury securities are classified within Level 1 of the fair value hierarchy. As of December 31, 2025, the Chamber's investment in U.S. Treasury securities represents 27.0% of net assets.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury Securities	\$ 9,181,047	\$ _____	\$ _____	\$ 9,181,047
Total	<u>\$ 9,181,047</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 9,181,047</u>

**Note 7 – Accounts Payable and Accrued Expenses**

Accounts payable and accrued expenses consisted of the following at December 31, 2025:

Trade Accounts Payable	\$ 2,904,803
Accrued Salaries and Wages	134,129
Accrued Marketing and Group Sales	913,071
Accrued Other	<u>518,971</u>
	<u>\$ 4,470,974</u>

**Note 8 – Refundable Advances**

At December 31, 2025, Refundable Advances consisted of the following:

Local Government Funds	
1% TDF	\$ 3,053,636
City of Myrtle Beach A-Tax	936,882
Horry County A-Tax	200,439
Town of Surfside Beach A-Tax	146,200
City of Myrtle Beach A-Tax – 5%	284,697
Horry County A-Tax – 5%	282,233
Town of Surfside Beach – 5%	140,563

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

State Grants	
SC Proviso	8,542,657
PRT/SCATR	<u>171,674</u>
	<u>\$ 13,758,981</u>

During the year ended December 31, 2025, 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

<u>Local Government Funds</u>	
1% TDF	\$ 38,914,878
City of Myrtle Beach A-Tax	2,122,152
Horry County A-Tax	2,142,467
Town of Surfside Beach A-Tax	355,339
City of Myrtle Beach A-Tax – 5%	15,000
Horry County A-Tax– 5%	100,000
Town of Surfside Beach – 5%	
<u>State Grants</u>	
SC Proviso	12,013,799
PRT/SCATR	<u>278,051</u>
Total Refundable Advances – Recognized	<u>\$ 55,941,686</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, 2025, was as follows:

	<u>2024</u>	<u>Additions</u>	<u>Expenditures</u>	<u>2025</u>
City of Myrtle Beach, SC	\$ 204,380	\$ 95,317	\$ 15,000	\$ 284,697
Horry County, SC	278,908	103,325	100,000	282,233
Town of Surfside Beach, SC	<u>123,209</u>	<u>17,354</u>	<u>          </u>	<u>140,563</u>
	<u>\$ 606,497</u>	<u>\$ 215,996</u>	<u>\$ 115,000</u>	<u>\$ 707,493</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, 2025 were \$168,801, which represents a matching contribution of up to 5.0% of covered employees' salaries.

**Note 11 – Concentrations and Risks**

A substantial portion of the Chamber's revenue is derived from state and local governmental agencies in the form of grants and tourism-related funding. For the year ended December 31, 2025, revenue from these sources totaled approximately \$55.9 million.

These funding sources are subject to legislative appropriation, economic conditions, and changes in governmental policy. The Chamber's ability to carry out its programs and operations is dependent upon the continued availability of such funding.

**Myrtle Beach Area Chamber of Commerce**  
**Notes to Financial Statements**  
**December 31, 2025**

---

While the Chamber receives funding from multiple governmental entities, the nature of these funding sources is similar, and a reduction in tourism-related funding or changes in governmental priorities could have a material impact on the Chamber's financial position and results of operations.

**Note 12 – Subsequent Events**

Management has evaluated subsequent events through April 23, 2026, 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 to Actual**  
**Year Ended December 31, 2025**

	<u>Budget</u>	<u>2025 Actual</u>	<u>Variance Positive (Negative)</u>
<b>Support and Revenues</b>			
Public Support			
Local Governments	\$ 48,160,598	\$ 43,649,836	\$ (4,510,762)
Grants and Promotions		8,100,020	8,100,020
Destination Specific Matching Grants	15,000,000	15,000,000	
Membership Dues	878,000	846,765	(31,235)
Volume Based Member Contributions	1,006,085	897,905	(108,180)
Programs and Events	361,966	355,536	(6,430)
Cooperative Advertising	5,295,000	5,227,442	(67,558)
Other Grants		4,191,830	4,191,830
Investment Income	1,138,400	984,292	(154,108)
Other Revenue	536,492	166,532	(369,960)
Total Support and Revenues	<u>72,376,541</u>	<u>79,420,158</u>	<u>7,043,617</u>
<b>Expenses</b>			
Program Expenses			
Government - Designated Funds	241,204	135,237	(105,967)
Advertising and Promotions	69,098,160	66,124,819	(2,973,341)
Publications	2,335,268	1,794,463	(540,805)
Programs and Events	1,230,276	699,902	(530,374)
Member Services	158,500	153,961	(4,539)
Convention and Group Sales	3,541,240	2,569,536	(971,704)
Total Program Expenses	<u>76,604,648</u>	<u>71,477,918</u>	<u>(5,126,730)</u>
Salaries and Wages	4,643,439	4,624,719	(18,720)
Contract Labor	17,250	15,000	(2,250)
Payroll Taxes	316,613	299,645	(16,968)
Benefits	1,164,452	922,773	(241,679)
Total Personnel Expenses	<u>6,141,754</u>	<u>5,862,137</u>	<u>(279,617)</u>
Facility Expenses			
Utilities	33,000	36,725	3,725
Facility Services	97,450	81,306	(16,144)
Lease and Rental Expenses	27,000	23,970	(3,030)
Insurance	105,800	103,811	(1,989)
Property Tax and Licenses	92,575	101,063	8,488
Depreciation	300,000	432,034	132,034
Total Facility Expenses	<u>\$ 655,825</u>	<u>\$ 778,909</u>	<u>\$ 123,084</u>

**Myrtle Beach Area Chamber of Commerce**  
**Schedule of Support, Revenues and Expenses - Budget to Actual**  
**Year Ended December 31, 2025**

	Budget	Actual	Variance Positive (Negative)
<b>Expenses (continued)</b>			
Other Expenses			
Supplies and Equipment	\$ 81,300	\$ 80,168	\$ (1,132)
Postage and Freight	50,600	11,159	(39,441)
Telecommunications	86,930	80,047	(6,883)
Travel and Entertainment	186,350	227,635	41,285
Dues and Subscriptions	39,790	35,455	(4,335)
Meetings and Conferences	43,050	39,252	(3,798)
Training and Development	50,100	23,417	(26,683)
Professional and Contractual Services	737,872	224,632	(513,240)
Other Operating Expenses	121,490	122,221	731
Total Operating Expenses	1,397,482	843,986	(553,496)
 Total Expenses	 84,799,709	 78,962,950	 (5,836,759)
 <b>Increase (Decrease) in Net Assets</b>	 \$ (12,423,168)	 \$ 457,208	 \$ 12,880,376