



T E N N E S S E E
Hamblen County
SERVICE • COMMUNITY • INDUSTRY
FINANCE DEPARTMENT

February 20, 2026

Morristown Area Chamber of Commerce – Tourism Program
Debra Williams, General Manager
P.O. Box 9
Morristown, TN 37814

We have begun the 2026-2027 budget process. In order to be considered for a contribution from Hamblen County, we are requesting certain information from your organization in accordance with Section 5-9-109, *Tennessee Code Annotated (TCA)*.

This year, we are requesting that your documents be submitted electronically to the Finance Department at the following email addresses:

Amanda Hale – ahale@co.hamblen.tn.us
Dennis Fox – dfox@co.hamblen.tn.us

Please provide the following items **electronically**:

- 1) proof of 501(c)(3), 501(c)(4), or 501(c)(6) IRS tax status,
Please note this is a letter from the IRS, not a letter of sales tax exemption from the Tennessee Department of Revenue
- 2) your organization’s most current audit or annual report detailing all receipts and expenditures, and
- 3) your organization’s most current budget.

Please note that in accordance with State law, the above requested information must be submitted and on file. Noncompliance with this request may prevent your organization from receiving funds. Please understand that this letter does not guarantee that you will receive a contribution. Any contribution requires county commission approval. You may be asked to appear before the Budget Committee on **Saturday, May 16, 2026**, to explain your request. The Finance Department will notify you if the Budget Committee wants to hear from you.

Please return a copy of this letter along with the requested information above to the Hamblen County Mayor’s office by **Monday, March 23, 2026**. If you have any questions, please feel free to contact me.

Sincerely,

Amanda Hale

Amanda Hale
Hamblen County Finance Director

2025-2026 Contribution: \$22,500
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Amanda Hale, Finance Director

511 West Second North Street • Morristown, TN 37814 • *office.* 423.586.1931 • *fax.* 423.585.4699
www.HamblenCountyTN.gov • *email.* ahale@co.hamblen.tn.us

EP/EO Division: CSB
P. O. Box 1055
Atlanta, Georgia 30370

EO105

VG APR 01 '88

Morristown Chamber of Commerce
P. O. Box 9
825 West First North Street
Morristown, TN 37814

Person to Contact:
Jerry L. Higgins/lrk
Contact Telephone Number:
(615) 736-7171
Reply to:
EO: 7206; JLH
Employer Identification
Number:
62-0418880

Dear Sir or Madam:

Our examination of your Form 990 for the year ended December 31, 1983, disclosed that you continue to qualify for exemption from Federal income tax. We will continue to recognize your exemption under Internal Revenue Code section 501(a) as an organization described in section 501(c)(6). There is no change in your liability for the unrelated business income tax imposed by Code section 511.

During the examination we noted certain aspects of your operation and/or reporting inadequacies which, if expanded or not corrected in subsequent years, may jeopardize your exempt status or subject you to applicable penalties.

More Specifically:

Our examination disclosed that you did not attach a copy of your depreciation schedule pursuant to Part V, item 57 of the Form 990. Please be advised that in future years this schedule must be attached. See provisions of section 6033 of the Internal Revenue Code.

If you have any questions regarding this letter, please contact the person whose name and telephone number are shown above.

Thank you for your cooperation.

Sincerely yours,

Michael J. Murphy
District Director

2026 Tourism Department
Morristown Area
Chamber of Commerce

<u>Income Line Item</u>	<u>Tourism (050)</u>
Tourism (City)	\$215,500.00
Tourism (County)	\$22,500.00
Grants (State & Federal)	\$15,300.00
Total Income	\$253,300.00
<u>Expense Line Item</u>	
Salaries	\$84,514.00
Retirement Expense	\$1,400.00
Payroll Taxes	\$6,750.00
Utilities	\$2,550.00
Telephone	\$650.00
Maintenance	\$4,200.00
General Office	\$5,250.00
Travel	\$500.00
Insurance General	\$3,000.00
Insurance Employees	\$375.00
Legal & Accounting	\$3,300.00
Dues & Subscriptions	\$4,000.00
Postage & Freight	\$975.00
Staff Development	\$500.00
Professional Meetings	\$1,000.00
Taxes	\$1,620.00
Tourism Promotions	\$106,000.00
Total Expenses before depreciation	\$226,584.00
Profit (loss) before Depreciation	\$26,716.00

MORRISTOWN AREA CHAMBER OF COMMERCE

FINANCIAL STATEMENTS

DECEMBER 31, 2025



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MORRISTOWN AREA CHAMBER OF COMMERCE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Morristown Area Chamber of Commerce
Morristown, Tennessee

Report on the Audit of the Financial Statements

Opinion

I have audited the accompanying financial statements of Morristown Area Chamber of Commerce (a nonprofit organization), which comprise the statements of financial position as of December 31, 2025, the related statements of activities and net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Morristown Area Chamber of Commerce as of December 31, 2025, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

I conducted my audits in accordance with auditing standards generally accepted in the United States of America (GAAS). My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Morristown Area Chamber of Commerce and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal controls 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 Morristown Area Chamber of Commerce's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free

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✉ terry@winsteadaccounting.com

from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my 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 GAAS 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 GAAS, I:

- 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 Morristown 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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Morristown Area Chamber of Commerce's ability to continue as a going concern for a reasonable period of time.

I am 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 I identified during the audit.

Report on Supplementary Information

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Support and Revenue 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 my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Cleveland, Tennessee
February 26, 2026

Winstead Tax &
Accounting, PLLC

MORRISTOWN AREA CHAMBER OF COMMERCE

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2025

ASSETS	
CURRENT ASSETS	
Cash	\$ 470,534
Accounts receivable	100,679
Prepaid expenses	<u>36,246</u>
Total current assets	<u>607,458</u>
PROPERTY AND EQUIPMENT	
Building and renovations	908,301
Furniture and fixtures	141,166
Equipment	<u>47,952</u>
	1,097,419
Less accumulated depreciation	<u>(889,180)</u>
Property and equipment, net	<u>208,239</u>
TOTAL ASSETS	\$ <u>815,698</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts payable	\$ 10,647
Retirement payable	5,055
Deferred revenue	<u>25,860</u>
Total current liabilities	<u>41,563</u>
NET ASSETS	
Without donor restrictions	<u>774,135</u>
TOTAL NET ASSETS	<u>774,135</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>815,698</u>

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

MORRISTOWN AREA CHAMBER OF COMMERCE

STATEMENT OF ACTIVITIES AND NET ASSETS

YEAR ENDED DECEMBER 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE			
Membership dues	\$ 267,710	\$ -	\$ 267,710
Local governments	182,150	-	182,150
Promotions	399,083	-	399,083
Grants	-	49,214	49,214
Programs and events	226,533	-	226,533
Rent	6,000	-	6,000
Interest income	17,276	-	17,276
Net assets released from restrictions	<u>49,214</u>	<u>(49,214)</u>	<u>-</u>
 Total revenue	 <u>1,147,966</u>	 <u>-</u>	 <u>1,147,966</u>
EXPENSES			
Program services	789,974	-	789,974
Management and general	<u>368,235</u>	<u>-</u>	<u>368,235</u>
 Total expenses	 <u>1,158,209</u>	 <u>-</u>	 <u>1,158,209</u>
INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(10,243)	-	(10,243)
 Net assets without donor restrictions - beginning of year	 <u>784,378</u>	 <u>-</u>	 <u>784,378</u>
 Net assets without donor restrictions - end of year	 <u>\$ 774,135</u>	 <u>\$ -</u>	 <u>\$ 774,135</u>

MORRISTOWN AREA CHAMBER OF COMMERCE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	<u>Program</u> <u>Department</u>		<u>Industrial Marketing</u> <u>Department</u>	
	Program Expenses	Management and General	Program Expenses	Management and General
Salaries	\$ 101,738	\$ 54,782	\$ 165,170	\$ 88,938
Payroll taxes	3,653	1,967	15,682	8,444
Retirement expense	1,848	995	2,376	1,279
Utilities	1,706	3,980	1,706	3,980
Telephone	452	1,054	831	1,939
Maintenance and repair	2,292	5,349	2,327	5,430
General office	3,958	9,236	3,958	9,236
Bank and credit card fees	2,206	5,146	-	-
Vehicle expense	137	137	2,473	2,473
Travel	174	407	131	307
General insurance	-	6,326	-	6,326
Employee insurance	4,777	2,572	6,605	3,556
Legal and accounting	-	4,512	-	4,512
Dues and subscriptions	1,403	1,403	4,627	4,627
Postage and freight	1,517	817	1,632	879
Membership maintenance	7,229	16,869	-	-
Staff development	1,119	1,119	358	358
Professional meetings	299	299	208	208
City and county taxes	-	3,914	-	3,620
Marketing and promotion	-	-	21,555	-
Industrial Services Council	-	-	28,767	-
Leadership Morristown	6,370	-	-	-
Annual meeting	16,058	-	-	-
Tourism promotion	-	-	-	-
Past chairmen	200	-	-	-
Tourism - ARPA	-	-	-	-
Board of Directors	807	-	-	-
Golf Tournament	9,475	-	-	-
HYPE	3,550	-	-	-
Business Services Committee	23,847	-	-	-
Christmas Parade	13,998	-	-	-
Farmers Market	-	-	-	-
	<u>208,816</u>	<u>120,886</u>	<u>258,408</u>	<u>146,114</u>
Total expenses before depreciation expense				
Depreciation	<u>1,823</u>	<u>4,253</u>	<u>1,823</u>	<u>4,253</u>
TOTAL EXPENSES	<u>\$ 210,638</u>	<u>\$ 125,139</u>	<u>\$ 260,231</u>	<u>\$ 150,367</u>

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

MORRISTOWN AREA CHAMBER OF COMMERCE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	<u>Downtown</u> <u>Department</u>		<u>Tourism</u> <u>Department</u>	
	Program Expenses	Management and General	Program Expenses	Management and General
Salaries	\$ 33,038	\$ 17,790	\$ 52,271	\$ 28,146
Payroll taxes	2,473	1,332	1,796	4,191
Retirement expense	-	-	1,056	569
Utilities	731	1,707	731	1,707
Telephone	544	1,270	194	452
Maintenance and repair	997	2,326	993	2,318
General office	1,696	3,958	2,833	2,833
Bank and credit card fees	-	-	-	-
Vehicle expense	107	107	31	31
Travel	144	337	104	242
General insurance	-	2,711	-	2,711
Employee insurance	5,037	2,712	804	433
Legal and accounting	-	1,844	-	1,934
Dues and subscriptions	188	188	2,701	2,701
Postage and freight	640	345	640	345
Membership maintenance	-	-	-	-
Staff development	631	631	320	320
Professional meetings	693	693	608	608
City and county taxes	-	1,552	-	1,552
Marketing and promotion	45,880	-	-	-
Industrial Services Council	-	-	-	-
Leadership Morristown	-	-	-	-
Annual meeting	-	-	-	-
Tourism promotion	-	-	85,198	-
Past chairmen	-	-	-	-
Tourism - ARPA	-	-	74,384	-
Board of Directors	-	-	-	-
Golf Tournament	-	-	-	-
HYPE	-	-	-	-
Business Services Committee	-	-	-	-
Christmas Parade	-	-	-	-
Farmers Market	724	-	-	-
	<u>93,524</u>	<u>39,501</u>	<u>224,665</u>	<u>51,091</u>
Total expenses before depreciation expense				
Depreciation	-	-	916	2,138
TOTAL EXPENSES	<u>\$ 93,524</u>	<u>\$ 39,501</u>	<u>\$ 225,581</u>	<u>\$ 53,229</u>

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

MORRISTOWN AREA CHAMBER OF COMMERCE

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2025

	Totals	
	<u>All Departments</u>	
	Program Expenses	Management and General
Salaries	\$ 352,217	\$ 189,655
Payroll taxes	23,604	15,933
Retirement expense	5,280	2,843
Utilities	4,874	11,374
Telephone	2,021	4,716
Maintenance and repair	6,609	15,422
General office	12,446	25,264
Bank and credit card fees	2,206	5,146
Vehicle expense	2,748	2,748
Travel	554	1,292
General insurance	-	18,075
Employee insurance	17,223	9,274
Legal and accounting	-	12,801
Dues and subscriptions	8,918	8,918
Postage and freight	4,430	2,386
Membership maintenance	7,229	16,869
Staff development	2,429	2,429
Professional meetings	1,808	1,808
City and county taxes	-	10,638
Marketing and promotion	67,435	-
Industrial Services Council	28,767	-
Leadership Morristown	6,370	-
Annual meeting	16,058	-
Tourism promotion	85,198	-
Past chairmen	200	-
Tourism - ARPA	74,384	-
Board of Directors	807	-
Golf Tournament	9,475	-
HYPE	3,550	-
Business Services Committee	23,847	-
Christmas Parade	13,998	-
Farmers Market	724	-
	<hr/>	<hr/>
Total expenses before depreciation expense	785,413	357,592
	<hr/>	<hr/>
Depreciation	4,562	10,644
	<hr/>	<hr/>
TOTAL EXPENSES	\$ 789,974	\$ 368,235

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

MORRISTOWN AREA CHAMBER OF COMMERCE

STATEMENT OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ (10,243)
Adjustment to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	15,205
(Increase) decrease in operating assets:	
Accounts receivable	2,891
Prepaid expenses	1,437
Increase (decrease) in operating liabilities:	
Accounts payable	(11,270)
Retirement payable	(5,486)
Deferred revenue	<u>(20,806)</u>
Net cash from operating activities	<u>(28,270)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases in property and equipment	<u>(48,399)</u>
Net cash from investing activities	<u>(48,399)</u>
NET CHANGE IN CASH	(76,669)
Cash - beginning of year	<u>547,203</u>
Cash - end of year	<u>\$ 470,534</u>

MORRISTOWN AREA CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations

The Morristown 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, program services, and membership dues. The Chamber operates under the following divisions: Program, Industrial Marketing, Downtown, and Tourism.

Basis of Presentation

The financial statements of the Chamber have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Chamber to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Chamber's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

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.

(Continued)

MORRISTOWN AREA CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Members' and Other Accounts Receivable

The Chamber maintains an allowance for credit losses for accounts receivable. Management assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when they identify specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, management considers historical collectability based on past due status and makes judgments about the credit worthiness of customers based on ongoing credit evaluations. Management also considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions. There is no allowance for credit losses as of December 31, 2025.

Pledged Contributions

Unconditional promises to give are reported as receivables and recognized as revenue when the pledge is made. Contributions are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions. The Chamber had no unconditional promises to give as of December 31, 2025.

Deferred Revenue

Prepaid membership dues and other programs and events for the next fiscal year are treated as deferred revenue and classified as liabilities on the statement of financial position. Such deferred revenue is recognized as revenue when the following fiscal year begins.

Property and Equipment

Property and equipment are stated at cost or if donated, at the approximate fair value at the date of the donation. Significant additions and improvements that have estimated useful lives in excess of one year and cost over \$5,000 are capitalized. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets as follows:

	Useful Life
Building and renovations	15-40 years
Furniture and fixtures	7 years
Equipment	5 years

In-kind Contributions and Exchange Transactions

Volunteers contribute significant amounts of time to the Chamber's program services, administration and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by ASC Topic 958, *Not-For-Profit Entities*.

(Continued)

MORRISTOWN AREA CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions and Exchange Transactions (Continued)

The Chamber records exchanged professional services at the respective fair values of the services received if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Chamber. Goods exchanged for sponsorships are recorded at fair value at the date the goods are provided. The Chamber received no in-kind contributions for the year ended December 31, 2025.

Income Tax Status

The Organization qualifies as a tax-exempt organization under section 501(c)(6) of the Internal Revenue Code and accordingly, is exempt from federal and state income taxes.

Revenue Recognition

The Chamber follows ASC 606, *Revenue from Contracts with Customers*. ASC 606 outlines a comprehensive five-step revenue recognition model based on the principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The five-step revenue recognition model is as follows:

- 1) Identify the contract with a customer
- 2) Identify the performance obligations in the contract
- 3) Determine the transaction price
- 4) Allocate the transaction price to performance obligations in the contract
- 5) Recognize revenue when or as the Organization satisfies a performance obligation

Membership dues revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Chamber expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied. The Chamber bills its members annually so that twelve (12) months of revenue are recorded in the financial statements.

Program and events revenue is recognized when earned, which is at the time of those programs or events or when the services are provided.

(Continued)

MORRISTOWN AREA CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. Due to the nature and timing of these grants management has determined it best to recognize the income when received or when promised to the Chamber if the amount can be readily determined.

Membership Dues

Membership dues received pertaining to all membership categories are recognized as revenue over the term of the membership period. 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.

Advertising Expense

The Chamber expenses advertising costs in the period incurred. Advertising expense totaled \$1,259 for the year ended December 31, 2025.

Functional Allocation of Expenses

Expenses by function have been allocated between program and supporting services classifications on the basis of time records and on estimates made by the Chamber's management, as well as actual utilization.

NOTE 2 – PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2025, are as follows:

Building and renovations	\$ 908,301
Furniture and fixtures	141,166
Equipment	<u>47,952</u>
	1,097,419
Less: accumulated depreciation	<u>(889,180)</u>
Net fixed assets	<u>\$ 208,239</u>

Depreciation expense totaled \$15,205 for the year ended December 31, 2025.

MORRISTOWN AREA CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Chamber to concentrations of credit risk consist primarily of cash, cash equivalents, and accounts receivable. The Chamber places its cash and temporary cash investments with one financial institution. The Chamber's bank has established a sweep account arrangement where the Chamber's balance of the funds held at the bank do not exceed federally insured amounts at any time. Management of the Chamber does not believe that significant credit risk related to cash, cash equivalents, and accounts receivable exists at December 31, 2025.

NOTE 4 – UNCERTAIN TAX POSITIONS

The Organization follows the accounting guidance for uncertainty in income taxes using the provisions of ASC Topic 740, *Income Taxes*. The Organization has determined that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits. The Organization's evaluation was performed for tax years ended December 31, 2022, through December 31, 2025, the years that remain subject to examination by major tax jurisdictions as of December 31, 2025.

NOTE 5 – AVAILABILITY AND LIQUIDITY

The following represents the Chamber's financial assets at December 31, 2025:

Financial assets at year-end:	
Cash	\$ 470,534
Accounts receivable	<u>100,679</u>
Total financial assets	<u>571,213</u>
Financial assets available to meet general expenditures over the next 12 months	 <u>\$ 571,213</u>

Morristown Area Chamber of Commerce is substantially supported by unrestricted contributions and government funding. As part of the Chamber's cash management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In general, the Chamber maintains sufficient financial assets on hand to meet 30 days of normal operating expenses.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated events and transactions subsequent to December 31, 2025, through February 26, 2026 (the date the financial statements were available to be issued) for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.

SUPPLEMENTARY INFORMATION

MORRISTOWN AREA CHAMBER OF COMMERCE

SCHEDULE OF SUPPORT AND REVENUE

YEAR ENDED DECEMBER 31, 2025

	Program Department	Industrial Marketing Department	Downtown Department	Tourism Department	Totals
Membership investments	\$ 136,530	\$ 68,265	\$ -	\$ 22,755	\$ 227,550
New and increased memberships	40,160	-	-	-	40,160
Golf tournament	20,430	-	-	-	20,430
Rent	6,000	-	-	-	6,000
Over-the-counter sales	363	-	-	-	363
Morristown Magazine	13,011	-	-	-	13,011
Annual meeting	17,270	-	-	-	17,270
Membership services	4,210	-	-	-	4,210
Christmas parade	18,725	-	-	-	18,725
Leadership Morristown	10,000	-	-	-	10,000
HYPE	6,674	-	-	-	6,674
Business services committee	49,722	-	-	-	49,722
Interest income	17,276	-	-	-	17,276
Marketing revenue	-	156,650	-	-	156,650
Industrial Services Council	-	33,864	-	-	33,864
RIDA/MUS	-	65,691	-	-	65,691
Industrial revenue bond fee	-	25,500	-	-	25,500
Grants	-	-	-	49,214	49,214
Farmers Market	-	-	3,325	-	3,325
Sponsorships and events	-	-	48,938	-	48,938
Tourism	-	-	92,041	241,352	333,392
Total Support and Revenue	<u>\$ 340,372</u>	<u>\$ 349,970</u>	<u>\$ 144,304</u>	<u>\$ 313,321</u>	<u>\$ 1,147,966</u>