

COMBINED FINANCIAL STATEMENTS

**SARASOTA CONVENTION AND
VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021



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January 19, 2023

Board of Directors
Sarasota Convention and Visitors Bureau, Inc. and Affiliate
d/b/a Visit Sarasota County
Sarasota, Florida

Independent Auditor's Report

Opinion

We have audited the accompanying combined financial statements of Sarasota Convention and Visitors Bureau, Inc. and Affiliate d/b/a Visit Sarasota County (the Organization), which comprise the combined statements of financial position as of September 30, 2022 and 2021, and the related combined statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Sarasota Convention and Visitors Bureau, Inc. and Affiliate d/b/a Visit Sarasota County as of September 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Sarasota Convention and Visitors Bureau, Inc. and Affiliate d/b/a Visit Sarasota County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Sarasota Convention and Visitors Bureau, Inc. and Affiliate d/b/a Visit Sarasota County's ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined 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 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 combined 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 combined 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 combined 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 Sarasota Convention and Visitors Bureau, Inc. and Affiliate d/b/a Visit Sarasota County'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 combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Sarasota Convention and Visitors Bureau, Inc. and Affiliate d/b/a Visit Sarasota County'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.

Hill, Barth & King LLC

Certified Public Accountants

COMBINED STATEMENTS OF FINANCIAL POSITION

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$ 753,145	\$ 690,715
Accounts receivable	25,058	17,946
Income tax refund receivable	42,838	0
Due from Sarasota County	623,741	415,692
Prepaid expenses	110,093	77,964
TOTAL CURRENT ASSETS	<u>1,554,875</u>	<u>1,202,317</u>
 <u>PROPERTY AND EQUIPMENT - NOTE B</u>	 24,482	 37,762
 <u>OTHER ASSETS</u>		
Deposits	11,375	11,375
TOTAL ASSETS	<u>\$ 1,590,732</u>	<u>\$ 1,251,454</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts payable	\$ 304,412	\$ 63,742
Accrued payroll and benefits	53,145	58,964
Other accrued expenses	0	53
Deferred revenue	168,118	126,736
TOTAL CURRENT LIABILITIES	<u>525,675</u>	<u>249,495</u>
 <u>DEFERRED COMPENSATION</u>	 16,971	 16,971
 <u>NET ASSETS</u>		
Without donor restrictions	1,048,086	984,988
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,590,732</u>	<u>\$ 1,251,454</u>

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

Years ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<u>REVENUE</u>		
Management services	\$ 1,060,500	\$ 800,000
Membership dues and related income	356,094	325,745
Visitor guide	170,274	0
Special events	31,715	0
Co-op advertising	0	13,750
CARES Act Funding - NOTE H	0	110,943
Paycheck Protection Program income - NOTE I	0	273,292
Other income	71,124	14,432
TOTAL REVENUE	<u>1,689,707</u>	<u>1,538,162</u>
<u>EXPENSES</u>		
Program services	1,376,323	1,257,689
Membership development	99,357	58,093
Management and general	150,929	142,327
TOTAL EXPENSES	<u>1,626,609</u>	<u>1,458,109</u>
INCREASE IN NET ASSETS	<u>63,098</u>	<u>80,053</u>
<u>NET ASSETS</u>		
Beginning of year	984,988	904,935
End of year	<u>\$ 1,048,086</u>	<u>\$ 984,988</u>

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

Year ended September 30, 2022

	<u>Program Services</u>	<u>Membership Development</u>	<u>Management and General</u>	<u>Total</u>
<u>EXPENSES</u>				
Advertising and promotion	\$ 62,790	\$ 0	\$ 6,977	\$ 69,767
Bank fees	0	0	3,556	3,556
Depreciation	22,001	0	2,445	24,446
Dues and subscriptions	2,770	0	308	3,078
Insurance	5,852	0	650	6,502
Licenses and fees	0	0	309	309
Loss on disposal of assets	0	0	1,042	1,042
Meetings	3,359	0	373	3,732
Office expense	8,852	0	984	9,836
Partner development	0	6,751	0	6,751
Payroll taxes and benefits	166,916	13,569	18,546	199,031
Professional fees	62,365	0	6,929	69,294
Rent	89,874	0	9,986	99,860
Repairs and maintenance	304	0	34	338
Salaries and wages	881,935	58,432	97,993	1,038,360
Special events	0	20,605	0	20,605
Staff development	7,171	0	797	7,968
Travel	2,204	0	0	2,204
Visitor guide	59,906	0	0	59,906
Visitors' center	24	0	0	24
TOTAL EXPENSES	<u><u>\$ 1,376,323</u></u>	<u><u>\$ 99,357</u></u>	<u><u>\$ 150,929</u></u>	<u><u>\$ 1,626,609</u></u>

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

Year ended September 30, 2021

	<u>Program Services</u>	<u>Membership Development</u>	<u>Management and General</u>	<u>Total</u>
<u>EXPENSES</u>				
Advertising and promotion	\$ 112,528	\$ 0	\$ 12,503	\$ 125,031
Bank fees	0	0	2,489	2,489
Depreciation	20,960	0	2,329	23,289
Dues and subscriptions	2,324	0	258	2,582
Insurance	5,771	0	641	6,412
Licenses and fees	0	0	123	123
Meetings	6,943	0	771	7,714
Office expense	5,405	0	601	6,006
Partner development	0	754	0	754
Payroll taxes and benefits	158,338	12,005	17,593	187,936
Professional fees	17,617	0	1,957	19,574
Rent	88,040	0	9,782	97,822
Repairs and maintenance	693	0	77	770
Salaries and wages	838,343	45,334	93,149	976,826
Staff development	487	0	54	541
Travel	8	0	0	8
Visitors' center	232	0	0	232
TOTAL EXPENSES	<u>\$ 1,257,689</u>	<u>\$ 58,093</u>	<u>\$ 142,327</u>	<u>\$ 1,458,109</u>

See accompanying notes to combined financial statements

COMBINED STATEMENTS OF CASH FLOWS

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

Years ended September 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>		
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Increase in net assets	\$ 63,098	\$ 80,053		
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:				
Depreciation	24,446	23,289		
Loss on disposal of fixed assets	1,042	0		
(Increase) decrease in operating assets:				
Accounts receivable	(7,112)	1,287		
Income tax refund receivable	(42,838)	0		
Due from Sarasota County	(208,049)	(160,642)		
Prepaid expenses	(32,129)	(24,545)		
Increase (decrease) in operating liabilities:				
Accounts payable	240,670	12,850		
Accrued payroll and benefits	(5,819)	1,970		
Other accrued expenses	(53)	(15,244)		
Deferred revenue	41,382	857		
Deferred compensation	0	16,971		
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>74,638</u>	<u>(63,154)</u>		
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Purchase of property and equipment	<u>(12,208)</u>	<u>(12,351)</u>		
NET CASH USED IN INVESTING ACTIVITIES	<u>(12,208)</u>	<u>(12,351)</u>		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			62,430	(75,505)
<u>CASH AND CASH EQUIVALENTS</u>				
Beginning of year	<u>690,715</u>	766,220		
End of year	<u>\$ 753,145</u>	<u>\$ 690,715</u>		
<u>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</u>				
Cash paid during the year for:				
Income taxes	<u>\$ 0</u>	<u>\$ 33,721</u>		

See accompanying notes to combined financial statements

NOTES TO COMBINED FINANCIAL STATEMENTS

SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE D/B/A VISIT SARASOTA COUNTY

September 30, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations:

Sarasota Convention Center and Visitors Bureau, Inc. (the Organization) was incorporated on July 6, 1982, under the laws of the State of Florida as a not-for-profit organization to advance and develop tourism within Sarasota County (the County). The d/b/a Visit Sarasota County was registered with the State of Florida effective April 19, 2012. As provided for within Chapter 125 of Florida Statutes and 114 of Sarasota County Code, the Organization is the official marketing organization for the County. Effective January 1, 2013, Friends of Sarasota County Visitor Services, Inc. (Friends) was registered with the State of Florida as a not-for-profit organization for purposes of providing visitor services to more of Sarasota County through use of a mobile visitor's center to be funded by local businesses. By virtue of the common management, the accounts of Friends are combined in the accompanying combined financial statements with the accounts of the Organization as of January 1, 2013.

Governed by annual contracts with the County, the primary responsibility of the Organization is to manage and administer the Sarasota County Tourism Business Plan funded by the Tourist Development Tax Proceeds. The Organization earns revenues from the County for performance of management and administration services detailed in the contract. As part of the services performed for this fee, the Organization acts as an agent between the County and the various vendors providing tourist related goods or services. The Organization pays vendors on the County's behalf and receives reimbursements from the County or the Organization provides documentation to the County for direct payment of goods and services. These reimbursements and direct payments are not recorded as revenues, because the Organization is acting as an agent in these transactions.

The Organization operates visitors' centers and has corporate office space in Sarasota, Florida. The Organization also obtains private sector funding, as required by the contract with the County, in the form of membership dues, revenues from selling advertising space within the visitor guide, cooperative advertising efforts, and retail sales at the visitors' center. Friends was established for the purpose of operating a mobile visitor center and to provide a means to solicit tax deductible contributions.

Combination:

The accompanying combined financial statements include the accounts of Sarasota Convention and Visitors Bureau, Inc. d/b/a Visit Sarasota County and its affiliate, Friends of Sarasota County Visitor Services, Inc., which are collectively referred to as the Organization. All significant intercompany accounts and transactions have been eliminated in combination.

Basis of Accounting:

The accompanying combined financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Use of Estimates:

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

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation:

The Organization follows the standards of accounting and financial reporting of Not-for-Profit Organizations, which requires the net assets of the Organization and changes therein to be classified and reported as follows:

Net assets without donor restrictions: Net assets are not subject to donor-imposed stipulations 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 Organization's management.

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. There were no net assets with donor restrictions at September 30, 2022 and 2021.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires or is satisfied, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities and changes in net assets. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization records the support as net assets without donor restrictions. The Organization did not receive any contributions with donor imposed restrictions during the years ended September 30, 2022 and 2021.

Revenue Recognition:

Membership dues, visitor guide and co-op advertising revenues are initially deferred, and the revenue is recognized as it is earned. Management service revenues are recognized ratably over the term of the contract. Contributions and other nonexchange revenues are recognized at the time of receipt.

Cash and Cash Equivalents:

Cash and cash equivalents include all cash balances and highly liquid investments with an initial maturity of three months or less.

Accounts Receivable:

Accounts receivable, which is comprised of amounts due from members for annual membership fees, visitors guide and co-op advertising, is stated at the amount management expects to collect from balances outstanding at year end. The potential risk is limited to the amounts recorded in the combined financial statements. Based on management's assessment of the credit history with members having balances outstanding and current relationships with them, it has estimated that realization of losses on balances outstanding at year end will not be significant.

Due from Sarasota County:

Due from Sarasota County consists of management and administration fees receivable, which is stated at the amount per the contract with the County. Also included are amounts due to the Organization for tourism related expenses paid on behalf of the County.

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment:

Property and equipment is recorded at cost, less accumulated depreciation. Major improvements and renewals are capitalized while ordinary maintenance and repairs are expensed. Management annually reviews these assets to determine whether carrying values have been impaired. Depreciation is provided over the estimated useful lives of their respective assets using the straight-line method. Estimated useful lives range from 3 to 9 years.

Functional Allocation of Expenses:

The costs of providing program and supporting services have been summarized on a functional basis. Costs are allocated between management and general, membership development, or program services based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income Taxes:

The Organization is a not-for-profit organization exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Organization was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income." Such income, pursuant to the Internal Revenue Code and related regulations, includes all advertising related income. The Organization has not been classified as a private foundation and incurred \$0 in unrelated business income tax for the years ended September 30, 2022 and 2021. Friends received acceptance of exempt status under Section 501(c)(3) of the Internal Revenue Code during the year ended September 30, 2014.

Advertising and Promotion:

Purchased advertising media is expensed when the related media is published or broadcast. Costs incurred in advance of an advertising program, such as printing and production, are recorded as prepaid expenses until the corresponding media is published or broadcast; at which time it is expensed. Other advertising costs are charged to operations as incurred.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at September 30:

	<u>2022</u>	<u>2021</u>
Furniture and fixtures	\$ 10,934	\$ 10,934
Office equipment	137,445	148,288
Leasehold improvements	<u>25,064</u>	<u>25,064</u>
	173,443	184,286
Less accumulated depreciation	<u>148,961</u>	<u>146,524</u>
NET PROPERTY AND EQUIPMENT	<u>\$ 24,482</u>	<u>\$ 37,762</u>

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021

NOTE C - OPERATING LEASES

On August 28, 2019, the Organization entered into a non-cancelable operating lease agreement with an unrelated party for corporate office space set to commence on January 1, 2020. The lease terminates February 28, 2025. The current monthly rent payments are \$8,379, including sales tax and operating expenses, and shall be increased by 3% per annum.

On October 1, 2017, the Organization entered into a non-cancelable operating lease agreement with an unrelated party for the location of a Visitor Center. The lease term was scheduled to expire on September 30, 2022, but has been extended through September 30, 2024. There is an option for an additional term of five years. The current monthly rent payments are \$3,682, including sales tax, and shall be increased annually by the lesser of 5% of the prior year's rental or the percentage, if any, of the increase in the Consumer Price Index.

On January 8, 2019, the Organization entered into a non-cancelable operating lease agreement with an unrelated party for a second location of a Visitor Center and terminating on December 30, 2021. On December 14, 2021, the lease was renewed through December 30, 2023. There is an additional option to renew through December 30, 2028. The current monthly rent payments are \$1,798, including sales tax, and shall be increased annually by the percentage, if any, of the increase in the Consumer Price Index.

On June 26, 2021, the Organization entered into a non-cancelable operating lease agreement with an unrelated party for office equipment. The term of the lease began on July 1, 2021 and is a 63-month lease with monthly payments, including tax, totaling \$227.

The following is a schedule of annual future minimum lease payments required under operating leases with initial or remaining non-cancelable lease terms in excess of one year as of September 30, 2022:

2023	\$ 174,904
2024	163,231
2025	55,913
2026	2,724
2027	227
	<u>\$ 396,999</u>

Rent expense for the years ended September 30, 2022 and 2021 was \$165,616 and \$164,399, respectively. The Visitor Center's rent is reimbursed by Sarasota County (See Note F), which totaled \$65,756 and \$66,241 for the years ended September 30, 2022 and 2021, respectively. The Organization's future minimum lease payments will be offset by the reimbursement from Sarasota County as follows:

2023	\$ 69,866
2024	56,009
	<u>\$ 125,875</u>

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021

NOTE D - CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Organization to concentrations of credit risk consist of cash and cash equivalents. The Organization maintains its cash and cash equivalents with major banks and financial institutions. At any given time, the Organization may have cash balances exceeding the federal depository insurance coverage limits. The Organization has not experienced any losses in such accounts and does not believe such accounts are exposed to any significant credit risk.

The Organization receives a substantial amount of its support from the County in the form of the management and administration fees and various forms of revenues from local organizations. The loss of the contract with the County, a significant reduction in the level of tourist development taxes collected by the County, or a severe economic downturn may have a materially adverse effect on the financial position and operations of the Organization. Management and administration service revenue from the County represents 63% and 52% of total revenues for the years ended September 30, 2022 and 2021, respectively.

NOTE E - RETIREMENT PLAN

The Organization has established a Savings Incentive Match Plan for Employees (SIMPLE) Individual Retirement Account (IRA) Plan for eligible employees. To become eligible to participate in the Plan, the employee must have earned \$5,000 during any two preceding years and be reasonably expected to earn such amount during the year of eligibility. The Organization made matching contributions equal to 100% of the participating employees' elective deferrals not exceeding 3% of the employees' compensation. Retirement expense, included in payroll taxes and benefits in the accompanying combined statements of activities and changes in net assets, for the years ended September 30, 2022 and 2021 was \$25,716 and \$23,277, respectively.

NOTE F - CONTRACT REIMBURSEMENTS AND DIRECT PAYMENTS

The Organization's contract with the County for the years ended September 30, 2022 and 2021 allocated a sum not to exceed \$5,294,850 and \$5,897,364, respectively, for tourism promotion related expenses including the Organization's fee for management.

For the years ended September 30, 2022 and 2021, the Organization submitted \$5,239,539 and \$3,902,537 in invoices to the County for expenses including the management fee revenue of \$1,060,500 and \$800,000, respectively. The expenses incurred in the years ended September 30, 2022 and 2021 were less than the total sums allocated by the County by \$55,311 and \$1,994,827, respectively, during each fiscal year. These amounts under budget are held by the County.

Contract expenses are as follows for the years ended September 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Advertising, promotion and marketing	\$ 4,066,205	\$ 2,987,452
Management services	1,060,500	800,000
Postage and shipping	44,185	43,820
Telecommunications	23,649	24,986
Administrative	45,000	46,279
TOTAL CONTRACT EXPENSES	<u>\$ 5,239,539</u>	<u>\$ 3,902,537</u>

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021

NOTE G - LIQUIDITY AND AVAILABILITY OF FINANCIAL RESOURCES

The Organization regularly monitors the availability of resources required to meet operating needs and other contractual commitments, while also striving to maximize the services provided to the community in which it serves.

The Organization's financial assets available for general use expenditures within one year as of September 30, consist of the following:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 753,145	\$ 690,715
Accounts receivable	25,058	17,946
Income tax refund receivable	42,838	0
Due from Sarasota County	623,741	415,692
Total financial assets available to management for general expenditure within one year	<u>\$ 1,444,782</u>	<u>\$ 1,124,353</u>

NOTE H - CARES ACT FUNDING

On November 20, 2020, the Organization entered into a subrecipient agreement with the County to receive federal awards as part of the Coronavirus Relief Fund. Subject to the terms and conditions of the agreement, the County shall pay the Organization on a cost reimbursement basis, up to a maximum of \$120,000, for eligible and allowable costs that are necessary expenditures incurred due to the public health emergency with respect to the COVID-19 pandemic incurred between March 1, 2020 and December 15, 2020. On December 15, 2020, the Organization submitted a request for reimbursement in accordance with the terms of the agreement for expenses totaling \$110,943. The request was granted and has been recorded as income in the statements of activities and changes in net assets.

NOTE I - PAYCHECK PROTECTION PROGRAM INCOME

On January 26, 2021, the Organization received the funding of \$273,292 pursuant to the Paycheck Protection Program (the "PPP") under the Federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), which was enacted March 27, 2020. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act, including qualifying payroll costs, covered rent payments, and covered utilities. The Organization concluded that the loan represents, in substance, a grant that is expected to be forgiven and, therefore, has accounted for the loan as a conditional contribution in accordance with FASB ASC 958-605. During 2021, the Organization used the proceeds for purposes consistent with the PPP and has recognized \$273,292 as income in the combined statements of activities and changes in net assets. The loan was forgiven in full by the Small Business Administration on November 23, 2021.

NOTES TO COMBINED FINANCIAL STATEMENTS (CONTINUED)

**SARASOTA CONVENTION AND VISITORS BUREAU, INC. AND AFFILIATE
D/B/A VISIT SARASOTA COUNTY**

September 30, 2022 and 2021

NOTE J - SUBSEQUENT EVENTS

Management evaluated all activity of the Organization through January 19, 2023, the date the combined financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the combined financial statements, except as described below.

On July 15, 2022, the Organization entered into a sublease agreement for a portion of its corporate office space referenced in Note C. The term of the sublease agreement begins on October 1, 2022, for a 12-month term with annual automatic renewals, unless notice of non-renewal is provided by either party to the other at least 90-days prior to annual renewal date. The following is a schedule of annual future minimum lease payments to be received under the sublease agreement as of September 30, 2022:

2023	\$ 33,280
2024	34,277
2025	35,308
2026	6,062
	<u>\$ 108,927</u>