

# **Corpus Christi Area Convention & Visitors Bureau and Affiliate**

**Audited Combined Financial Statements and  
Supplementary Information**

**December 31, 2025**



**PARK FOWLER & CO.**

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*Certified Public Accountants & Management Consultants  
A Professional Limited Liability Company*

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
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December 31, 2025

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*Certified Public Accountants & Management Consultants*  
*A Professional Limited Liability Company*

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Corpus Christi Area Convention & Visitors Bureau and Affiliate  
Corpus Christi, Texas

### **Opinion**

We have audited the accompanying combined financial statements of Corpus Christi Area Convention & Visitors Bureau and Affiliate (a nonprofit organization), which comprise the combined statement of financial position as of December 31, 2025, and the related combined statements of activities and changes in net assets, functional expenses, and cash flows for the year 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 Corpus Christi Area Convention & Visitors Bureau and Affiliate 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 Auditor's Responsibilities for the Audit of the combined financial statements section of our report. We are required to be independent of Corpus Christi Area Convention & Visitors Bureau and Affiliate 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 Combined 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 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 Corpus Christi Area Convention & Visitors Bureau and Affiliate'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 Combined 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 Corpus Christi Area Convention & Visitors Bureau and Affiliate'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 Corpus Christi Area Convention & Visitors Bureau and Affiliate'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 Supplementary Information**

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

*Park Fowler & CO., PLLC*

Corpus Christi, Texas  
March 25, 2026

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
COMBINED STATEMENT OF FINANCIAL POSITION

December 31, 2025

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 4,704,100
Accounts Receivable	14,714
Due From Related Party	46,320
Prepaid Expenses	<u>167,404</u>

TOTAL CURRENT ASSETS 4,932,538

PROPERTY AND EQUIPMENT

Computers and Equipment	55,940
Furniture and Fixtures	292,104
Vehicles	122,364
Building and Improvements	78,454
Website	85,171
Accumulated Depreciation and Amortization	<u>(397,732)</u>

PROPERTY AND EQUIPMENT, NET 236,301

OTHER ASSETS

Operating Lease Right of Use Asset	<u>128,120</u>
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TOTAL ASSETS \$ 5,296,959

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

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
COMBINED STATEMENT OF FINANCIAL POSITION - Continued  
December 31, 2025

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$	244,806
Accrued Liabilities		43,853
Payroll Liabilities		47,044
Deferred Revenue		451,654
Operating Lease Liability, Current		<u>125,634</u>

TOTAL CURRENT LIABILITIES 912,991

NET ASSETS

Without Donor Restrictions		<u>4,383,968</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 5,296,959

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

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
 COMBINED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
 For the Year Ended December 31, 2025

REVENUE AND SUPPORT	
City of Corpus Christi Contract	\$ 6,859,781
Group Incentive Program	560,296
Community, Sponsorship, and Donations	103,258
Cooperative Advertising and Trade Shows	59,184
Visitor Center Sales	36,220
Interest Income	40,524
Investment Returns, Net	123,104
Other Income	3,557
Loss on Sale of Property and Equipment	<u>(2,721)</u>
TOTAL REVENUE AND SUPPORT	7,783,203
EXPENSES	
Program Services	6,021,778
Support Services	<u>1,832,532</u>
TOTAL EXPENSES	<u>7,854,310</u>
CHANGE IN NET ASSETS	(71,107)
Net Assets, Beginning of Year	<u>4,455,075</u>
NET ASSETS, END OF YEAR	<u><u>\$ 4,383,968</u></u>

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

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES  
 For the Year Ended December 31, 2025

	Program Services				Total Program Services
	Advertising	Conference Sales	Visiting Services	Foundation	
<b>PERSONNEL</b>					
Salaries and Wages	\$ 589,543	\$ 568,149	\$ 227,373		\$ 1,385,065
Insurance	47,698	29,385	8,025		85,108
Taxes	45,464	46,681	19,483		111,628
Retirement Plan	16,834	15,471	3,177		35,482
Reimbursements	6,625	8,100	1,380		16,105
<b>TOTAL PERSONNEL</b>	<b>706,164</b>	<b>667,786</b>	<b>259,438</b>		<b>1,633,388</b>
<b>OPERATING EXPENSES</b>					
Advertising - Media	2,674,184				2,674,184
Advertising - Printing & Copying	1,774	4,650	47,550		53,974
Advertising - Promotional Items	3,913	61,565	12,455		77,933
Auto					
Bad Debt			2,500		2,500
Community Relations			158,563		158,563
Computer and Software				\$ 810	810
Convention Commitments		596,468			596,468
Dues and Subscriptions	59,297	1,490			60,787
Education and Training	73,066	12,958	5,146		91,170
Employee Relations	1,252	1,161	25,194		27,607
Legal and Professional				4,125	4,125
Meetings and Events	7,896	5,683	1,159		14,738
Office, Supplies, and Equipment	1,338	1,405	2,774		5,517
Rent, Utilities, and Maintenance			27,486		27,486
Repair and Maintenance			14,912		14,912
Research	197,374	26,077			223,451
Sponsorship and Awards	21,472		5,085	5,000	31,557
Strategic Initiatives	47,335	30	4,498		51,863
Trade Shows	13,000	13,468			26,468
Travel			17,614		17,614
Visitor Center			19,415		19,415
Website and CRM	207,248				207,248
<b>TOTAL OPERATING EXPENSES</b>	<b>3,309,149</b>	<b>724,955</b>	<b>344,351</b>	<b>9,935</b>	<b>4,388,390</b>
<b>OTHER EXPENSES</b>					
Depreciation					
Interest					
<b>TOTAL OTHER EXPENSES</b>					
<b>TOTAL EXPENSES</b>	<b>\$ 4,015,313</b>	<b>\$ 1,392,741</b>	<b>\$ 603,789</b>	<b>\$ 9,935</b>	<b>\$ 6,021,778</b>

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

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
 COMBINED STATEMENT OF FUNCTIONAL EXPENSES - Continued  
 For the Year Ended December 31, 2025

	Support Services	
	<u>Management and General</u>	<u>Total Expenses</u>
PERSONNEL		
Salaries and Wages	\$ 735,763	\$ 2,120,828
Insurance	26,304	111,412
Taxes	1,668	113,296
Retirement Plan	1,773	37,255
Reimbursements	<u>4,097</u>	<u>20,202</u>
TOTAL PERSONNEL	769,605	2,402,993
OPERATING EXPENSES		
Advertising - Media		2,674,184
Advertising - Printing & Copying	800	54,774
Advertising - Promotional Items		77,933
Auto	5,548	5,548
Bad Debt		2,500
Community Relations		158,563
Computer and Software	86,762	87,572
Convention Commitments		596,468
Dues and Subscriptions	111,348	172,135
Education and Training	41,935	133,105
Employee Relations	1,596	29,203
Legal and Professional	353,076	357,201
Meetings and Events	831	15,569
Office, Supplies, and Equipment	78,471	83,988
Rent, Utilities, and Maintenance	184,593	212,079
Repair and Maintenance	1,685	16,597
Research	22,633	246,084
Sponsorship and Awards	60,941	92,498
Strategic Initiatives	21,686	73,549
Trade Shows		26,468
Travel		17,614
Visitor Center		19,415
Website and CRM		<u>207,248</u>
TOTAL OPERATING EXPENSES	971,905	5,360,295
OTHER EXPENSES		
Depreciation	88,441	88,441
Interest	<u>2,581</u>	<u>2,581</u>
TOTAL OTHER EXPENSES	<u>91,022</u>	<u>91,022</u>
TOTAL EXPENSES	<u>\$ 1,832,532</u>	<u>\$ 7,854,310</u>

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

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
 COMBINED STATEMENT OF CASH FLOWS  
 For the Year Ended December 31, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (71,107)
Adjustments to Reconcile Change in Net Assets Provided by Operating Activities:	
Depreciation	88,441
Loss on Sale of Property and Equipment	2,721
Amortization of Right-Of-Use Asset	153,743
(Increase) Decrease in Operating Assets:	
Accounts Receivable	507,515
Due from Related Party	(46,320)
Prepaid Expenses	(6,706)
Increase (Decrease) in Operating Liabilities:	
Accounts Payable	(4,491)
Accrued Liabilities	6,196
Payroll Liabilities	47,044
Deferred Revenue	(552,795)
Operating Lease Liability	<u>(162,858)</u>
NET CASH USED IN OPERATING ACTIVITIES	(38,617)
CASH FLOWS FROM INVESTING ACTIVITIES	
Acquisition of Property and Equipment	<u>(4,373)</u>
NET CASH USED IN INVESTING ACTIVITIES	(4,373)
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments of Notes Payable	<u>(75,104)</u>
NET CASH USED IN FINANCING ACTIVITIES	<u>(75,104)</u>
NET DECREASE IN CASH	(118,094)
CASH AT BEGINNING OF YEAR	<u>4,822,194</u>
CASH AT END OF YEAR	<u><u>\$ 4,704,100</u></u>
SUPPLEMENTAL DISCLOSURES	
Interest Paid	<u>\$ 2,581</u>
Income Taxes Paid	<u>\$ - 0 -</u>
Noncash Investing and Financing Activities:	
Property and Equipment Acquired through Notes Payable	<u><u>\$ 75,104</u></u>

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

NOTE 1 — NATURE OF ORGANIZATION

The Corpus Christi Area Convention & Visitors Bureau (“CVB”) is a non-profit Texas corporation established to market Corpus Christi, Texas and surrounding areas as a year-round convention and visitor destination. Services include marketing, support services to conventions, advice to local municipalities regarding the development of area activities, education about local tourism, and the operation of a visitor center. CVB is supported mostly by contractual payments of hotel occupancy taxes from the City of Corpus Christi (the “City”) in exchange for marketing services provided. The City of Corpus Christi also appoints the Board of Directors for CVB. CVB operates under an assumed name of “Visit Corpus Christi” (“VCC”) that appears on marketing materials and websites.

CVB created a separate organization, the Corpus Christi CVB Heritage Society (the “Heritage Society”), as a non-profit organization that would organize, market and host festivals and events for the Corpus Christi area. The name of the Heritage Society was changed to the Gulf Coast Capital Tourism Foundation (the “Foundation”) in March 2022.

CVB’s major programs are as follows:

Advertising: Advertising includes costs associated with promoting Corpus Christi as a travel destination through various marketing channels and campaigns. These efforts are designed to increase awareness and encourage visit to the area.

Conference Sales: Conference Sales includes costs related to efforts to attract group meetings, conferences, and events to Corpus Christi. Activities primarily focus on outreach, relationship development, and participation in industry events.

Visiting Services: Visiting Services includes costs associated with providing information, assistance, and resources to visitors, as well as supporting programs that enhance the overall visitor experience within the destination.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of CVB and the Foundation (collectively the “Organization”) is presented to assist in understanding the Organization’s combined financial statements. The combined financial statements and notes are representations of the Organization’s management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America (U.S. GAAP) and have been consistently applied in the preparation of the accompanying combined financial statements.

Basis of Presentation:

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 (U.S. GAAP).

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be used at the discretion of management to support the Organization’s operations.

Net assets with donor restrictions: Net assets subject to donor-imposed restrictions that will be met either by actions of the Organization and/or the passage of time. As of December 31, 2025, the Organization had no net assets with donor restrictions.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Principles of Combination

The combined financial statements include the accounts of CVB and the Foundation. All significant intercompany balances and transactions have been eliminated in combination. There were no intercompany balances or transactions requiring elimination for the year ended December 31, 2025.

Cash and Cash Equivalents:

For purposes of the statement of financial position and the statement of cash flows, the Organization considers all highly liquid investments with original maturities of three months or less when purchased to be cash equivalents. Cash equivalents consist primarily of demand deposits and money market funds invested in U.S. government securities and other high-quality instruments.

Accounts Receivable:

Accounts receivable consist primarily of amounts due from assessments on hotel taxable room revenues. Accounts receivable are stated at amounts management expects to collect from outstanding balances.

The Organization evaluates receivables for expected credit losses on a collective basis where similar risk characteristics exist. Management estimates the allowance for credit losses using historical loss experience, adjusted for current conditions and reasonable and supportable forecasts. Based on this evaluation, management determined that an allowance for credit losses was not necessary as of December 31, 2025.

Leasing Arrangements:

The Organization determines whether an arrangement is or contains a lease at inception based on whether the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Lease classification is determined at commencement and is only reassessed if the terms and conditions of the arrangement are modified.

The Organization has elected not to recognize right-of-use (“ROU”) assets and lease liabilities for leases with an initial term of 12 months or less. Lease expense for these short-term leases is recognized on a straight-line basis over the lease term. Operating leases are recognized as operating lease right-of-use assets and operating lease liabilities on the statements of financial position. Lease liabilities are classified as current and noncurrent based on the timing of lease payments. The Organization had no finance leases for the year ended December 31, 2025.

ROU assets represent the Organization’s right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Organization uses the interest rate implicit in the lease when readily determinable. If the implicit rate is not readily determinable, the Organization uses its incremental borrowing rate based on information available at the commencement date.

The lease term includes options to extend or terminate the lease when it is reasonably certain that the Organization will exercise those options. ROU assets include any initial direct costs and prepaid lease payments and exclude lease incentives received. Lease expense for operating leases is recognized on a straight-line basis over the lease term.

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS – Continued

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment:

The Organization capitalizes property and equipment acquisitions with a cost of \$5,000 or more. Expenditures for maintenance and repairs are expensed as incurred. Property and equipment are stated at cost at the date of acquisition or, in the case of donated assets, at fair value at the date of donation, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets.

Donated property and equipment are reported as contributions without donor restrictions unless the donor has imposed restrictions on their use. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as contributions with donor restrictions. In the absence of donor stipulations regarding how long those assets must be maintained, the Organization reports the expiration of donor restrictions when the assets are placed in service. At that time, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Revenue Recognition:

Revenue is recognized as increases in net assets without donor restrictions or net assets with donor restrictions in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*, and Subtopic 958-605, *Not-for-Profit Entities – Revenue Recognition*, as applicable. There was no donor-restricted activity during the year ended December 31, 2025.

The Organization generates revenue from both exchange transactions and contributions. Revenue from exchange transactions is recognized when control of the promised services is transferred to the customer in an amount that reflects the consideration the Organization expects to be entitled to in exchange for those services. Revenue is recognized over time as the related services are performed, as customers simultaneously receive and consume the benefits of the Organization's performance.

Contract with the City of Corpus Christi:

The Organization's primary source of revenue is derived from a contract with the City of Corpus Christi, under which the City remits hotel occupancy tax and related funding to support tourism promotion activities. In exchange, the Organization provides marketing, sales, and tourism-related services. Revenue from this contract is recognized over time as services are performed and is reported as revenue without donor restrictions.

Program Service Revenue:

Program service revenue consists primarily of amounts earned from operating a visitors' information center, hosting festivals and events, and participating in partnerships and trade shows. These revenues are recognized as the related services are performed or when the applicable events occur.

Deferred Revenue:

Amounts received in advance for sponsorships and events to be held in future periods are recorded as deferred revenue. Revenue is recognized when the related performance obligations are satisfied, typically when the event occurs.

Contributions:

Contributions are recognized as revenue when received or unconditionally promised and are classified as without donor restrictions or with donor restrictions depending on the existence and nature of donor-imposed restrictions.

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS – Continued

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Advertising:

Advertising costs are recorded in the period in which they are incurred. For the year ended December 31, 2025, total advertising expense totaled \$2,806,891.

Allocation of Functional Expenses:

The financial statements report expenses by their functional classification. Expenses are charged directly to the function benefiting from the expense based on the nature of the activity and the department incurring the cost.

Personnel costs are assigned based on employees' job responsibilities and the department in which they operate. Operating expenses are recorded based on the nature of the expense and are charged to the appropriate functional category at the time of transaction.

The Organization utilizes department-level coding, including credit card and accounts payable systems, to assign expenses directly to functional classifications. As a result, the Organization does not utilize indirect cost allocation methodologies.

Income Taxes:

CVB is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization is not subject to federal income taxes on income related to its exempt purposes. The Organization may be subject to federal income tax on unrelated business income.

The Organization accounts for uncertainty in income taxes in accordance with accounting standards that require recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. Management has evaluated the Organization's tax positions and concluded that there are no uncertain tax positions requiring recognition in the financial statements.

Use of Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Date of Management's Review:

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through March 25, 2026, the date on which the financial statements were available to be issued.

NOTE 3 — LIQUIDITY AND AVAILABILITY

The Organization monitors its liquidity to meet operating needs and other contractual commitments. The Organization manages its liquidity by maintaining sufficient cash balances to meet expected expenditures and by monitoring the timing of cash inflows, including receipts from its contract with the City of Corpus Christi and other revenue sources.

The Organization maintains a strategic reserve account with a third-party investment manager to support financial stability in the event of significant unforeseen circumstances, such as natural disasters or disruptions to operations or funding. The Board of Directors has established a target reserve level of approximately 120 days of operating expenses. Management is actively working toward this target and expects to achieve it by mid-2026. The reserve account is included in cash and cash equivalents on the statement of financial position.

Financial assets available within one year of the statement of financial position date for general expenditures consist of the following:

Financial Assets at Year-End:	
Cash and Cash Equivalents	\$ 4,704,100
Accounts Receivable	14,714
Due From Related Party	<u>46,320</u>
Financial Assets Available to Meet General Expenditures Within One Year	<u>\$ 4,765,134</u>

NOTE 4 — CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and cash equivalents. The Organization maintains its cash and cash equivalent balances at financial institutions, which at times may exceed federally insured limits of \$250,000.

The Organization has not experienced any losses in such accounts and believes it is not exposed to significant credit risk on cash and cash equivalents. As of December 31, 2025, CVB had approximately \$1,771,892 in excess of federally insured limits, and the Foundation had no amounts in excess of federally insured limits.

CVB maintains balances in government money market fund totaling \$2,665,420 as of December 31, 2025. Although these balances are not insured by the Federal Deposit Insurance Corporation, the fund invests primarily in U.S. government securities and other high-quality, short-term instruments.

NOTE 5 — MAJOR CUSTOMERS AND CONCENTRATIONS

CVB receives a substantial portion of its revenue from a contract with the City of Corpus Christi. For the year ended December 31, 2025, approximately 88 percent of total revenues were derived from this contract.

CVB's operations are dependent upon the continued funding and renewal of this agreement. A significant reduction in, or loss of, this funding could have a material adverse effect on the Organization's operations. At December 31, 2025, the Organization did not have a concentration of credit risk related to accounts receivable.

CVB's accounts receivable and deferred revenue balances are significantly impacted by the timing of receipts and recognition of revenue under its contract with the City of Corpus Christi. Changes in these balances from year to year are primarily attributable to the timing of payments received from the City of Corpus Christi and the recognition of revenue as services are performed.

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
 NOTES TO COMBINED FINANCIAL STATEMENTS – Continued

NOTE 6 — LEASES

CVB leases office suites at 400 Mann Street in Corpus Christi, Texas, and space for the visitor’s center at 309 N. Water Street in Corpus Christi, Texas. The office suites and visitor center leases have terms expiring at various dates through October 2026. CVB has elected to use a risk-free discount rate, by class of underlying assets, in measuring lease liabilities.

Lease Term and Discount Rates as of December 31, 2025, are as follows:

<u>Weighted Average Remaining Lease Terms (months)</u>	
Operating Lease	10
<u>Weighted Average Discount Rate</u>	
Operating Lease	3%

Maturities of operating lease liabilities as of December 31, 2025, are as follows:

<u>Years Ending December 31,</u>	<u>Future Lease Payments</u>
2026	\$ 127,368
Less:	
Amounts Representing Interest	<u>(1,734)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 125,634</u>

NOTE 7 — RELATED PARTY TRANSACTIONS

Corpus Christi Tourism Public Improvement District (“TPID”) is a related party to the Organization due to its operational relationship with CVB and its formation under a three-party agreement with the City of Corpus Christi (the “City”). TPID is established to support tourism-related activities within the City and works in coordination with CVB to carry out these objectives. TPID and CVB share certain operational and administrative functions and coordinate activities in support of tourism initiatives funded through City-related sources.

CVB provides personnel and administrative support services to TPID, including shared staffing and operational resources. CVB is reimbursed for its proportionate share of these personnel and administrative costs. Such reimbursements are recorded as reductions of CVB’s related expenses. Management believes these allocations are reasonable and reflect the services provided. Total reimbursements related to these shared personnel and administrative costs were approximately \$368,113 for the year ended December 31, 2025.

From time to time, TPID utilizes CVB’s credit card account to pay for operating expenditures. These transactions result in amounts due from TPID to CVB. At December 31, 2025, the amount due from TPID totaled \$46,320. The balance is unsecured, non-interest bearing, and due on demand. Management monitors these balances on an ongoing basis.

Through these arrangements, CVB and TPID operate in a coordinated manner to support tourism promotion and related activities within the City.

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
NOTES TO COMBINED FINANCIAL STATEMENTS – Continued

NOTE 8 — RETIREMENT PLAN

CVB sponsors a defined contribution retirement plan that allows employees to defer a portion of their compensation. CVB may make discretionary employer contributions to the plan. Employees are eligible to participate in the plan after completing 500 hours of service within a six-month period. Participants are fully vested in their contributions and direct the investment of their accounts. For the year ended December 31, 2025, CVB recognized retirement plan expense of \$37,255 related to employer contributions.

NOTE 9 — RECLASSIFICATION OF PRIOR YEAR AMOUNTS

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation. These reclassifications include amounts previously reported as net assets with donor restrictions related to the VCC Cares Program, which have been reclassified to net assets without donor restrictions. These changes had no effect on total net assets or change in net assets as previously reported.

NOTE 10 — SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2026, which is the date the financial statements were available to be issued. No events have occurred that would require adjustment to, or disclosure in, the financial statements.

SUPPLEMENTARY INFORMATION

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
SCHEDULE 1 - COMBINING STATEMENTS OF FINANCIAL POSITION  
December 31, 2025

	Corpus Christi Area Convention & Visitors Bureau	Foundation	Combined Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 4,687,328	\$ 16,772	\$ 4,704,100
Accounts Receivable	14,714		14,714
Due From Related Party	46,320		46,320
Prepaid Expenses	<u>167,404</u>		<u>167,404</u>
TOTAL CURRENT ASSETS	4,915,766	16,772	4,932,538
<b>PROPERTY AND EQUIPMENT</b>			
Computers and Equipment	55,940		55,940
Furniture and Fixtures	292,104		292,104
Vehicles	122,364		122,364
Building and Improvements	78,454		78,454
Website	85,171		85,171
Accumulated Depreciation and Amortization	<u>(397,732)</u>		<u>(397,732)</u>
PROPERTY AND EQUIPMENT, NET	236,301		236,301
<b>OTHER ASSETS</b>			
Operating Lease Right of Use Asset	<u>128,120</u>		<u>128,120</u>
TOTAL ASSETS	<u>\$ 5,280,187</u>	<u>\$ 16,772</u>	<u>\$ 5,296,959</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	\$ 244,806		\$ 244,806
Accrued Liabilities	43,853		43,853
Payroll Liabilities	47,044		47,044
Deferred Revenue	451,654		451,654
Operating Lease Liability, Current	<u>125,634</u>		<u>125,634</u>
TOTAL CURRENT LIABILITIES	912,991		912,991
<b>NET ASSETS</b>			
Without Donor Restrictions	<u>4,367,196</u>	<u>\$ 16,772</u>	<u>4,383,968</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,280,187</u>	<u>\$ 16,772</u>	<u>\$ 5,296,959</u>

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

CORPUS CHRISTI AREA CONVENTION & VISITORS BUREAU AND AFFILIATE  
SCHEDULE 2 - COMBINING STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS  
For the Year Ended December 31, 2025

	Corpus Christi Area Convention & Visitors Bureau	Foundation	Combined Total
<b>REVENUE AND SUPPORT</b>			
City of Corpus Christi Contract	\$ 6,859,781		\$ 6,859,781
Group Incentive Program	560,296		560,296
Community, Sponsorship, and Donations	99,396	\$ 3,862	103,258
Cooperative Advertising and Trade Shows	59,184		59,184
Visitor Center Sales	36,220		36,220
Interest Income	40,504	20	40,524
Investment Returns, Net	123,104		123,104
Other Income	3,557		3,557
Loss on Sale of Property and Equipment	<u>(2,721)</u>		<u>(2,721)</u>
TOTAL REVENUE AND SUPPORT	7,779,321	3,882	7,783,203
<b>EXPENSES</b>			
Program Services	6,011,843	9,935	6,021,778
Support Services	<u>1,832,532</u>		<u>1,832,532</u>
TOTAL EXPENSES	<u>7,844,375</u>	<u>9,935</u>	<u>7,854,310</u>
CHANGE IN NET ASSETS	(65,054)	(6,053)	(71,107)
Net Assets, Beginning of Year	<u>4,432,250</u>	<u>22,825</u>	<u>4,455,075</u>
NET ASSETS, END OF YEAR	<u>\$ 4,367,196</u>	<u>\$ 16,772</u>	<u>\$ 4,383,968</u>

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