

**CORPUS CHRISTI CONVENTION & VISITORS BUREAU
AND AFFILIATE**

AUDITED COMBINED FINANCIAL STATEMENTS

FOR THE 15 MONTHS ENDED DECEMBER 31, 2024 AND
12 MONTHS ENDED SEPTEMBER 30, 2023

CORPUS CHRISTI CONVENTION & VISITORS BUREAU
AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

May 22, 2025

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

Opinion

We have audited the combined financial statements of the Corpus Christi Convention & Visitors Bureau and Affiliate, which comprise the combined statements of financial position as of December 31, 2024 and September 30, 2023, and the related combined statements of activities, functional expenses, and cash flows for the 15 months and 12 months respectively, then ended, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Corpus Christi Convention & Visitors Bureau and Affiliate as of December 31, 2024 and September 30, 2023, and the changes in their net assets and their cash flows for the 15 months and 12 months 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 Financial Statements section of our report. We are required to be independent of Corpus Christi 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 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 Corpus Christi Convention & Visitors Bureau and Affiliate's ability to continue as a going concern for 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 auditing standards generally accepted in the United States 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 auditing standards generally accepted in the United States of America, 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 Convention & Visitors Bureau and Affiliate's internal controls. 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 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 combining 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.

Adams & Company LLC

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINED STATEMENTS OF FINANCIAL POSITION

	<u>DECEMBER 31,</u> <u>2024</u>	<u>SEPTEMBER 30,</u> <u>2023</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 4,822,194	\$ 3,120,660
Accounts Receivable, Net	522,229	20,224
Prepaid Expenses	160,698	169,314
	<hr/>	<hr/>
Total Current Assets	5,505,121	3,310,198
Noncurrent Assets		
Depreciable and Intangible Assets, Net (Note 3)	247,986	352,163
Right-of-Use Assets Under Operating Leases (Note 4)	281,863	474,555
	<hr/>	<hr/>
Total Noncurrent Assets	529,849	826,718
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 6,034,970</u>	<u>\$ 4,136,916</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 249,297	\$ 290,113
Accrued Expenses	37,657	64,663
Deferred Revenue	1,004,449	215,847
Current Portion of Obligations Under Operating Leases (Note 4)	162,858	153,820
	<hr/>	<hr/>
Total Current Liabilities	1,454,261	724,443
Long-Term Liabilities		
Obligations Under Operating Leases, Less Current Portion (Note 4)	125,634	328,198
	<hr/>	<hr/>
Total Liabilities	1,579,895	1,052,641
Net Assets:		
Without Donor Restrictions	4,446,078	3,075,278
With Donor Restrictions:		
VCC Cares Program	8,997	8,997
	<hr/>	<hr/>
Total Net Assets	4,455,075	3,084,275
	<hr/>	<hr/>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,034,970</u>	<u>\$ 4,136,916</u>

See Notes to Combined Financial Statements

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINED STATEMENTS OF ACTIVITIES

	15 MONTHS ENDED DECEMBER 31, 2024	12 MONTHS ENDED SEPTEMBER 30, 2023
Revenues Without Donor Restrictions		
City of Corpus Christi Contract (Note 5)	\$ 9,004,752	\$ 7,100,423
Group Incentive Program (Note 5)	530,773	589,794
Community Revenue, Sponsorships and Donations	222,274	10,370
Cooperative Advertising and Trade Shows	113,939	33,862
Sales at Visitor Center	65,540	43,464
Interest Income	210,338	78,031
Miscellaneous Income	12,645	2,977
Net Assets Released from Restrictions	--	--
	<hr/>	<hr/>
Total Revenues Without Donor Restrictions	10,160,261	7,858,921
Expenses		
Program Services		
Advertising	4,228,098	4,115,511
Charitable Giving	17,039	5,000
Conference Sales	1,619,492	1,197,701
Visiting Services	866,601	577,441
Supporting Services		
Management and General	2,058,231	1,580,806
	<hr/>	<hr/>
Total Expenditures	8,789,461	7,476,459
Increase in Net Assets	1,370,800	382,462
Net Assets, Beginning of Year	3,084,275	2,701,813
	<hr/>	<hr/>
NET ASSETS, END OF YEAR	<u>\$ 4,455,075</u>	<u>\$ 3,084,275</u>

See Notes to Combined Financial Statements

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

15 MONTHS ENDED DECEMBER 31, 2024

	Program Services				Supporting Services	Total
	Advertising	Charitable Giving	Conference Sales	Visiting Services	Management and General	
<u>Marketing and Promotional</u>						
Bad Debts	\$ --	\$ --	\$ --	\$ --	\$ 50	\$ 50
Community Relations	--	--	--	190,375	96,185	286,560
Convention Commitments	--	--	628,227	--	--	628,227
Dues & Subscriptions	57,199	--	3,220	--	90,422	150,841
Giveaway Promotions	2,276	--	63,785	27,595	--	93,655
Local Meetings/Events	-	--	--	3,312	--	3,312
Market Research	207,127	--	31,291	--	34,303	272,721
Meals & Entertainment	-	--	--	8,856	--	8,856
Media Advertising	2,812,798	--	--	--	--	2,812,798
Printed Collateral Materials	1,274	--	5,934	116,262	--	123,469
Public Relations	364	--	--	--	--	364
Special Projects	25,221	--	--	13,216	29,122	67,559
Sponsorship and Awards	--	14,250	--	--	--	14,250
Staff Development	--	--	--	24,254	--	24,254
Trade Shows/Missions	--	--	37,700	--	--	37,700
Travel-Conference Meals	--	--	--	13,670	--	13,670
VCC Ambassador	--	--	--	--	--	--
VIC Cost of Goods Sold	--	--	--	60,334	--	60,334
Website & Digital Assets	185,655	--	24,875	--	--	210,530
	<u>3,291,914</u>	<u>14,250</u>	<u>795,032</u>	<u>457,874</u>	<u>250,082</u>	<u>4,809,152</u>
<u>Administrative</u>						
Bank Fees	--	3	--	42	6,727	6,772
Board Meeting Expense	--	--	--	227	14,165	14,392
Computer Expense	--	1,436	--	--	75,011	76,446
Depreciation/Amortization	--	--	--	--	115,494	115,494
Insurance	--	--	--	--	16,757	16,757
Local Meetings/Events	1,346	--	10,626	--	795	12,767
Maintenance & Repair	--	--	--	9,553	1,425	10,978
Miscellaneous Expense	34	--	--	--	26	60
Office Supplies	2,328	--	1,945	10,611	54,788	69,672
Payroll Expense	870,409	--	785,683	343,283	864,633	2,864,008
Professional Fees	--	1,350	--	128	331,645	333,123
Rent & Utilities	--	--	--	38,255	229,585	267,840
Staff Development	62,067	--	26,206	6,628	97,098	192,000
	<u>936,184</u>	<u>2,789</u>	<u>824,460</u>	<u>408,727</u>	<u>1,808,149</u>	<u>3,980,310</u>
Total Expenses	<u>\$ 4,228,098</u>	<u>\$ 17,039</u>	<u>\$ 1,619,492</u>	<u>\$ 866,601</u>	<u>\$ 2,058,231</u>	<u>\$ 8,789,461</u>

See Notes to Combined Financial Statements

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

12 MONTHS ENDED SEPTEMBER 30, 2023

	Program Services				Supporting Services	Total
	Advertising	Charitable Giving	Conference Sales	Visiting Services	Management and General	
<u>Marketing and Promotional</u>						
Bad Debts	\$ --	\$ --	\$ --	\$ --	\$ 3,000	\$ 3,000
Community Relations	--	--	--	8,627	64,236	72,863
Convention Commitments	1,124	--	589,122	--	--	590,246
Dues & Subscriptions	47,019	--	2,033	50	51,431	100,533
Giveaway Promotions	6,293	--	46,907	19,156	--	72,356
Local Meetings/Events	--	--	--	1,131	--	1,131
Market Research	315,958	--	25,041	--	--	340,999
Meals & Entertainment	--	--	--	1,662	10,783	12,445
Media Advertising	2,692,409	--	--	--	--	2,692,409
Printed Collateral Materials	392	--	419	64,422	--	65,233
Public Relations	79,545	--	--	872	--	80,417
Special Projects	248,568	--	--	47,452	126,161	422,181
Sponsorship and Awards	--	5,000	--	--	--	5,000
Staff Development	--	--	--	--	18,352	18,352
Trade Shows/Missions	492	--	28,816	--	--	29,308
Travel-Conference Meals	16	--	--	--	13,825	13,841
VCC Ambassador	--	--	--	--	149	149
VIC Cost of Goods Sold	--	--	--	42,415	--	42,415
Website & Digital Assets	113,318	--	20,542	--	--	133,860
	<u>3,505,134</u>	<u>5,000</u>	<u>712,880</u>	<u>185,787</u>	<u>287,937</u>	<u>4,696,738</u>
<u>Administrative</u>						
Bank Fees	--	--	--	--	2,556	2,556
Board Meeting Expense	--	--	--	--	7,532	7,532
Computer Expense	--	--	146	--	42,587	42,733
Depreciation/Amortization	--	--	--	--	93,730	93,730
Insurance	--	--	--	--	10,099	10,099
Local Meetings/Events	663	--	5,492	--	1,449	7,604
Maintenance & Repair	--	--	--	6,976	145	7,121
Miscellaneous Expense	--	--	--	--	9,489	9,489
Office Supplies	1,709	--	2,214	12,097	52,450	68,470
Payroll Expense	540,999	--	461,372	327,056	711,211	2,040,638
Professional Fees	--	--	--	--	133,599	133,599
Rent & Utilities	4,375	--	3,301	29,304	166,399	203,379
Staff Development	63,631	--	12,296	16,221	61,623	153,771
	<u>611,377</u>	<u>--</u>	<u>484,821</u>	<u>391,654</u>	<u>1,292,869</u>	<u>2,780,721</u>
Total Expenses	<u>\$ 4,116,511</u>	<u>\$ 5,000</u>	<u>\$ 1,197,701</u>	<u>\$ 577,441</u>	<u>\$ 1,580,806</u>	<u>\$ 7,477,459</u>

See Notes to Combined Financial Statements

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINED STATEMENTS OF CASH FLOWS

	15 months Ended December 31, 2024	12 Months Ended September 30, 2023
Cash Flows from Operating Activities		
Increase in Net Assets	\$ 1,370,800	\$ 382,462
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	115,494	93,730
Noncash Lease Expense	(833)	--
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(502,005)	68,869
Prepaid Expenses	8,616	38,188
Accounts Payable	(40,816)	(82,034)
Accrued Expenses	(27,006)	11,652
Deferred Revenue	788,602	13,830
Net Cash Provided by Operating Activities	<u>1,712,852</u>	<u>526,697</u>
Cash Flows from Investing Activities		
Purchases of Depreciable and Intangible Assets	(11,318)	(224,813)
Maturity of Certificates of Deposit	--	456,149
Net Cash (Used) Provided by Investing Activities	<u>(11,318)</u>	<u>231,336</u>
Increase in Cash	1,701,534	758,033
Cash and Equivalents, Beginning of Year	<u>3,120,660</u>	<u>2,362,627</u>
CASH AND EQUIVALENTS, END OF YEAR	<u><u>\$ 4,822,194</u></u>	<u><u>\$ 3,120,660</u></u>

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

NOTES TO COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2024 AND SEPTEMBER 30, 2023

Note 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Corpus Christi Convention & Visitors Bureau (CVB) was 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. The 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 the CVB. The CVB operates under an assumed name of “Visit Corpus Christi” (VCC) that appears on marketing materials and websites.

The CVB created a separate organization, the Corpus Christi CVB Heritage Society (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.

These financial statements represent combined financial information of the CVB and the Foundation. For the 15 months ended December 31, 2024 and 12 months ended September 30, 2023, the CVB and the Foundation were under common control and governance. All significant inter-organization transactions and balances between the CVB and the Foundation have been eliminated in combination.

Basis of Presentation

The accompanying combined financial statements are presented using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Change in Accounting Year

The Board of Directors approved to change the Organization’s business year from a fiscal year ending September 30 to a calendar year ending December 31. As such, the accounting periods represented in this report are the 15-month period started October 1, 2023 and ended December 31, 2024 as well as the 12-month period started October 1, 2022 and ended September 30, 2023.

Note 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continuation)

Use of Estimates

The preparation of combined financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The CVB and the Foundation consider all highly liquid investments, purchased with a maturity of three months or less, to be cash equivalents. Cash received from the City of Corpus Christi in relation to hotel occupancy tax funds are required to be held in a separate account.

Accounts Receivable

Accounts receivable consist primarily of receivables from assessments of hotel taxable room rates. An allowance for credit losses, if deemed necessary, reflects management's best estimate of the amounts that will not be collected based on historical trends, adjusted for management's risk, historical, current and forecasted information. As of December 31, 2024 and September 30, 2023, management considered all accounts receivable to be fully collectible; therefore, no allowance has been recorded against accounts receivable.

Depreciable and Intangible Assets

Depreciable and intangible assets are reported at cost for purchased assets, or at estimated fair value at the date contributed for contributed assets. Expenditures for assets costing more than \$5,000 are capitalized if their useful life is greater than one year. Expenditures for betterments that materially extend the useful life of the asset are capitalized. Repairs and maintenance that do not significantly increase the useful life of an asset are expensed as incurred. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets which range from 10 years for building improvements, furniture, and equipment, 5 to 10 years for machinery and equipment, and 3 years for intangible assets.

Net Asset Classification

The CVB and the Foundation reports information regarding their combined financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restrictions.

Net Assets without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations and represent resources derived from membership, contributions, and other revenue. These resources are used for transactions relating to the operations of the entity and may be used at the discretion of the governing board to meet current expenses.

Net Assets with Donor Restrictions – Net assets whose use is limited by donor-imposed time and/or purpose restrictions.

Note 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continuation)

Revenues from Contract with the City of Corpus Christi

The CVB receives from the City, a portion of the hotel occupancy tax collected within the city limits. In exchange, the CVB provides the City with professional marketing services. The City pays 44% of the hotel occupancy tax it receives to the CVB, not including tax revenues from certain areas of the City. This arrangement is considered an exchange transaction and not a contribution. The CVB would be significantly impacted should the City materially change their tax revenue agreement with the CVB.

Program Service Revenue

The CVB and the Foundation receive revenue through various other program services including operation of a Visitors' Information Center, festivals, and events held throughout the City of Corpus Christi, and various other partnerships and trade shows held throughout the area with local businesses. Revenue is recognized as services are performed.

Deferred Revenue

Sponsorship funds received for future events are reported as deferred revenue. Revenue is recognized when the related event occurs.

Employees

The CVB utilizes the services of a staff leasing company as needed. The staff leasing company provides the CVB with employees and invoices CVB for hired employees. The Foundation employs no staff and instead utilizes services of the CVB staff.

Media Advertising

Media advertising costs are expensed in the period incurred. For the 15 months ended December 31, 2024 and 12 months ended September 30, 2023, media advertising expenses were \$2,812,798 and \$2,692,409, respectively.

Note 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continuation)

Concentrations

The CVB and Foundation maintain cash and cash equivalents with local financial institutions. Such deposits exceeded federal depository insurance by \$1,251,107 and \$476,068 as of December 31, 2024 and September 30, 2023. Management believes that the risk of loss is minimal due to the strength of the institutions.

As of December 31, 2024 and September 30, 2023, there was approximately \$3,324,265 and \$2,399,572, respectively, held in money-market funds and are insured in part by the Securities Investor Protection Corporation.

The CVB is supported largely by the City of Corpus Christi through contractual payments and additional funding. For the 15 months ended December 31, 2024 and 12 months ended September 30, 2023, the City accounted for 96% and 90%, respectively, of the CVB's revenue through contractual agreements and various additional funding.

For the 15 months ended December 31, 2024 and 12 months ended September 30, 2023, 57% and 63%, respectively, of expenditures were paid to one vendor.

Functional Expenses

The cost of providing certain activities of CVB and the Foundation has been summarized on a functional basis in the statements of functional expenses. Accordingly, costs have been allocated amongst the program and supporting services benefited if such cost cannot be directly identified with the program or supporting services to which they related. All allocable expenses are allocated based on the percentage of direct costs for each program.

Income Taxes

The CVB is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and has been classified as an organization that is not a private foundation. The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made.

Subsequent Events

Subsequent events have been evaluated through the date of the independent auditor's report. As a result of this evaluation, no events were identified that are required to be disclosed or would have a material impact on reported net assets or changes in net assets.

Note 2 – LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditure, that is, without donor or other restrictions limited their use, within one year of December 31, 2024 and September 30, 2023, comprise the following:

	<u>2024</u>	<u>2023</u>
Financial assets at year end:		
Cash and Cash Equivalents	4,822,194	3,120,660
Accounts Receivable, Net	522,229	20,224
Total Financial Assets	<u>5,344,423</u>	<u>3,140,884</u>
Less:		
Those Unavailable for General Expenditures Within One Year Due to Contractual or Donor-Imposed Restrictions: Restricted by Donor with Time or Purpose Restrictions Included in Net Assets	<u>(8,997)</u>	<u>(8,997)</u>
Total Unavailable Funds	<u>(8,997)</u>	<u>(8,997)</u>
 TOTAL FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES OVER THE NEXT TWELVE MONTHS	 <u><u>5,335,426</u></u>	 <u><u>3,131,887</u></u>

Note 3 – DEPRECIABLE AND INTANGIBLE ASSETS

	<u>2024</u>	<u>2023</u>
Furniture and Fixtures	294,787	294,787
Website	85,171	85,171
Building Improvements	72,207	72,207
Vehicles	71,503	71,503
Equipment and Software	49,693	38,374
Total Depreciable and Intangible Assets	<u>573,361</u>	<u>562,042</u>
Less Accumulated Depreciation and Amortization	<u>(325,375)</u>	<u>(209,879)</u>
 DEPRECIABLE AND INTANGIBLE ASSETS, NET	 <u><u>247,986</u></u>	 <u><u>352,163</u></u>

Depreciation and amortization expense amounted to \$115,494 and \$93,730 for the 15 months ended December 31, 2024 and 12 months ended September 30, 2023, respectively.

Note 4 – LEASES

The CVB leases office suites at 400 Mann Street in Corpus Christi, TX, and space for the visitor’s center at 309 N. Water Street in Corpus Christi, TX. 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 of 3% to measure the lease liability at the present value of the lease payment not yet paid on the office space facility.

At December 31, 2024, maturities for the operating lease liabilities for office suites and visitor center combined are as follows:

Year Ending <u>September 30,</u>	
2025	\$168,290
2026	<u>127,368</u>
Total Payments	296,658
Less: Interest	<u>8,166</u>
Present Value of Lease Liability	<u>\$288,492</u>

As of December 31, 2024 and September 30, 2023, the weighted-average remaining lease term was 1.8 years and 3.06 years, respectively. The CVB does not have access to the rate implicit in the leases and has exercised an available expedient that allows an accounting policy election to use a risk-free rate as the discount rate for all leases. The weighted-average discount rate was 3% as of December 31, 2024 and September 30, 2023.

Rent expense for real property and office equipment for the 15 months ended December 31, 2024 and 12 months ended September 30, 2023 is \$239,277 and \$164,893 respectively.

Note 5 – RELATED PARTY TRANSACTIONS

The CVB and the Foundation are supported mostly by the City of Corpus Christi through contractual payments. For the 15 months ended December 31, 2024 and 12 months ended September 30, 2023, CVB and the Foundation had \$9,535,525 and \$7,690,217, respectively, in revenue recognized from the City of Corpus Christi of which, \$530,773 and \$589,794, respectively, is recognized as Group Incentive Program revenue in the statement of activities.

Note 6 – RETIREMENT PLAN

The CVB sponsors a retirement plan that provides employees with the ability to defer a portion of their compensation. The CVB may also make additional discretionary contributions. All employees are eligible to participate in the plan after 500 hours of service in a 6-month period. Each employee directs their own investments. Plan expenses paid by the CVB for the 15 months and 12 months ended, December 31, 2024 and September 30, 2023 totaled \$92,270 and \$32,347, respectively.

SUPPLEMENTAL SCHEDULES

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINING STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024

ASSETS	Convention & Visitors Bureau	Foundation	Eliminations	Total
Current Assets				
Cash and Cash Equivalents	\$ 4,799,369	\$ 22,825	\$ --	\$ 4,822,194
Accounts Receivable, Net	522,229	--	--	522,229
Prepaid Expenses	160,698	--	--	160,698
Total Current Assets	5,482,296	22,825	--	5,505,121
Noncurrent Assets				
Depreciable and Intangible Assets, Net	247,986	--	--	247,986
Right-of-Use Asset Under Operating Lease	281,863	--	--	281,863
Total Noncurrent Assets	529,849	--	--	529,849
TOTAL ASSETS	\$ 6,012,145	\$ 22,825	\$ --	\$ 6,034,970
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 249,297	\$ --	\$ --	\$ 249,297
Accrued Expenses	37,657	--	--	37,657
Deferred Revenue	1,004,449	--	--	1,004,449
Current Portion of Obligation Under Operating Leases	162,858	--	--	162,858
Total Current Liabilities	1,454,261	--	--	1,454,261
Long Term Liabilities				
Obligations Under Operating Leases, Less Current Portion	125,634	--	--	125,634
Total Liabilities	1,579,895	--	--	1,579,895
Net Assets				
Net Assets Without Donor Restrictions:				
Undesignated	4,432,250	13,828	--	4,446,078
Net Assets With Donor Restrictions:				
VCC Cares Program	--	8,997	--	8,997
Total Net Assets	4,432,250	22,825	--	4,455,075
TOTAL LIABILITIES AND NET ASSETS	\$ 6,012,145	\$ 22,825	\$ --	\$ 6,034,970

See Independent Auditor's Report

CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINING STATEMENTS OF FINANCIAL POSITION (CONTINUED)

SEPTEMBER 30, 2023

ASSETS	<u>Convention & Visitors Bureau</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Current Assets				
Cash and Cash Equivalents	\$ 3,087,556	\$ 33,104	\$ --	\$ 3,120,660
Accounts Receivable, Net	20,224	--	--	20,224
Prepaid Expenses	169,314	--	--	169,314
Total Current Assets	3,277,094	33,104	-	3,310,198
Noncurrent Assets				
Depreciable and Intangible Assets, Net	352,163	--	--	352,163
Right-of-Use Asset Under Operating Lease	474,555	--	--	474,555
Total Noncurrent Assets	826,718	--	--	826,718
TOTAL ASSETS	\$ 4,103,812	\$ 33,104	\$ --	\$ 4,136,916
LIABILITIES AND NET ASSETS				
Current Liabilities				
Accounts Payable	\$ 290,113	\$ --	\$ --	\$ 290,113
Accrued Expenses	64,663	--	--	64,663
Deferred Revenue	215,847	--	--	215,847
Current Portion of Obligation Under Operating Leases	153,820	--	--	153,820
Total Current Liabilities	724,443	--	--	724,443
Long Term Liabilities				
Obligations Under Operating Leases, Less Current Portion	328,198	--	--	328,198
Total Liabilities	1,052,641	--	--	1,052,641
Net Assets				
Net Assets Without Donor Restrictions:				
Undesignated	3,051,171	24,107	--	3,075,278
Net Assets With Donor Restrictions:				
VCC Cares Program	--	8,997.00	--	8,997
Total Net Assets	3,051,171	33,104	--	3,084,275
TOTAL LIABILITIES AND NET ASSETS	\$ 4,103,812	\$ 33,104	\$ --	\$ 4,136,916

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CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINING STATEMENTS OF ACTIVITIES

15 MONTHS ENDED DECEMBER 31, 2024

	<u>Convention & Visitors Bureau</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Revenues Without Donor Restrictions				
City of Corpus Christi Contract	\$ 9,004,752	\$ --	\$ --	\$ 9,004,752
Group Incentive Program	530,773	--	--	530,773
Community Revenue, Sponsorships and Donations	215,552	6,722	--	222,274
Cooperative Advertising and Trade Shows	113,939	--	--	113,939
Sales at Visitor Center	65,540	--	--	65,540
Interest Income	210,301	37	--	210,338
Miscellaneous Income	12,644	1	--	12,645
Net Assets Released from Restrictions	--	--	--	--
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Total Revenues Without Donor Restrictions	10,153,501	6,760	-	10,160,261
Expenditures				
Program Services				
Advertising	4,228,098	--	--	4,228,098
Charitable Giving	--	17,039	--	17,039
Conference Sales	1,619,492	--	--	1,619,492
Visiting Services	866,601	--	--	866,601
Supporting Services				
Management and General	2,058,231	--	--	2,058,231
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Total Expenditures	8,772,422	17,039	--	8,789,461
Increase (Decrease) in Net Assets	1,381,079	(10,279)	--	1,370,800
Net Assets, Beginning of Year	3,051,171	33,104	--	3,084,275
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NET ASSETS, END OF YEAR	4,432,250	\$ 22,825	\$ --	\$ 4,455,075
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CORPUS CHRISTI CONVENTION & VISITORS BUREAU AND AFFILIATE

COMBINING STATEMENTS OF ACTIVITIES (CONTINUED)

12 MONTHS ENDED SEPTEMBER 30, 2023

	<u>Convention & Visitors Bureau</u>	<u>Foundation</u>	<u>Eliminations</u>	<u>Total</u>
Revenues Without Donor Restrictions				
City of Corpus Christi Contract	\$ 7,100,423	\$ --	\$ --	\$ 7,100,423
Group Incentive Program	589,794	--	--	589,794
Community Revenue, Sponsorships and Donations	10,370	--	--	10,370
Sales at Visitor Center	43,464	--	--	43,464
Cooperative Advertising and Trade Shows	33,862	--	--	33,862
Interest Income	77,994	37	--	78,031
Miscellaneous Income	2,977	--	--	2,977
Net Assets Released from Restrictions	--	--	--	--
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Total Revenues Without Donor Restrictions	7,858,884	37	--	7,858,921
Expenditures				
Program Services				
Advertising	4,115,511	--	--	4,115,511
Charitable Giving	--	5,000	--	5,000
Conference Sales	1,197,701	--	--	1,197,701
Visiting Services	577,441	--	--	577,441
Supporting Services				
Management and General	1,580,806	--	--	1,580,806
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Total Expenditures	7,471,459	5,000	--	7,476,459
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Increase (Decrease) in Net Assets	387,425	(4,963)	--	382,462
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Net Assets, Beginning of Year	2,663,746	38,067	--	2,701,813
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NET ASSETS, END OF YEAR	\$ 3,051,171	\$ 33,104	\$ --	\$ 3,084,275
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