

MEET AC, INC. AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

MEET AC, INC. AND AFFILIATE

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Meet AC, Inc. and Affiliate

Opinion

We have audited the consolidated financial statements of Meet AC, Inc. and Affiliate (the “Organization”) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Meet AC, Inc. and Affiliate as of December 31, 2022, and the consolidated changes in their net assets and their cash flows for the year then ended in conformity 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 (“GAAS”) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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.

Prior Period Consolidated Financial Statements

The consolidated financial statements of Meet AC, Inc. and Affiliate as of and for the year ended December 31, 2021, were audited by Friedman LLP whose practice was combined with Marcum LLP as of September 1, 2022, and whose report dated March 28, 2022, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meet AC, Inc. and Affiliate's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS and *Government 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 consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Organization'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 2022 consolidating statement of financial position and the 2022 consolidating statement of activities and change in net assets are presented for purposes of additional analysis of the consolidated financial statements, rather than to present the consolidated statement of financial position and change in net assets of the individual entities, and are not a required part of the consolidated 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 consolidated financial statements. The 2022 information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 2022 consolidated financial statements as a whole. The 2021 information was subjected to the auditing procedures applied in the 2021 audit of the basic consolidated financial statements by Friedman LLP, whose report on the 2021 information stated that it was fairly stated in all material respects to the 2021 consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Marcum LLP

Northfield, New Jersey
March 15, 2023

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2022 AND 2021

	2022	2021
Assets		
Current Assets		
Cash and cash equivalents	\$ 95,856	\$ 2,357,512
Cash and cash equivalents - committed for convention incentive funds	683,175	640,895
Accounts receivable	22,021	3,313
Prepaid expenses	241,918	133,653
Note receivable, current portion	25,000	25,000
Total Current Assets	1,067,970	3,160,373
Noncurrent Assets		
Intangible assets	37,581	35,000
Equipment and software - at cost, less accumulated depreciation and amortization	177,097	38,869
Note receivable, net of current portion	25,000	50,000
Total Noncurrent Assets	239,678	123,869
Total Assets	\$ 1,307,648	\$ 3,284,242
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 275,075	\$ 880,900
Accrued payroll and related expenses	597,393	654,104
Refundable advance - NJ Department of State	240,497	75,442
Deferred revenue - CRDA	--	924,309
Deferred revenue - CRDA contractual budget reserve	157,696	405,000
Due to Small Business Administration - PPP Loan	--	307,500
Total Current Liabilities	1,270,661	3,247,255
Commitments		
Net Assets Without Donor Restrictions	36,987	36,987
Total Liabilities and Net Assets	\$ 1,307,648	\$ 3,284,242

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Revenues and Other Support		
CRDA contract revenue	\$ 9,481,915	\$ 7,150,835
Registration staffing	151,701	89,849
Grants	238,370	176,738
Miscellaneous income	--	10,005
Interest income	5,639	6,684
Total Revenues and Other Support	<u>9,877,625</u>	<u>7,434,111</u>
Expenses		
Program Services		
Meetings, conventions and groups	7,654,466	5,712,586
Registration staffing	165,683	74,262
Marketing - sports and entertainment	1,394,636	1,071,623
Total Program Services	<u>9,214,785</u>	<u>6,858,471</u>
Supporting Services		
Management and general	662,840	575,640
Total Expenses	<u>9,877,625</u>	<u>7,434,111</u>
Change in Net Assets Without Donor Restrictions	--	--
Net Assets, Beginning of Year	<u>36,987</u>	<u>36,987</u>
Net Assets, End of Year	<u>\$ 36,987</u>	<u>\$ 36,987</u>

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services			Total Program Services	Supporting Services	Total Functional Expenses
	Meetings, Conventions and Groups	Registration Staffing	Marketing - Sports and Entertainment		Management and General	
Payroll	\$ 1,731,812	\$ 136,460	\$ 241,308	\$ 2,109,580	\$ 350,427	\$ 2,460,007
Payroll taxes	125,933	11,532	19,642	157,107	27,441	184,548
Benefits	347,275	--	38,979	386,254	54,056	440,310
Salaries and Related Expenses	2,205,020	147,992	299,929	2,652,941	431,924	3,084,865
Marketing	2,154,505	17,691	1,005,939	3,178,135	16,833	3,194,968
Advertising and print	1,584,629	--	41,688	1,626,317	303	1,626,620
Client entertainment	1,233,361	--	11,422	1,244,783	2,234	1,247,017
Professional fees	31,420	--	7,772	39,192	27,401	66,593
Public relations	299,973	--	25,215	325,188	1,653	326,841
Facilities and insurance	46,449	--	2,618	49,067	88,432	137,499
Other expenses	28,422	--	--	28,422	2,569	30,991
Office and computer expenses	35,878	--	53	35,931	91,491	127,422
Depreciation and amortization	34,809	--	--	34,809	--	34,809
Total Expenses	\$ 7,654,466	\$ 165,683	\$ 1,394,636	\$ 9,214,785	\$ 662,840	\$ 9,877,625

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Total Program Services	Supporting Services	Total Functional Expenses
	Meetings, Conventions and Groups	Registration Staffing	Marketing - Sports and Entertainment		Management and General	
Payroll	\$ 1,741,561	\$ 62,295	\$ 218,681	\$ 2,022,537	\$ 316,181	\$ 2,338,718
Payroll taxes	121,551	4,765	45,378	171,694	24,238	195,932
Benefits	328,572	--	11,534	340,106	50,704	390,810
Salaries and Related Expenses	2,191,684	67,060	275,593	2,534,337	391,123	2,925,460
Marketing	1,694,415	6,413	728,073	2,428,901	15,014	2,443,915
Advertising and print	1,096,956	--	37,643	1,134,599	--	1,134,599
Client entertainment	347,425	--	11,361	358,786	--	358,786
Public relations	38,062	--	7,398	45,460	18,996	64,456
Professional fees	232,637	--	11,555	244,192	--	244,192
Facilities and insurance	42,462	--	--	42,462	80,146	122,608
Office and computer expenses	11,350	398	--	11,748	4,391	16,139
Other expenses	43,177	391	--	43,568	65,970	109,538
Depreciation and amortization	14,418	--	--	14,418	--	14,418
Total Expenses	\$ 5,712,586	\$ 74,262	\$ 1,071,623	\$ 6,858,471	\$ 575,640	\$ 7,434,111

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows From Operating Activities		
Change in net assets without donor restrictions	\$ --	\$ --
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by (used in) operating activities		
Depreciation and amortization expense	34,809	14,418
Changes in assets and liabilities		
Accounts receivable	(18,708)	(3,313)
Prepaid expenses	(108,265)	(3,685)
Accounts payable and accrued expenses	(605,825)	738,374
Accrued payroll and related expenses	(56,711)	549,037
Refundable advance - NJ Department of State	165,055	26,437
Deferred revenue - CRDA	(924,309)	(972,837)
Deferred revenue - CRDA contractual budget reserve	(247,304)	33,000
Net Cash Provided by (Used in) Operating Activities	(1,761,258)	381,431
Cash Flows From Investing Activities		
Repayment of note receivable	25,000	25,000
Intangible asset additions	(2,581)	--
Equipment and software purchases	(173,037)	(15,930)
Net Cash (Used in) Provided by Investing Activities	(150,618)	9,070
Cash Flows From Financing Activity		
Repayment of Small Business Administration - PPP Loan	(307,500)	--
Net (Decrease) Increase in Cash and Cash Equivalents	(2,219,376)	390,501
Cash and Cash Equivalents, Beginning of Year	2,998,407	2,607,906
Cash and Cash Equivalents, End of Year	\$ 779,031	\$ 2,998,407
Reconciliation of Cash and Cash Equivalents, End of Year		
Cash and cash equivalents	\$ 95,856	\$ 2,357,512
Cash and cash equivalents - committed for convention incentive funds	683,175	640,895
Cash and Cash Equivalents, End of Year	\$ 779,031	\$ 2,998,407

See notes to consolidated financial statements.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - NATURE OF THE ORGANIZATION

Meet AC, Inc. (“Meet AC”) was incorporated on April 22, 2014. Effective June 18, 2014, the Casino Reinvestment Development Authority (“CRDA”), which is an instrumentality of the State of New Jersey (the “State”), approved the restructuring and outsourcing of the sales function of its Convention Sales Division through the creation of this separate and distinct not-for-profit business league entity. The Organization’s purpose is to promote, market and advance the City of Atlantic City as a premium destination for conventions, meetings, and tradeshow, all with the goal of expanding the convention and tourism industries in Atlantic City and promoting the general business conditions of the community at large. As such, the CRDA and the Organization have entered into a public-private partnership agreement, whereby the CRDA provides funding to the Organization in exchange for these services, including booking convention space at Atlantic City Convention Center and Historic Boardwalk Hall (the “Facilities”), hotel rooms and off-site venues within Atlantic City, and promoting other Atlantic City amenities.

Meet AC’s affiliate, Atlantic City Sports Commission, Inc. (the “Commission”), was incorporated on December 3, 2014. The Commission was created by the State, through the efforts of the CRDA and Meet AC, to further carry out the CRDA’s purposes. The Commission’s purpose is to engage in sports and entertainment related activities, including, but not limited to, making distributions for charitable purposes and improving the Atlantic City region by promoting, marketing and advancing Atlantic City as a destination for amateur and professional sporting and other entertainment events. The Commission’s primary source of revenue is from CRDA funding passed through Meet AC to the Commission.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 1 - NATURE OF THE ORGANIZATION (CONTINUED)

PROGRAM SERVICES

Meet AC's program services have been established, in accordance with the Organization's agreement with the CRDA, to promote and market the Facilities as premier destinations for conventions, meetings, trade shows and group leisure events; conduct coordinated advertising, publicity and promotion campaigns emphasizing attractions offered in Atlantic City (the "City") for meetings and groups; sell and coordinate the booking and reservation of convention, meeting and trade show space, hotel rooms and other off-site venues; participate in appropriate convention and destination marketing associations' events and trade shows to assure favorable publicity about the City and the Facilities; solicit convention, tradeshow and meeting organizations to use the Facilities and other venues throughout the City; provide tourism and event-planning services to associations, businesses, organizations and groups convening or holding conventions, meetings or events; prepare, publish and update materials providing specific information on the Facilities, hotels, restaurants, entertainment and other amenities located in the City, and distribute said materials to event planners or coordinators; coordinate with City hotels, restaurants and entertainment venues the cross-selling and booking of said Facilities in connection with the booking of a convention, tradeshow or other meeting events at the Facilities; and create and maintain strategic relationships for the coordination of services with the CRDA and its business partners, as they relate to the convention and meeting business in the City.

The Commission's program services are supported by Meet AC's agreement with the CRDA, and established to promote and market the Atlantic City Convention Center, Historic Boardwalk Hall, and Bader Field (the "Commission Facilities") as premier destinations for sports related events, emphasizing attractions offered in the City for events to groups; to sell and coordinate the booking and reservation of events, hotel rooms and other off-site venues; to participate in appropriate convention and destination marketing associations' events and trade shows to assure favorable publicity about the City and the Commission Facilities; and to solicit, create and support sport related events to use the Commission Facilities and other venues throughout the City.

SUPPORTING SERVICES

Management and general services include those functions necessary to obtain and manage the Organization's financial and other resources, ensure an adequate working environment, develop and administer Organization programs and services and, in conjunction with the Organization's Board of Trustees, oversee the articulation of Organization policies and procedures, as well as long-term Organization strategies.

Meet AC and the Commission did not incur any fundraising expenses during the years ended December 31, 2022 and 2021.

MEET AC, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

Accounting principles generally accepted in the United States of America (“GAAP”) require the Organization to consolidate entities in which it has control and an economic interest, when that control is evidenced through a majority ownership or voting interest. Meet AC has an economic interest and control of the Commission’s board, by virtue of common corporate governance, and therefore consolidation is required. The consolidated financial statements include the accounts of Meet AC and the Commission, collectively referred to as (the “Organization”).

All intra-organizational accounts and transactions have been eliminated in the accompanying consolidated financial statements.

BASIS OF PRESENTATION

The accompanying consolidated financial statements have been presented in accordance with GAAP. Net assets, revenues and other support, and expenses are classified based on the existence or absence of donor-imposed restrictions.

Net assets without donor restrictions consist of assets, revenues and other support which are available and used for operations and programs.

Net assets with donor restrictions include funds with donor-imposed restrictions, which permit the Organization to expend the assets as specified and are satisfied either by the passage of time or by actions of the Organization. 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 as of December 31, 2022 and 2021.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing consolidated financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues, support, and expenses. Actual results could differ from those estimates.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES AND SUPPORT

Contract Revenue

In accordance Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 606, *Revenue from Contracts with Customers*, the Organization recognizes contract revenue when the following criteria are met: 1) Contract with the customer has been identified; 2) Performance obligations in the contract have been identified; 3) Transaction price has been determined; 4) The transaction price has been allocated to the performance obligations; and 5) When (or as) performance obligations are satisfied. Revenue from exchange contracts is recognized as the Organization substantially meets the performance obligations contained in the agreement with the sponsor.

The Organization's marketing and sales agreement with CRDA is a fixed-price agreement and does not include any incentive provisions. The Organization receives its approved contract funding from CRDA in four quarterly advance payments. The sales and marketing services are considered a single performance obligation that is satisfied over time. The Organization recognizes revenue for financial reporting purposes over time. Progress toward completion of the Organization's contract is measured by the costs incurred to date. This method is used because management considers total cost to be the best available measure of progress the contract.

All contract revenue and grants are recorded as deferred revenue and refundable advances, respectively, until they are expended and recognized as revenue. Certain CRDA contract revenues received but not expended as of the end of the year are permitted to be retained in a budget reserve in accordance with the terms of the agreement with CRDA. If, at the end of the contract term, the CRDA requests a return of any remaining uncommitted and unexpended monies, over and above the allowable budget reserve retained, the advances would then be reclassified as due back to the CRDA. Accordingly, CRDA contract revenue is recognized only to the extent of expenses incurred (exchange transaction).

At December 31, 2022, there was no deferred revenue for advances received from CRDA in 2022 for which expenses were not incurred as of December 31, 2022. Included in the deferred revenue total is \$157,696 which the Organization may retain as part of its contract with CRDA. The Organization received approval from CRDA to retain those funds and apply them to 2023 budgeted expenses. At December 31, 2021, there was \$1,329,309 of deferred revenue for advances received from CRDA in 2021 for which expenses were not incurred as of December 31, 2021. The Organization returned \$500,000 to CRDA, and applied the remaining balance to budgeted expenses in 2022.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES AND SUPPORT (CONTINUED)

Contract Revenue (continued)

The Organization also provides registration services. Each registration service contract is considered to be one performance obligation and revenue is recognized at the point in time of performance.

Grants

In accordance with ASC 958, *Not-for-Profit Entities*, grants and contracts awarded by the State of New Jersey which are generally considered nonreciprocal transactions restricted by sponsors for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the agreements are met. The Organization recognizes a restricted contribution directly in net assets without donor restrictions if the restriction is met in the same period that the revenue is recognized.

The Organization was awarded grants from the NJ Department of State, Division of Travel and Tourism, entitled, Destination Marketing Organization (“DMO”), in the amount of \$248,850, covering the period July 1, 2021 to June 30, 2022, and \$258,000, covering the period July 1, 2022 to June 30, 2023.

During 2022, The Organization was awarded another grant from the NJ Department of State, Division of Travel and Tourism, entitled, Destination Marketing Organization American Rescue Plan 2022 (“DMO ARP”), in the amount of \$900,000 covering the period May 27, 2022 to June 30, 2025.

For the year ended December 31, 2022, the Organization recognized revenues of \$199,867 for the DMO grant covering the period July 1, 2021 to June 30, 2022, and \$38,503 for the DMO grant covering the period July 1, 2022 to June 30, 2023, totaling \$238,370. For the year ended December 31, 2021, the Organization recognized revenues of \$127,755 for the DMO grant covering the period July 1, 2020 to June 30, 2021, and \$48,983 for the DMO grant covering the period July 1, 2021 to June 30, 2022, totaling \$176,738. At December 31, 2022 and 2021, the Organization had received DMO grant funds in advance of and in excess of expenses incurred, which are reflected as refundable advances totaling \$90,497 and \$75,442, respectively. During 2022, the Organization recognized the December 31, 2021 DMO grant refundable advance of \$75,442 as revenue. The Organization anticipates recognizing the remaining funds as revenue in 2023, prior to the June 30, 2023, grant expiration date. The Organization received DMO ARP funds of \$150,000 in advance of and in excess of expenses incurred which are reflected as refundable advances as of December 31, 2022. The Organization anticipates recognizing the DMO ARP refundable advances as revenue in 2023.

MEET AC, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES AND SUPPORT (CONTINUED)

The Organization recognized revenues and support as follows:

	Year Ended December 31,	
	2022	2021
CRDA contract revenue (over time)	\$ 9,481,915	\$ 7,150,835
Registration staffing contract revenue (point in time)	151,701	89,849
Grants	238,370	176,738
Miscellaneous income	--	10,005
	<u>\$ 9,871,986</u>	<u>\$ 7,427,427</u>

CASH AND CASH EQUIVALENTS

Cash balances in banks are insured by the Federal Deposit Insurance Corporation subject to certain limitations. At various times during the year, the Organization's cash balances may exceed the insurable limit; however, the Organization has not experienced any losses in such accounts.

For purposes of the consolidated statements of cash flows, the Organization considers all cash and cash equivalents with original maturities of three months or less when purchased to be cash or cash equivalents.

INVESTMENTS

The Board of Trustees may approve the investment of unused funds into money-market type funds and certificates of deposit with maturities approved by the Board of Trustees. The Organization did not have any investments at December 31, 2022 and 2021.

ACCOUNTS RECEIVABLE

Accounts receivable represent amounts due from registration activities, and are stated at the amounts management expects to collect. Management evaluates its accounts receivable and records an allowance for doubtful accounts, when deemed necessary, based on a combination of historical experience, aging analysis, and information on specific accounts. Based on the Organization's review of accounts receivable, no allowance for doubtful accounts is considered necessary at December 31, 2022 and 2021.

MEET AC, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EQUIPMENT AND SOFTWARE RELATED DEPRECIATION AND AMORTIZATION

Equipment and software are stated at cost, less accumulated depreciation and amortization. The Organization's policy is to capitalize all assets with estimated useful lives greater than one year and with an original cost over \$1,000. Costs incurred in the development of software and website are expensed during the preliminary and post-implementation operation stages, including data conversion, training, and maintenance costs. Costs incurred during the development stage are capitalized. Depreciation and amortization are provided over the estimated useful lives of the respective assets on a straight-line basis. The principal useful life for computers and computer equipment is estimated to be five years. The principal useful life for software and development costs is estimated to be three years. Accumulated depreciation was \$72,058 and \$53,937 as of December 31, 2022 and 2021, respectively. Accumulated amortization was \$16,688 and \$0 as of December 31, 2022 and 2021, respectively.

INTANGIBLE ASSETS

The intangible assets consist of domain names (meetac.com and meetatlanticcity.com) purchased by the Organization. The Organization follows the provisions of ASC 350-30-35-18 for intangible assets, which requires an organization to perform impairment testing annually, or more frequently if events or circumstances indicate that the asset may be impaired, using a direct valuation methodology for those assets determined to have an indefinite life.

Since the domain names have been determined to have an indefinite life, no amortization is recorded. No impairment loss was recognized for the years ended December 31, 2022 and 2021.

LEASES

Effective January 1, 2022, the Organization adopted FASB ASC 842, *Leases* (ASC 842). The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period and other facts and circumstances. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification. The Organization elected the short-term lease recognition exemption for all leases that qualify. Consequently, for those leases that qualify, the Organization will not recognize right-of-use assets or lease liabilities on the consolidated statements of financial position. The Organization generally does not have access to the rate implicit in the lease, and therefore the Organization utilizes a risk-free rate as the discount rate.

MEET AC, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES (CONTINUED)

The adoption of ASC 842 did not have a material impact on the Organization's results of operations and cash flows. Results for periods beginning prior to January 1, 2022 continue to be reported in accordance with the Organization's historical accounting treatment.

COMPENSATED ABSENCES

Certain employees of the Organization have earned a vested right to compensation for unused vacation time. Accordingly, the Organization has made an accrual for vacation compensation that employees have earned but not taken. As of December 31, 2022 and 2021, the Organization has accrued approximately \$73,000 and \$76,000 of earned vacation, respectively, which is included in accrued payroll and related expenses in the consolidated statements of financial position.

FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities and change in net assets and in the consolidated statements of functional expenses. The Organization incurs expenses that directly relate to, and can be assigned to, a specific program or supporting activity. The Organization also conducts a number of activities which benefit both its program objectives as well as supporting services.

These costs, which are not specifically attributable to a specific program or supporting activity, are allocated by management on a consistent basis among program and supporting services benefited, based on estimates of time and effort incurred by personnel. 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.

ADVERTISING COSTS

It is the Organization's policy to expense advertising costs as incurred. The Organization incurred \$1,626,620 and \$1,134,599 in advertising costs for the years ended December 31, 2022 and 2021, respectively.

INCOME TAXES

Meet AC, Inc. qualifies as a tax-exempt organization under Section 501(c)(6) of the Internal Revenue Code. Contributions to the Organization are neither solicited nor tax deductible.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES (CONTINUED)

Atlantic City Sports Commission, Inc. qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Commission also has been classified as an organization that is not a private foundation under Section 509(a)(2), and therefore qualifies for the charitable contribution deduction under Section 170(b)(1)(a). Since both entities qualify as tax-exempt organizations for both federal and state purposes, and neither organization engaged in any activities that might give rise to unrelated business income tax, the consolidated financial statements do not reflect a provision for income taxes.

SUBSEQUENT EVENTS

The Organization has performed a review of events subsequent to the consolidated statements of financial position date through March 15, 2023, the date the consolidated financial statements were available to be issued.

NOTE 3 - LIQUIDITY, AVAILABILITY OF RESOURCES, RISKS AND UNCERTAINTIES

The Organization's financial assets available within one year of the consolidated statements of financial position for general expenditure are as follows:

	Year Ended December 31,	
	2022	2021
Cash and cash equivalents	\$ 779,031	\$ 2,998,407
Accounts receivable	22,021	3,313
Notes receivable, current portion	<u>25,000</u>	<u>25,000</u>
	826,052	3,026,720
Less: Cash unavailable within one year due to repayment of SBA PPP Loan (see Note 5)	<u> --</u>	<u> (307,500)</u>
	<u>\$ 826,052</u>	<u>\$ 2,719,220</u>

In addition to the financial assets shown above as of December 31, 2022 to meet cash requirements within one year, the Organization's 2023 funding of \$8.5 million has been approved by the CRDA. The Organization also receives revenue approximating \$238,000 annually from a state tourism grant and other sources, which is available to meet its financial obligations.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 3 - LIQUIDITY, AVAILABILITY OF RESOURCES, RISKS AND UNCERTAINTIES (CONTINUED)

As a result of the 2023 funding commitment from CRDA and the Organization's ability to manage expenses within its budget, Management and the Board of Trustees projects that it will have sufficient liquidity to continue operations for at least one year from the issuance of these consolidated financial statements.

NOTE 4 - NOTE RECEIVABLE

On August 8, 2020, the Organization provided a loan to a company sponsoring the Atlantic City Beer and Music Festival in the amount of \$100,000. The note bears interest at 5%, is unsecured and is personally guaranteed by the owner of the company. The note is payable in four annual installments of \$25,000 plus interest starting on May 15, 2021, and each subsequent May 15 through the maturity date of May 15, 2024. During the years ended December 31, 2022 and 2021, the company made payments of \$25,000 to the Organization.

NOTE 5 - DUE TO THE SMALL BUSINESS ADMINISTRATION - PPP LOAN

As a result of the spread of a novel strain of coronavirus ("COVID-19"), on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was signed into law. The CARES Act amends the Small Business Act to include a new guaranteed, unsecured loan program (the "Paycheck Protection Program").

In May 2020, the Organization applied for, was approved and awarded a Paycheck Protection Program loan (the "PPP Loan") in the amount of \$307,500 from the Small Business Administration ("SBA"). The PPP Loan had a term of two years and was subject to interest of 1% per annum. Interest and potential principal payments were deferred for the first six months. Subject to certain conditions as defined in the CARES Act, up to 100% of the PPP Loan may be forgiven. Subsequently, the Organization determined it was not qualified to receive the PPP Loan and as such, had to return the PPP Loan funds. On March 9, 2022, the Organization returned the PPP Loan funds to the bank.

NOTE 6 - COMMITMENTS

INCENTIVE FUNDING COMMITMENTS

The Organization enters into agreements with various groups and organizations providing convention development and incentive funds to encourage the booking of conferences, conventions, and meetings in Atlantic City. Generally, the payment of the incentives is contingent upon the event happening.

MEET AC, INC. AND AFFILIATE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 6 - COMMITMENTS (CONTINUED)

INCENTIVE FUNDING COMMITMENTS (CONTINUED)

As of December 31, 2022, the Organization had the following incentive funding commitments:

Year Ending December 31,	Amount
2023	\$ 447,225
2024	95,960
2025	79,900
2026	55,090
2027	<u>5,000</u>
	<u>\$ 683,175</u>

NOTE 7 - LEASES

OPERATING LEASES

The Organization leases office equipment under leases that expire through August 2024. Total expense under the arrangements totaled approximately \$53,000 and \$44,000 the years ended December 31, 2022 and 2021, respectively. Future minimum lease payments for the years ending December 31, 2023 and 2024 are \$6,008 and \$1,184, respectively.

The Organization leases its operating facilities, on a month-to-month basis, from the CRDA. The monthly rental expense is based upon the percentage of floor space used. Rent expense for each of the years ended December 31, 2022 and 2021, was \$60,000. See also Note 9.

The maturities of lease liabilities under ASC 840 as of December 31, 2021 are as follows:

Year Ending December 31,	Amount
2022	\$ 52,560
2023	6,008
2024	<u>1,184</u>
	<u>\$ 59,752</u>

MEET AC, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 8 - CONCENTRATIONS

MAJOR SOURCES OF REVENUE

The Organization receives approximately 96% of its funding from the CRDA under a contract which expires in 2025, and provides for quarterly funding. The funding is approved annually and the 2023 amount has been approved for \$8.5 million. The contract also provides for a reduction in the funding commitment to the Organization, in the event of an extraordinary reduction in the amount of annual Luxury Tax Revenues collected by the CRDA in any year and also does not provide for guaranteed revenue.

NOTE 9 - RELATED PARTY TRANSACTIONS

CONTRACT REVENUES

The Organization is funded by the CRDA as part of its collaborative, public-private partnership agreement with the CRDA in exchange for promotional, marketing and sales efforts rendered, including booking convention space, leisure groups, hotel rooms and off-site venues. Revenue recognized for the years ended December 31, 2022 and 2021, was \$9,481,915 and \$7,150,835, respectively.

EXPENSES

The Organization leases its operating facilities, on a month-to-month basis, from the CRDA. The monthly rental expense is based upon the percentage of floor space used. Rent expense for each of the years ended December 31, 2022 and 2021, was \$60,000. CRDA also charges for cleaning services at the facilities.

Cleaning expense paid to the CRDA for the years ended December 31, 2022 and 2021, was \$20,340 and \$13,560, respectively.

The Organization pays CRDA for marketing signage at the facilities. Marketing expense paid to the CRDA for the years ended December 31, 2022 and 2021, was \$35,000 and \$19,250, respectively.

Occasionally, CRDA will pay various other administrative/office expenses on behalf of the Organization, for which the Organization will reimburse CRDA. Amounts have been immaterial.

MEET AC, INC. AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

NOTE 10 - RETIREMENT PLAN

The Organization sponsors a 401(k) retirement plan, covering all full-time employees. The Organization contributed a safe harbor amount equal to 5% of each full-time employee's compensation in 2022 and 2021. The contributions for the years ended December 31, 2022 and 2021, were \$115,601 and \$113,327, respectively.

MEET AC, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2022

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Assets				
Current Assets				
Cash and cash equivalents	\$ 95,250	\$ 606	\$ --	\$ 95,856
Cash and cash equivalents - committed for convention incentive funds	683,175	--	--	683,175
Accounts receivable	22,021	--	--	22,021
Prepaid expenses	232,509	9,409	--	241,918
Due from related party	--	14,454	(14,454)	--
Note receivable, current portion	<u>25,000</u>	<u>--</u>	<u>--</u>	<u>25,000</u>
Total Current Assets	<u>1,057,955</u>	<u>24,469</u>	<u>(14,454)</u>	<u>1,067,970</u>
Noncurrent Assets				
Intangible assets	37,581	--	--	37,581
Equipment and software - at cost, less accumulated depreciation and amortization	177,097	--	--	177,097
Note receivable, net of current portion	<u>25,000</u>	<u>--</u>	<u>--</u>	<u>25,000</u>
Total Noncurrent Assets	<u>239,678</u>	<u>--</u>	<u>--</u>	<u>239,678</u>
Total Assets	<u>\$ 1,297,633</u>	<u>\$ 24,469</u>	<u>\$ (14,454)</u>	<u>\$ 1,307,648</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 250,606	\$ 24,469	\$ --	\$ 275,075
Accrued payroll and related expenses	597,393	--	--	597,393
Refundable advance - NJ Department of State	240,497	--	--	240,497
Deferred revenue - CRDA contractual budget reserve	157,696	--	--	157,696
Due to related party	<u>14,454</u>	<u>--</u>	<u>(14,454)</u>	<u>--</u>
Total Current Liabilities	1,260,646	24,469	(14,454)	1,270,661
Commitments				
Net Assets Without Donor Restrictions	<u>36,987</u>	<u>--</u>	<u>--</u>	<u>36,987</u>
Total Liabilities and Net Assets	<u>\$ 1,297,633</u>	<u>\$ 24,469</u>	<u>\$ (14,454)</u>	<u>\$ 1,307,648</u>

See independent auditors' report.

MEET AC, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2021

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Assets				
Current Assets				
Cash and cash equivalents	\$ 2,348,088	\$ 9,424	\$ --	\$ 2,357,512
Cash and cash equivalents - committed for convention incentive funds	640,895	--	--	640,895
Accounts receivable	3,313	--	--	3,313
Prepaid expenses	128,483	5,170	--	133,653
Due from related party	8,409	--	(8,409)	--
Note receivable, current portion	25,000	--	--	25,000
Total Current Assets	<u>3,154,188</u>	<u>14,594</u>	<u>(8,409)</u>	<u>3,160,373</u>
Noncurrent Assets				
Intangible assets	35,000	--	--	35,000
Equipment and software - at cost, less accumulated depreciation and amortization	38,869	--	--	38,869
Note receivable, net of current portion	50,000	--	--	50,000
Total Noncurrent Assets	<u>123,869</u>	<u>--</u>	<u>--</u>	<u>123,869</u>
Total Assets	<u>\$ 3,278,057</u>	<u>\$ 14,594</u>	<u>\$ (8,409)</u>	<u>\$ 3,284,242</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 874,715	\$ 6,185	\$ --	\$ 880,900
Accrued payroll and related expenses	654,104	--	--	654,104
Refundable advance - NJ Department of State	75,442	--	--	75,442
Refundable advance - CRDA	924,309	--	--	924,309
Deferred revenue - CRDA contractual budget reserve	405,000	--	--	405,000
Due to Small Business Administration - PPP Loan	307,500	--	--	307,500
Due to related party	--	8,409	(8,409)	--
Total Current Liabilities	3,241,070	14,594	(8,409)	3,247,255
Commitments				
Net Assets Without Donor Restrictions	<u>36,987</u>	<u>--</u>	<u>--</u>	<u>36,987</u>
Total Liabilities and Net Assets	<u>\$ 3,278,057</u>	<u>\$ 14,594</u>	<u>\$ (8,409)</u>	<u>\$ 3,284,242</u>

See independent auditors' report.

MEET AC, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Revenues and Other Support				
CRDA contract revenue	\$ 9,481,915	\$ 1,394,636	\$ (1,394,636)	\$ 9,481,915
Registration staffing	151,701	--	--	151,701
Grants	238,370	--	--	238,370
Interest income	5,639	--	--	5,639
Total Revenues and Other Support	<u>9,877,625</u>	<u>1,394,636</u>	<u>(1,394,636)</u>	<u>9,877,625</u>
Expenses				
Program Services				
Meetings, conventions and groups	7,654,466	--	--	7,654,466
Registration staffing	165,683	--	--	165,683
Marketing - sports and entertainment	--	1,394,636	--	1,394,636
Atlantic City Sports Commission	1,394,636	--	(1,394,636)	--
Total Program Services	<u>9,214,785</u>	<u>1,394,636</u>	<u>(1,394,636)</u>	<u>9,214,785</u>
Supporting Services				
Management and general	662,840	--	--	662,840
Total Expenses	<u>9,877,625</u>	<u>1,394,636</u>	<u>(1,394,636)</u>	<u>9,877,625</u>
Change in Net Assets Without Donor Restrictions	--	--	--	--
Net Assets, Beginning of Year	<u>36,987</u>	<u>--</u>	<u>--</u>	<u>36,987</u>
Net Assets, End of Year	<u>\$ 36,987</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 36,987</u>

See independent auditors' report.

MEET AC, INC. AND AFFILIATE

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2021

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Revenues and Other Support				
CRDA contract revenue	\$ 7,150,835	\$ 1,071,623	\$ (1,071,623)	\$ 7,150,835
Registration staffing	89,849	--	--	89,849
Grants	176,738	--	--	176,738
Miscellaneous income	10,005	--	--	10,005
Interest income	<u>6,684</u>	<u>--</u>	<u>--</u>	<u>6,684</u>
Total Revenues and Other Support	<u>7,434,111</u>	<u>1,071,623</u>	<u>(1,071,623)</u>	<u>7,434,111</u>
Expenses				
Program Services				
Meetings, conventions and groups	5,712,586	--	--	5,712,586
Registration staffing	74,262	--	--	74,262
Marketing - sports and entertainment	--	1,071,623	--	1,071,623
Atlantic City Sports Commission	<u>1,071,623</u>	<u>--</u>	<u>(1,071,623)</u>	<u>--</u>
Total Program Services	<u>6,858,471</u>	<u>1,071,623</u>	<u>(1,071,623)</u>	<u>6,858,471</u>
Supporting Services				
Management and general	<u>575,640</u>	<u>--</u>	<u>--</u>	<u>575,640</u>
Total Expenses	<u>7,434,111</u>	<u>1,071,623</u>	<u>(1,071,623)</u>	<u>7,434,111</u>
Change in Net Assets Without Donor Restrictions	--	--	--	--
Net Assets, Beginning of Year	<u>36,987</u>	<u>--</u>	<u>--</u>	<u>36,987</u>
Net Assets, End of Year	<u>\$ 36,987</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 36,987</u>

See independent auditors' report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Trustees
Meet AC, Inc. and Affiliate

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Meet AC, Inc. and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 15, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Meet AC, Inc. and Affiliate's (the "Organization") internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of consolidated financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Marcum LLP

Northfield, New Jersey
March 15, 2023

MEET AC, INC. AND AFFILIATE
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I - SUMMARY OF AUDITORS' RESULTS

CONSOLIDATED FINANCIAL STATEMENTS

Type of auditors' report issued: Unmodified Opinion

Internal control over financial reporting:

1. Material weakness(es) identified? _____yes X no
2. Significant deficiency(ies) identified? _____yes X none reported

Noncompliance material to general-purpose
consolidated financial statements noted? _____yes X no

SECTION II - CONSOLIDATED FINANCIAL STATEMENT FINDINGS

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.