

VISIT SALT LAKE



FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

As of and for the Years Ended December 31, 2024 and 2023



VISIT SALT LAKE

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Independent Auditor's Report

To the Board of Directors
Visit Salt Lake

Opinion

We have audited the accompanying financial statements of **Visit Salt Lake** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2024 and 2023 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Visit Salt Lake** as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **Visit Salt Lake** and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Visit Salt Lake's** ability to continue as a going concern within one year after the date that the 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 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with 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 financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **Visit Salt Lake's** internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Visit Salt Lake'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 audits, significant audit findings, and certain internal control related matters that we identified during the audits.

Larson & Company P.C.

Larson & Company PC
August 12, 2025

VISIT SALT LAKE
Statements of Financial Position
As of December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 4,917,517	\$ 3,901,081
Accounts receivable, less allowance of \$7,401 and \$6,276, respectively	614,819	505,469
Inventories	8,909	9,550
Prepaid expenses	493,775	344,774
Total current assets	6,035,020	4,760,874
Right-of-use asset - operating	520,456	597,016
Property and equipment, net	704,863	113,668
Total assets	\$ 7,260,339	\$ 5,471,558
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable, trade	\$ 844,719	\$ 798,676
Accrued liabilities	2,143,039	1,214,183
Lease liability - operating, current	98,299	94,519
Deferred revenue	1,395,336	478,166
Total current liabilities	4,481,393	2,585,544
Lease liability - operating, long term	454,789	526,974
Total liabilities	4,936,182	3,112,518
Net assets:		
Net assets without donor restrictions	2,324,157	2,359,040
Total net assets	2,324,157	2,359,040
Total liabilities and net assets	\$ 7,260,339	\$ 5,471,558

The accompanying notes to the financial statements
are an integral part of these statements

VISIT SALT LAKE
Statements of Activities
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Changes in net assets without donor restrictions:		
Revenue, gains, losses, other income		
and satisfaction of restrictions:		
Public sector:		
Salt Lake County and ski revenue	\$ 15,472,400	\$ 15,195,200
CTAA	6,240,000	-
Contributions of nonfinancial assets	254,200	254,200
	<u>21,966,600</u>	<u>15,449,400</u>
Private Sector:		
Ticketing programs	2,010,438	2,225,990
Sales and marketing programs	1,320,578	1,071,169
Salt and Honey gift shop	30,823	49,675
Partner development	466,536	544,080
Net investment return	193,698	191,140
	<u>4,022,073</u>	<u>4,082,054</u>
Total revenue, gains, losses, other		
income and satisfaction of restrictions	<u>25,988,673</u>	<u>19,531,454</u>
Expenses:		
Public Sector:		
Sales and marketing programs	12,138,658	11,908,848
General and administrative	3,587,942	3,540,552
CTAA- sales and marketing programs	2,335,017	-
CTAA- development and programming	3,904,983	-
	<u>21,966,600</u>	<u>15,449,400</u>
Private Sector:		
Ticketing programs	1,985,678	2,413,825
Sales and marketing programs	845,344	990,670
Salt and Honey gift shop	51,036	29,474
Partner development	945,349	887,650
Other general expenses	229,549	233,564
	<u>4,056,956</u>	<u>4,555,183</u>
Total expenses	<u>26,023,556</u>	<u>20,004,583</u>
Changes in net assets without donor restrictions	<u>(34,883)</u>	<u>(473,129)</u>
Net assets without donor restrictions		
beginning of year	<u>2,359,040</u>	<u>2,832,169</u>
Net assets without donor restrictions, end of year	<u><u>\$ 2,324,157</u></u>	<u><u>\$ 2,359,040</u></u>

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VISIT SALT LAKE
Statement of Functional Expenses
For the Year Ended December 31, 2024

	Public Sector					Private Sector						
	Sales and Marketing Programs	General and Administrative	CTAA Sales and Marketing Programs	CTAA Development and Programming	Total Public Sector	Ticketing Programs	Sales and Marketing Programs	Salt and Honey Gift Shop	Partner Development	Other General Expenses	Total Private Sector	Total Combined
Salaries and wages	\$ 6,246,243	\$ 1,876,442	\$ -	\$ -	\$ 8,122,685	\$ -	\$ -	\$ 27,390	\$ 708,914	\$ 27,044	\$ 763,348	\$ 8,886,033
Office expenses	38,776	122,741	-	-	161,517	46,535	-	20,544	3,736	4,610	75,425	236,942
Printing	39,772	-	-	-	39,772	-	-	-	64,768	-	64,768	104,540
Advertising and promotion	2,312,686	-	150,000	3,495,906	5,958,592	1,939,143	-	-	-	-	1,939,143	7,897,735
Occupancy	-	494,828	-	-	494,828	-	-	-	-	18,805	18,805	513,633
Fees for services	23,092	175,232	-	-	198,324	-	-	-	-	-	-	198,324
Travel	73,055	69,114	-	3,971	146,140	-	470,420	-	4,462	-	474,882	621,022
Conferences, conventions and meetings	2,934,882	572,328	2,185,017	337,606	6,029,833	-	373,799	285	113,668	134,320	622,072	6,651,905
Information technology	265,449	180,379	-	67,500	513,328	-	-	2,817	15,279	-	18,096	531,424
Education and awareness	204,703	96,878	-	-	301,581	-	-	-	34,522	-	34,522	336,103
Other expenses	-	-	-	-	-	-	1,125	-	-	44,770	45,895	45,895
	<u>\$12,138,658</u>	<u>\$ 3,587,942</u>	<u>\$ 2,335,017</u>	<u>\$ 3,904,983</u>	<u>\$21,966,600</u>	<u>\$ 1,985,678</u>	<u>\$ 845,344</u>	<u>\$ 51,036</u>	<u>\$ 945,349</u>	<u>\$ 229,549</u>	<u>\$ 4,056,956</u>	<u>\$26,023,556</u>

The accompanying notes to the financial statements
are an integral part of these statements

VISIT SALT LAKE
Statement of Functional Expenses
For the Year Ended December 31, 2023

	Public Sector			Private Sector						
	Sales and Marketing Programs	General and Administrative	Total Public Sector	Ticketing Programs	Sales and Marketing Programs	Salt and Honey Gift Shop	Partner Development	Other General Expenses	Total Private Sector	Total Combined
Salaries and wages	\$ 5,453,019	\$ 1,684,286	\$ 7,137,305	\$ -	\$ -	\$ -	\$ 662,942	\$ 46,900	\$ 709,842	\$ 7,847,147
Office expenses	108,062	107,620	215,682	44,510	-	22,610	5,519	6,045	78,684	294,366
Printing	15	-	15	-	-	-	115,728	-	115,728	115,743
Advertising and promotion	2,723,869	-	2,723,869	2,361,380	-	4,512	9,298	-	2,375,190	5,099,059
Occupancy	-	582,023	582,023	-	-	-	-	18,491	18,491	600,514
Fees for services	231,790	229,764	461,554	-	-	-	-	-	-	461,554
Travel	90,211	40,557	130,768	-	486,635	-	2,278	-	488,913	619,681
Conferences, conventions and meetings	2,928,352	717,794	3,646,146	-	465,832	-	72,316	106,610	644,758	4,290,904
Information technology	223,589	133,363	356,952	-	-	1,843	-	-	1,843	358,795
Education and awareness	137,136	45,127	182,263	-	38,203	-	19,569	-	57,772	240,035
Other expenses	12,805	18	12,823	7,935	-	509	-	55,518	63,962	76,785
	<u>\$11,908,848</u>	<u>\$ 3,540,552</u>	<u>\$15,449,400</u>	<u>\$ 2,413,825</u>	<u>\$ 990,670</u>	<u>\$ 29,474</u>	<u>\$ 887,650</u>	<u>\$ 233,564</u>	<u>\$ 4,555,183</u>	<u>\$20,004,583</u>

The accompanying notes to the financial statements
are an integral part of these statements

VISIT SALT LAKE
Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash flow from operating activities:		
Increase (decrease) in net assets	\$ (34,883)	\$ (473,129)
Adjustments to reconcile change in net assets to cash flow from operating activities:		
Depreciation and amortization	18,805	10,333
Decrease (increase) in operating assets:		
Accounts receivable	(109,350)	253,619
Inventories	641	(9,411)
Right-of-use asset - operating	76,560	(597,016)
Prepaid expenses	(149,001)	(143,739)
Increase (decrease) in operating liabilities:		
Accounts payable, trade	46,043	(240,982)
Accrued liabilities	928,856	97,035
Lease Liability - operating	(68,405)	621,493
Deferred revenue	917,170	(375,576)
Net cash flow from operating activities	<u>1,626,436</u>	<u>(857,373)</u>
Cash flow from investing activities:		
Proceeds from note receivable	-	16,197
Purchase of property and equipment	(610,000)	-
Net cash flow from investing activities	<u>(610,000)</u>	<u>16,197</u>
Net increase in cash and cash equivalents	1,016,436	(841,176)
Cash and cash equivalents, beginning of year	<u>3,901,081</u>	<u>4,742,257</u>
Cash and cash equivalents, end of year	<u><u>\$ 4,917,517</u></u>	<u><u>\$ 3,901,081</u></u>
<u>Supplemental disclosures of cash flow information:</u>		
Cash paid during the year for:		
Interest	\$ -	\$ -
Income taxes	\$ -	\$ -
Noncash investment and financing activities:		
Operating lease obligations recorded	\$ 597,016	\$ 628,191
Operating lease right-of-use assets recorded	\$ 597,016	\$ 628,191

The accompanying notes to the financial statements
are an integral part of these statements

VISIT SALT LAKE

Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

1. **ORGANIZATION**

Visit Salt Lake ("VSL" or the "Organization") is a 501(c)(6) nonprofit sales and marketing organization. VSL was established to improve the area economy by attracting and providing support to conventions, leisure travelers, and tourists to Salt Lake County. In fulfilling its mission, VSL promotes Salt Lake through development and operation of its websites, social media, advertising and both national and international public relations efforts and deploys a convention and tourism sales force to contract for conventions, tradeshow, meetings, sporting events and tour and ski tour groups having Salt Lake as their destination. VSL assists conventions with logistics, locating services offered by VSL's members, attendance promotion, and raising awareness for upcoming events. Approximately half of VSL's funding is provided by Salt Lake County through a contract for services to promote conventions and tourism. VSL obtains additional funding through the sale of memberships, sponsorships, ticketing programs, and grants, as well as charging for services rendered to local and national businesses in the meetings, conventions and tourism industry.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The Organization prepares its financial statements on the accrual basis of accounting and follows accounting principles generally accepted in the United States for nonprofit organizations and reports information regarding its financial position and activities according to two classes of net assets, with donor restrictions and without donor restrictions, based upon the following criteria:

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

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

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 disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Accordingly, actual amounts could differ from these estimates.

VISIT SALT LAKE

Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public and Private Sector Accounting

The accounts of VSL are maintained as one general operating entity, which is comprised of public and private sector funds. Under the terms of the operating contract with the County, all public sector receipts and expenditures are reviewed and approved by the County. All private sector receipts and expenditures are to be accounted for separately and do not require authorization from the County. Private sector also includes any governmental funding besides the County. In the normal course of business, the Organization records transactions between public and private sector divisions. These inter-division transactions are recorded in each sector with an entry to interdivision accounts payable and accounts receivable.

Cash and Cash Equivalents

The Organization considers all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and cash equivalents consists of cash on hand, demand deposits, and money market accounts with financial institutions. The Organization had net investment return reported in the statement of activities of **\$193,698** and \$191,140, respectively, for the year ended December 31, 2024 and 2023.

Accounts Receivable

Accounts receivable are stated net of an allowance for uncollectible accounts. The Organization estimates the allowance based on its historical experience and on an analysis of specific customers, taking into consideration the age of past due accounts and an assessment of the customer's ability to pay. An account is written off when it is determined that all collection efforts have been exhausted.

Inventories

Inventories are stated at the lower of cost or market and consist of goods held for resale in the gift shop. Cost is determined using the first-in, first-out ("FIFO") method. Market is based upon realizable value less an allowance for selling expenses and normal gross profit.

Prepaid Expenses

Prepaid expenses represent expenditures for goods or services paid in advance but not yet consumed or expired at the statement of financial position date.

VISIT SALT LAKE

Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Property and Equipment

Under the contract with the County, the County retains ownership of all property, buildings, and equipment purchased or constructed by the VSL with County funds. Accordingly, property and equipment expenditures are not capitalized on the Organization's financial statements for the public sector, but are recorded as general and administrative expenses in the period expended. However, property and equipment specifically acquired for the private sector operations, costing in excess of \$1,000, is capitalized in the Organization's financial statements and then depreciated on a straight-line basis over the applicable useful life.

Depreciation and amortization is calculated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Useful Lives</u>
Office equipment	5 years
Computer equipment	3 years
Software	3 years
Building improvements	15 years
Building	25 - 30 years

Fair Value of Financial Instruments

The VSL's financial instruments, including cash, accounts receivable, accounts payable, and accrued liabilities are carried at cost, which approximates fair value because of the short term nature of these assets and liabilities.

Long-lived Assets

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. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present for the year ended December 31, 2024 and 2023.

Advance Deposits

As part of operations, VSL may receive deposits consisting of registration and housing deposits for future conventions. When applicable, these are recognized as an advance deposit in the liabilities section of the statement of financial position.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met.

VISIT SALT LAKE

Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Revenue Recognition (Continued)

Public sector revenues are derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are accrued based on a contractual obligation with the County to fund all authorized expenditures and are recognized as revenue as expenditures are incurred in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

The Organization recognizes revenue under the core principle of depicting the transfer of promised goods and services to its customers in an amount that reflects the consideration to which it expects to be entitled. In order to achieve that core principle, the Organization applies the following five-step approach: (1) identify the contract with a customer, (2) identify the performance obligations in the contract, (3) determine the transaction price, (4) allocate the transaction price to the performance obligations in the contract, and (5) recognize revenue when a performance obligation is satisfied.

The Organization recognizes revenue when (or as) a performance obligation is satisfied by transferring promised goods or services to a customer. Private sector revenues are recognized at the point of sale, at the completion of any contracted services, or over the period of membership. The majority of private sector revenues represent ski voucher sales (Ski City Super Pass), housing and registration service fees, advertising revenues, gift shop sales, member dues, hotel participation in sales and marketing programs and funds from other governmental agencies. Funds are deposited in the general operating account and are available to VSL for both public and private sector use. Membership dues received for the coming year, if any, are recorded as deferred revenues and recognized in the period earned. Ski voucher sales anticipated to be redeemed in the following year are recorded as deferred revenue. Contract revenue is recognized as revenue in the period in which it is earned and expended. Funds received in advance under these contracts are recorded as deferred revenue. Other contract revenue is recognized as revenue in the period in which it is earned. In August 2023, VSL entered into a five year agreement with Salt Lake County Convention & Tourism Assessment Area (SLCo CTAA or CTAA) which provides revenue to VSL based on hotel assessments. The program is designed to provide specific benefits directly to the participating hotels by increasing demand for overnight visitation. Funds received from CTAA are required to be used in accordance with governing documents.

Trade Revenue

The Organization receives transportation and related services in exchange for membership dues and advertising, and networking opportunities. The Organization records these transactions in sales and marketing programs at the fair market value of the services exchanged at a point in time. Trade revenue was **\$81,938** and \$22,005 for the years ended December 31, 2024 and 2023, respectively.

VISIT SALT LAKE

Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions and Donor Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

Functional Allocation of Expenses

The costs of programs and supporting services have been summarized on a functional basis in the statement of activities. All direct costs are charged to the functional area they pertain to. Indirect costs are charged to the programs and supporting services based on estimates made by management, taking into account the nature of the expense and how it relates to the functional area. The Organization allocates expenses either by time and effort or by square footage depending on the nature of the expense. General and administrative costs 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

Advertising costs are charged to operations when incurred. Advertising expense for the public sector was **\$4,850,127** and \$1,962,715 the years ended December 31, 2024 and 2023, respectively.

Income Taxes

VSL is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code on the excess of revenue over expenses generated in the normal course of business. However, the Organization remains subject to income taxes on net income that is derived from a trade or business, regularly carried on, and not for the exempt purpose of the Organization. In the opinion of management the Organization does not have any unrelated business income.

Management evaluates tax positions taken or expected to be taken in preparation of the Organization's tax returns to determine if the positions are more-likely-than-not of being sustained if examined by the taxing authorities. Management has determined there are no uncertain income tax positions. The Organization's Returns of Organization Exempt from Income Tax (Form 990) generally remain subject to examination by the Internal Revenue Service for three years after they are filed.

Recently Issued Accounting Pronouncements

In June of 2016, the FASB issued Accounting Standards Update 2016-13, Financial Instruments Credit Losses, which requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. This requirement eliminates the probable initial recognition threshold in current GAAP which has delayed recognition of credit losses until the loss was probable. Instead, the new treatment will better reflect an entity's current estimate of all expected credit losses.

VISIT SALT LAKE

Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements (Continued)

In addition, the new guidance requires that any credit losses on available-for-sale debt securities to be presented as an allowance rather than as a write-down. Initial allowance for credit losses is added to the purchase price rather than reported as a credit loss expense. Subsequent changes in the allowance for credit losses are recorded in credit loss expense. This will allow entities to also record reversals of credit losses in current period net income, whereas the current GAAP prohibits reflecting these improvements in current period earnings. The Organization adopted this new guidance as of January 1, 2023. The adoption of this guidance did not have any material impact to the Organization's financial statements as a whole.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 4,917,517	\$ 3,901,081
Accounts receivable	<u>614,819</u>	<u>505,469</u>
Total financial assets	5,532,336	4,406,550
Less:		
Accounts payable, trade	(844,719)	(798,676)
Accrued liabilities	<u>(2,143,039)</u>	<u>(1,214,183)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 2,544,578</u>	<u>\$ 2,393,691</u>

Several of VSL's marketing programs are based on a call to action involving the sale of a pass to an attraction – the Connect Pass, Ski City Super Pass, and the Pub Pass. Through various media, VSL sells a pass and when redeemed, sends an agreed upon amount to the participating attraction, ski resort or pub/drinking establishment, as the case may be. These funds are received into and paid out of a designated bank account.

The Organization invests cash in excess of bi-weekly requirements and deposit balances required to offset banking fees in money market funds.

VISIT SALT LAKE

Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

4. PROPERTY AND EQUIPMENT

The cost and related accumulated depreciation and amortization of property and equipment as of December 31, 2024 and 2023 are as follows:

	<u>2024</u>	<u>2023</u>
Cost		
Office equipment	\$ 26,008	\$ 26,008
VSL Condo	610,000	-
Building improvements	<u>155,000</u>	<u>155,000</u>
Total cost of property and equipment	791,008	181,008
Accumulated depreciation and amortization	<u>(86,145)</u>	<u>(67,340)</u>
Total property and equipment, net	<u><u>\$ 704,863</u></u>	<u><u>\$ 113,668</u></u>

Depreciation and amortization expense was **\$18,805** and \$10,333 for the years ended December 31, 2024 and 2023, respectively.

5. LINE OF CREDIT

VSL has a \$300,000 line of credit with interest set at prime plus 2%. The interest rate in effect was **9.50%** and 9.50% as of December 31, 2024 and 2023, respectively. The line of credit does not have a maturity date. The instrument is collateralized by cash, accounts receivable, inventory and equipment. In addition, the line of credit requires that VSL meet certain financial covenants. As of December 31, 2024 and 2023, the Organization was in compliance with all covenants included in the line of credit agreement. As of December 31, 2024 and 2023, the entire line of credit was unused and available.

6. REVENUE FROM CONTRACTS

The following table provides information about significant changes in the contract liabilities for the years ended December 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Deferred revenues, beginning of year	\$ 478,166	\$ 853,742
Revenue recognized that was included in deferred revenue at the beginning of year	(478,166)	(853,742)
Increase in deferred revenue due to cash received	<u>1,395,336</u>	<u>478,166</u>
Deferred revenues, end of year	<u><u>\$ 1,395,336</u></u>	<u><u>\$ 478,166</u></u>

7. GIFT SHOP EXPENSE

Gift shop expense includes cost of goods sold of **\$20,707** and \$20,574 for the years ended December 31, 2024 and 2023, respectively.

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8. 401(k) SAVINGS PLAN

VSL administers a defined contribution profit sharing and savings plan under Section 401(k) of the Internal Revenue Code for eligible employees who are at least 21 years old and have completed three months of service with the Organization.

VSL matches 100% of pretax 401(k) contributions up to 3% of base compensation plus 50% of pretax 401(k) contributions on the next 2% of base compensation subject to the limits of the Internal Revenue Code. In addition, a discretionary amount up to 3% of the employee's annual compensation may be contributed by the Organization, subject to the limits of the Internal Revenue Code and 401(k) Plan criteria.

For the years ended December 31, 2024 and 2023, VSL contributed **\$145,381** and **\$156,637**, respectively, in required matching contributions. The Organization made discretionary contributions of **\$67,543** and **\$80,661** for the years ended December 31, 2024 and 2023, respectively.

9. CONCENTRATIONS

VSL maintains its cash and cash equivalent balances at financial institutions located in Salt Lake City, Utah. The deposits may at times exceed their federally insured limits of \$250,000 established by the Federal Deposit Insurance Corporation. The Organization has not experienced any losses related to these accounts and believes it is not exposed to any significant credit risk on these balances.

VSL receives a significant amount of its revenue from Salt Lake County (the "County"). The County contract provided approximately **84%** and **78%** of the total revenue of the Organization for the years ended December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, there were concentrations in the Organization's accounts receivable balances as **86%** and **86%**, respectively, of total accounts receivable balances were from one party.

10. COMMITMENTS

In order to entice groups to select Salt Lake City as the destination for their future convention, trade show or meeting, management has made promotional and service commitments to certain groups that VSL will be obligated to fulfill during the year of the group's arrival. These commitments are expected to increase attendance or enhance the quality of the group's event, and thus are anticipated to increase the likelihood of new or repeat bookings.

Anticipated funding for the fulfillment of these commitments is based on VSL's expectation of its continued contractual relationship with the County to fund the Organization's destination sales and marketing programs. The promotional and service commitment expenses are submitted to the County for reimbursement when incurred. However, no liability for these commitments has been accrued in the financial statements as they are contingent upon the respective individual events taking place.

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10. COMMITMENTS (Continued)

Management's estimate of the costs and timing associated with fulfilling these commitments in the future are as follows:

Years Ending December 31,

2025	\$ 2,329,775
2026	438,500
2027	535,225
2028	126,000
2029	44,000
Thereafter	<u>40,000</u>
Total commitments	<u>\$ 3,513,500</u>

Certain grants and other funding require the fulfillment of specific conditions as set forth in the instrument of grants and contracts. Failure to fulfill the conditions could result in the return of the funds to the funders or forfeiture of future cash receipts.

As of December 31, 2024 and 2023, the Organization had conditional promises to give related to open contracts. Contributions and the related receivable will not be recognized until certain conditions have been met. Amounts related to these contracts that had not yet been recognized as revenue or a receivable totaled **\$5,868,500** and \$4,642,000 as of December 31, 2024 and 2023, respectively.

11. CONTRIBUTIONS OF NONFINANCIAL ASSETS

For the years ended December 31, 2024 and 2023, in-kind contributions recognized within the statement of activities consisted of the following:

	<u>2024</u>	<u>2023</u>	<u>Utilization in Programs or Other Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Occupancy	<u>\$ 254,200</u>	<u>\$ 254,200</u>	General & Administrative, Other General	None	Contributed facilities are valued using rent rates for space of similar size and quality.
Total	<u>\$ 254,200</u>	<u>\$ 254,200</u>			

12. OPERATING LEASES

The Organization leases their office space under an noncancellable lease. Lease commencement occurs on the date the Organization takes possession or control of the property. The office space lease commenced on August 21, 2023 and runs through October 31, 2030. The Organization's lease also includes termination provisions. Total lease cost for the years ended December 31, 2024 and December 31, 2023, were **\$94,519** and \$18,304 respectively.

The Organization's lease agreements do not contain any material restrictions, covenants, or any material residual value guarantees.

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Notes to the Financial Statements
For the Years Ended December 31, 2024 and 2023

12. OPERATING LEASES (Continued)

If readily determinable, the rate implicit in the lease is used to discount lease payments to present value; however, the Organization's leases do not provide a readily determinable implicit rate. When the implicit rate is not determinable, the risk-free borrowing rate is utilized, determined by using the US Treasury Bill or Note rate that closely track with the length of the lease, to discount lease payments based on information available at lease commencement.

The following table summarizes the supplemental cash flow information for the years ended December 31, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	\$ 94,519	\$ 18,304
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 597,016	\$ 628,191

The following table summarizes the weighted-average remaining lease term and the weighted-average discount rate as of December 31, 2024 and December 31, 2023:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term		
Operating leases (years)	5.83	6.83
Weighted-average discount rate		
Operating leases	4.42%	4.42%

The future minimum lease payments under noncancelable operating leases with terms greater than one year are listed below as of December 31, 2024:

Years ending December 31	
2025	98,299
2026	102,231
2027	106,321
2028	110,573
Thereafter	<u>214,136</u>
Total lease payments	631,560
Less: present value discount	<u>(78,472)</u>
Present value of lease liabilities	<u>\$ 553,088</u>

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13. RELATED PARTY

In July 2024, Visit Salt Lake purchased a condominium located in Salt Lake City, Utah, using private funds. The property serves as a dedicated space for hosting clients and offsetting lodging expenses incurred by the Organization. The Chief Executive Officer has a delayed purchase option agreement with VSL and is listed as a joint tenant.

14. SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through the date of the independent auditor's report, which is the date the financial statements were available to be issued.