

MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)

CONSOLIDATED FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)

CONTENTS

Independent Auditors' Report..... 1-3

Consolidated Financial Statements

Statements of Financial Position.....4
Statements of Activities and Change in Net Assets.....5
Statements of Functional Expenses 6-7
Statements of Cash Flows8

Notes to Consolidated Financial Statements 9-21

Supplementary Information

Consolidating Statements of Financial Position 22-23
Consolidating Statements of Activities and Change in Net Assets 24-25

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements in Accordance with *Government Auditing Standards*..... 26-27

Independent Auditors' Report

The Board of Trustees
Meet AC, Inc. and Affiliate
(d/b/a Visit Atlantic City)
Atlantic City, NJ

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Meet AC, Inc. and Affiliate (d/b/a Visit Atlantic City) (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2024, 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 (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2024, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 Financial Statements

The financial statements of the Organization as of and for the year ended December 31, 2023, were audited by Marcum LLP, whose report dated March 19, 2024, expressed an unmodified opinion on those statements.

Responsibilities 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 the Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditors' 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 auditors' 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 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 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 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 financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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 financial statements as a whole. The accompanying 2024 supplementary information on pages 22-25 is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The 2024 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

The 2023 supplementary information on pages 22-25 was subjected to the auditing procedures applied in the 2023 audit of the basic financial statements by Marcum LLP, whose report dated March 19, 2024, stated that the information was fairly stated in all material respects to the 2023 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 13, 2025 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 solely 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.

CBIZ CPAs P.C.

CBIZ CPAs P.C.
Philadelphia, PA
March 13, 2025

MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2024 AND 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,384,875	\$ 584,032
Cash and cash equivalents - committed for convention incentive funds	549,855	640,060
Accounts receivable	9,114	28,513
Grants receivable	22,568	28,014
Prepaid expenses	299,342	168,676
Note receivable	--	25,000
Total Current Assets	2,265,754	1,474,295
Noncurrent Assets		
Intangible assets	37,581	37,581
Equipment and software - at cost, less accumulated depreciation and amortization	165,991	226,449
Total Noncurrent Assets	203,572	264,030
Total Assets	\$ 2,469,326	\$ 1,738,325
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 527,977	\$ 357,315
Accrued payroll and related expenses	590,471	610,951
Refundable advance - NJ Department of State	35,193	48,439
Deferred revenue - CRDA	779,948	160,883
Deferred revenue - CRDA contractual budget reserve	405,000	405,000
Total Current Liabilities	2,338,589	1,582,588
Commitments		
Net Assets Without Donor Restrictions	130,737	155,737
Total Liabilities and Net Assets	\$ 2,469,326	\$ 1,738,325

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

MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Revenues and Other Support		
CRDA contract revenue	\$ 9,220,052	\$ 8,091,813
Governmental grants		
Employee Retention Payroll Tax Credit	--	598,537
American Rescue Plan - passed through		
NJ Department of State	294,554	478,014
NJ Department of State	271,246	300,058
Registration staffing	138,759	135,413
Interest income	98,033	53,899
Total Revenues and Other Support	10,022,644	9,657,734
Expenses		
Program Services		
Meetings, conventions and groups	7,679,838	7,306,089
Registration staffing	141,249	132,180
Marketing - sports and entertainment	1,433,370	1,336,396
Total Program Services	9,254,457	8,774,665
Supporting Services		
Management and general	793,187	764,319
Total Expenses	10,047,644	9,538,984
Change in Net Assets Without Donor Restrictions	(25,000)	118,750
Net Assets, Beginning of Year	155,737	36,987
Net Assets, End of Year	\$ 130,737	\$ 155,737

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

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2024

	Program Services			Total Program Services	Supporting Services	Total Functional Expenses
	Meetings, Conventions and Groups	Registration Staffing	Marketing - Sports and Entertainment		Management and General	
Payroll	\$ 1,973,128	\$ 111,028	\$ 230,551	\$ 2,314,707	\$ 386,728	\$ 2,701,435
Payroll taxes	171,573	8,494	13,450	193,517	29,006	222,523
Benefits	402,701	--	54,920	457,621	65,205	522,826
Salaries and Related Expenses	2,547,402	119,522	298,921	2,965,845	480,939	3,446,784
Marketing	2,052,324	9,346	850,041	2,911,711	18,826	2,930,537
Advertising and print	2,100,986	--	219,756	2,320,742	700	2,321,442
Public relations	396,374	11,807	20,266	428,447	19	428,466
Client entertainment	266,990	574	10,201	277,765	1,044	278,809
Office and computer expenses	99,854	--	902	100,756	137,022	237,778
Facilities and insurance	44,224	--	4,237	48,461	85,753	134,214
Other expenses	55,964	--	--	55,964	39,696	95,660
Depreciation and amortization expense	62,368	--	27,364	89,732	2,719	92,451
Professional fees	53,352	--	1,682	55,034	26,469	81,503
Total Expenses	<u>\$ 7,679,838</u>	<u>\$ 141,249</u>	<u>\$ 1,433,370</u>	<u>\$ 9,254,457</u>	<u>\$ 793,187</u>	<u>\$ 10,047,644</u>

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

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services			Total Program Services	Supporting Services	Total Functional Expenses
	Meetings, Conventions and Groups	Registration Staffing	Marketing - Sports and Entertainment		Management and General	
Payroll	\$ 1,901,439	\$ 110,247	\$ 248,442	\$ 2,260,128	\$ 359,555	\$ 2,619,683
Payroll taxes	129,868	14,711	19,007	163,586	28,814	192,400
Benefits	373,975	--	41,532	415,507	59,469	474,976
Salaries and Related Expenses	2,405,282	124,958	308,981	2,839,221	447,838	3,287,059
Marketing	2,368,378	7,222	900,694	3,276,294	24,872	3,301,166
Advertising and print	1,818,372	--	88,780	1,907,152	11,092	1,918,244
Public relations	279,393	--	18,063	297,456	1,000	298,456
Client entertainment	235,469	--	9,409	244,878	705	245,583
Facilities and insurance	46,827	--	3,979	50,806	92,906	143,712
Office and computer expenses	20,198	--	--	20,198	112,432	132,630
Depreciation and amortization expense	70,587	--	6,250	76,837	--	76,837
Other expenses	22,569	--	--	22,569	53,183	75,752
Professional fees	39,014	--	240	39,254	20,291	59,545
Total Expenses	\$ 7,306,089	\$ 132,180	\$ 1,336,396	\$ 8,774,665	\$ 764,319	\$ 9,538,984

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

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
Cash Flows From Operating Activities		
Change in net assets without donor restrictions	\$ (25,000)	\$ 118,750
Adjustments to reconcile change in net assets without donor restrictions to net cash provided by operating activities		
Depreciation and amortization expense	92,451	76,837
Changes in assets and liabilities		
Accounts receivable	19,399	(6,492)
Grants receivable	5,446	(28,014)
Prepaid expenses	(130,666)	73,242
Accounts payable and accrued expenses	170,662	82,240
Accrued payroll and related expenses	(20,480)	13,558
Refundable advance - NJ Department of State	(13,246)	(192,058)
Deferred revenue - CRDA	619,065	160,883
Deferred revenue - CRDA contractual budget reserve	--	247,304
Net Cash Provided by Operating Activities	717,631	546,250
Cash Flows From Investing Activities		
Repayment of note receivable	25,000	25,000
Equipment and software purchases	(31,993)	(126,189)
Net Cash Used in Investing Activities	(6,993)	(101,189)
Net Increase in Cash and Cash Equivalents	710,638	445,061
Cash and Cash Equivalents, Beginning of Year	1,224,092	779,031
Cash and Cash Equivalents, End of Year	\$ 1,934,730	\$ 1,224,092
Reconciliation of Cash and Cash Equivalents, End of Year		
Cash and cash equivalents	\$ 1,384,875	\$ 584,032
Cash and cash equivalents - committed for convention incentive funds	549,855	640,060
Cash and Cash Equivalents, End of Year	\$ 1,934,730	\$ 1,224,092

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

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 - NATURE OF THE ORGANIZATION

Meet AC, Inc. (“Meet AC”) (d/b/a Visit Atlantic City) 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. Effective January 17, 2023, Meet AC rebranded, and began conducting business under the alternate name Visit Atlantic City.

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
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

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, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 1 - NATURE OF THE ORGANIZATION (CONTINUED)

SUPPORTING SERVICES (CONTINUED)

Meet AC and the Commission did not incur any fundraising expenses during the years ended December 31, 2024 and 2023.

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, 2024 and 2023.

MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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).

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES AND SUPPORT (CONTINUED)

Contract Revenue (continued)

At December 31, 2024, there was \$1,184,948 of deferred revenue for advances received from CRDA in 2024 for which expenses were not incurred as of December 31, 2024. Included in the deferred revenue total is \$405,000 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 2025 budgeted expenses. At December 31, 2023, there was \$565,883 of deferred revenue for advances received from CRDA in 2023 for which expenses were not incurred as of December 31, 2023. Included in the deferred revenue total is \$405,000 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 2024 budgeted expenses. At January 1, 2023, the deferred revenue balance was \$157,696. The Organization received approval from CRDA to retain those funds and applied them to 2023 budgeted expenses.

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.

Governmental 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 \$258,000 covering the period July 1, 2023 to June 30, 2024, and \$258,000, covering the period July 1, 2024 to June 30, 2025. For the year ended December 31, 2024, the Organization recognized revenues of \$177,439 for the DMO grant covering the period July 1, 2023 to June 30, 2024, and \$93,807 for the DMO grant covering the period July 1, 2024 to June 30, 2025, totaling \$271,246. For the year ended December 31, 2023, the Organization recognized revenues of \$219,497 for the DMO grant covering the period July 1, 2022 to June 30, 2023, and \$80,561 for the DMO grant covering the period July 1, 2023 to June 30, 2024, totaling \$300,058.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES AND SUPPORT (CONTINUED)

Governmental Grants (continued)

At December 31, 2024 and 2023, the Organization had received DMO grant funds in advance of and in excess of expenses incurred, which are reflected as refundable advances totaling \$35,193 and \$48,439, respectively. During 2024, the Organization recognized the December 31, 2023 DMO grant refundable advance of \$48,439 as revenue. The Organization anticipates recognizing the remaining funds as revenue in 2025, prior to the June 30, 2025, grant expiration date. At January 1, 2023, the grant refundable advance was \$90,497 and was recognized as revenue in 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”), a federal pass-through grant, up to an amount of \$900,000 covering the period May 27, 2022 to June 30, 2025. For the years ended December 31, 2024 and 2023, the Organization recognized revenues of \$294,554 and \$478,014, respectively. The Organization incurred DMO ARP grant expenses that exceeded advances resulting in grants receivable of \$22,568 and \$28,014 at December 31, 2024 and 2023, respectively. Conditions for the remaining amount of the grant of \$127,432 have not been met as of December 31, 2024. The Organization anticipates recognizing the remaining funds as revenue in 2025.

The Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) provided for an Employee Retention Credit (“ERC”), which is a refundable tax credit against certain employment taxes of up to \$7,000 per employee per quarter for eligible employers. The tax credit is equal to 70% of qualified wages paid to employees during a quarter, capped at \$10,000 of qualified wages per employee for each quarter. The tax credit refunds relate to quarters ended in 2020 and 2021 for which the Organization applied for during the year ended December 31, 2023. The Organization determined that the conditions to qualify for and record the employee retention credits were substantially met in accordance with FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition* during the year ended December 31, 2023. As such, the Organization recorded a total of \$598,537 of government grant income on the consolidated statements of activities and change in net assets during the year ended December 31, 2023. All funds were received during the year ended December 31, 2023.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

REVENUES AND SUPPORT (CONTINUED)

Governmental Grants (continued)

The Organization recognized revenues and support as follows:

	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
CRDA contract revenue (over time)	\$ 9,220,052	\$ 8,091,813
Government grants	565,800	1,376,609
Registration staffing contract revenue (point in time)	138,759	135,413
Interest income	<u>98,033</u>	<u>53,899</u>
	<u>\$ 10,022,644</u>	<u>\$ 9,657,734</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.

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES

Accounts receivable consists of amounts billed for registration services and are stated at the amount management expects to collect. The allowance estimate is derived from a review of the Organization's historical losses based on the aging schedule methodology. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point in which to calculate the expected allowance for credit losses as the Organization's portfolio segment of registration customers have remained constant since the Organization's inception.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES (CONTINUED)

The Organization's policy is to write off accounts receivable when management determines that the balance is uncollectible. Management considers factors including the age of the receivable, financial condition of the debtor and historical collection experience. Receivables are written off by reducing the allowance for credit losses. Recoveries of previously written-off receivables are recorded as income when received. Based on economic indicators and general overall economic conditions, no allowance for credit losses is considered necessary at December 31, 2024, 2023 or January 1, 2023, and there were no write-offs during the years ended December 31, 2024 and 2023. The balance of accounts receivable at January 1, 2023 was \$22,021.

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 \$128,149 and \$93,478 as of December 31, 2024 and 2023, respectively. Accumulated amortization was \$129,885 and \$72,105 as of December 31, 2024 and 2023, 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, 2024 and 2023.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES

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.

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, 2024 and 2023, the Organization has accrued approximately \$95,000 and \$79,000 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.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADVERTISING COSTS

It is the Organization's policy to expense advertising costs as incurred. The Organization incurred \$2,321,442 and \$1,918,244 in advertising costs for the years ended December 31, 2024 and 2023, 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.

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 13, 2025, 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:

	<u>Year Ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,934,730	\$ 1,224,092
Accounts receivable	9,114	28,513
Grants receivable	22,568	28,014
Note receivable	<u> --</u>	<u> 25,000</u>
	<u>\$ 1,966,412</u>	<u>\$ 1,305,619</u>

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

In addition to the financial assets shown above as of December 31, 2024 to meet cash requirements within one year, the Organization's 2025 funding of \$14 million has been approved by the CRDA. The Organization also receives revenue approximating \$258,000 annually from a state tourism grant and other sources, which is available to meet its financial obligations.

As a result of the 2025 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 bore interest at 5%, was unsecured and was personally guaranteed by the owner of the company. The note was 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, 2024 and 2023, the company made payments of \$25,000 to the Organization. The note receivable was repaid in full in 2024.

NOTE 5 - 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
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 5 - COMMITMENTS (CONTINUED)

INCENTIVE FUNDING COMMITMENTS (CONTINUED)

As of December 31, 2024, the Organization had the following incentive funding commitments:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 327,945
2026	153,810
2027	<u>68,100</u>
	<u>\$ 549,855</u>

NOTE 6 - LEASES

The Organization leases office equipment under annual leases that are subject to annual renewal. Total expense under the lease arrangements totaled approximately \$66,000 and \$68,000 the years ended December 31, 2024 and 2023, 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, 2024 and 2023, was \$60,000. See also Note 8.

NOTE 7 - CONCENTRATIONS

MAJOR SOURCES OF REVENUE

The Organization received 92% and 84% of its revenue from the CRDA during the years ended December 31, 2024 and 2023, respectively, under a contract which expires in 2025, and provides for quarterly funding. The funding is approved annually. The 2024 approved funding was \$10 million and the 2025 amount has been approved for \$14 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.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023**

NOTE 8 - 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 provided by the CRDA and recognized for the years ended December 31, 2024 and 2023, was \$9,220,052 and \$8,091,813, 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, 2024 and 2023, was \$60,000. CRDA also charges for cleaning services at the facilities. Cleaning expense paid to the CRDA for each of the years ended December 31, 2024 and 2023, was \$20,340. The Organization pays CRDA for marketing signage at the facilities. Marketing expense paid to the CRDA for the years ended December 31, 2024 and 2023, was \$35,000. 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.

NOTE 9 - 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 2024 and 2023. The contributions for the years ended December 31, 2024 and 2023, were \$129,893 and \$122,974, respectively.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Assets				
Current Assets				
Cash and cash equivalents	\$ 1,371,965	\$ 12,910	\$ --	\$ 1,384,875
Cash and cash equivalents - committed for convention incentive funds	549,855	--	--	549,855
Accounts receivable	9,114	--	--	9,114
Grants receivable	22,568	--	--	22,568
Prepaid expenses	286,957	12,385	--	299,342
Due from related party	<u>121,406</u>	<u>--</u>	<u>(121,406)</u>	<u>--</u>
Total Current Assets	<u>2,361,865</u>	<u>25,295</u>	<u>(121,406)</u>	<u>2,265,754</u>
Noncurrent Assets				
Intangible assets	37,581	--	--	37,581
Equipment and software - at cost, less accumulated depreciation and amortization	<u>53,330</u>	<u>112,661</u>	<u>--</u>	<u>165,991</u>
Total Noncurrent Assets	<u>90,911</u>	<u>112,661</u>	<u>--</u>	<u>203,572</u>
Total Assets	<u>\$ 2,452,776</u>	<u>\$ 137,956</u>	<u>\$ (121,406)</u>	<u>\$ 2,469,326</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 511,427	\$ 16,550	\$ --	\$ 527,977
Accrued payroll and related expenses	590,471	--	--	590,471
Refundable advance - NJ Department of State	35,193	--	--	35,193
Deferred revenue - CRDA	779,948	--	--	779,948
Deferred revenue - CRDA contractual budget reserve	405,000	--	--	405,000
Due to related party	<u>--</u>	<u>121,406</u>	<u>(121,406)</u>	<u>--</u>
Total Current Liabilities	2,322,039	137,956	(121,406)	2,338,589
Commitments				
Net Assets Without Donor Restrictions	<u>130,737</u>	<u>--</u>	<u>--</u>	<u>130,737</u>
Total Liabilities and Net Assets	<u>\$ 2,452,776</u>	<u>\$ 137,956</u>	<u>\$ (121,406)</u>	<u>\$ 2,469,326</u>

See independent auditors' report.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Assets				
Current Assets				
Cash and cash equivalents	\$ 577,713	\$ 6,319	\$ --	\$ 584,032
Cash and cash equivalents - committed for convention incentive funds	640,060	--	--	640,060
Accounts receivable	28,513	--	--	28,513
Grants receivable	28,014	--	--	28,014
Prepaid expenses	168,362	314	--	168,676
Due from related party	66,063	--	(66,063)	--
Note receivable	25,000	--	--	25,000
Total Current Assets	<u>1,533,725</u>	<u>6,633</u>	<u>(66,063)</u>	<u>1,474,295</u>
Noncurrent Assets				
Intangible assets	37,581	--	--	37,581
Equipment and software - at cost, less accumulated depreciation and amortization	107,699	118,750	--	226,449
Total Noncurrent Assets	<u>145,280</u>	<u>118,750</u>	<u>--</u>	<u>264,030</u>
Total Assets	<u>\$ 1,679,005</u>	<u>\$ 125,383</u>	<u>\$ (66,063)</u>	<u>\$ 1,738,325</u>
Liabilities and Net Assets				
Current Liabilities				
Accounts payable and accrued expenses	\$ 297,995	\$ 59,320	\$ --	\$ 357,315
Accrued payroll and related expenses	610,951	--	--	610,951
Refundable advance - NJ Department of State	48,439	--	--	48,439
Deferred revenue - CRDA	160,883	--	--	160,883
Deferred revenue - CRDA contractual budget reserve	405,000	--	--	405,000
Due to related party	--	66,063	(66,063)	--
Total Current Liabilities	1,523,268	125,383	(66,063)	1,582,588
Commitments				
Net Assets Without Donor Restrictions	<u>155,737</u>	<u>--</u>	<u>--</u>	<u>155,737</u>
Total Liabilities and Net Assets	<u>\$ 1,679,005</u>	<u>\$ 125,383</u>	<u>\$ (66,063)</u>	<u>\$ 1,738,325</u>

See independent auditors' report.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Revenues and Other Support				
CRDA contract revenue	\$ 9,220,052	\$ 1,433,370	\$ (1,433,370)	\$ 9,220,052
Governmental grants				
American Rescue Plan - passed through				
NJ Department of State	294,554	--	--	294,554
NJ Department of State	271,246	--	--	271,246
Registration staffing	138,759	--	--	138,759
Interest income	98,033	--	--	98,033
Total Revenues and Other Support	<u>10,022,644</u>	<u>1,433,370</u>	<u>(1,433,370)</u>	<u>10,022,644</u>
Expenses				
Program Services				
Meetings, conventions and groups	7,679,838	--	--	7,679,838
Registration staffing	141,249	--	--	141,249
Marketing - sports and entertainment	--	1,433,370	--	1,433,370
Atlantic City Sports Commission	1,433,370	--	(1,433,370)	--
Total Program Services	9,254,457	1,433,370	(1,433,370)	9,254,457
Supporting Services				
Management and general	793,187	--	--	793,187
Total Expenses	<u>10,047,644</u>	<u>1,433,370</u>	<u>(1,433,370)</u>	<u>10,047,644</u>
Change in Net Assets Without Donor Restrictions	(25,000)	--	--	(25,000)
Net Assets, Beginning of Year	<u>155,737</u>	<u>--</u>	<u>--</u>	<u>155,737</u>
Net Assets, End of Year	<u>\$ 130,737</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 130,737</u>

See independent auditors' report.

**MEET AC, INC. AND AFFILIATE
(d/b/a VISIT ATLANTIC CITY)**

CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Meet AC	Atlantic City Sports Commission	Eliminations	Consolidated Statement
Revenues and Other Support				
CRDA contract revenue	\$ 8,091,813	\$ 1,336,396	\$ (1,336,396)	\$ 8,091,813
Governmental grants				
Employee Retention Payroll Tax Credit	598,537	--	--	598,537
American Rescue Plan - passed through				
NJ Department of State	478,014	--	--	478,014
NJ Department of State	300,058	--	--	300,058
Registration staffing	135,413	--	--	135,413
Interest income	53,899	--	--	53,899
Total Revenues and Other Support	<u>9,657,734</u>	<u>1,336,396</u>	<u>(1,336,396)</u>	<u>9,657,734</u>
Expenses				
Program Services				
Meetings, conventions and groups	7,306,089	--	--	7,306,089
Registration staffing	132,180	--	--	132,180
Marketing - sports and entertainment	--	1,336,396	--	1,336,396
Atlantic City Sports Commission	1,336,396	--	(1,336,396)	--
Total Program Services	8,774,665	1,336,396	(1,336,396)	8,774,665
Supporting Services				
Management and general	764,319	--	--	764,319
Total Expenses	<u>9,538,984</u>	<u>1,336,396</u>	<u>(1,336,396)</u>	<u>9,538,984</u>
Change in Net Assets Without Donor Restrictions	118,750	--	--	118,750
Net Assets, Beginning of Year	<u>36,987</u>	<u>--</u>	<u>--</u>	<u>36,987</u>
Net Assets, End of Year	<u>\$ 155,737</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 155,737</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 Financial Statements in Accordance With Government Auditing Standards

To the Board of Trustees of
Meet AC, Inc. and Affiliate
(d/b/a Visit Atlantic City)

We have audited, in accordance with the 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 (“*Government Auditing Standards*”), the financial statements of Meet AC, Inc. and Affiliate (d/b/a Visit Atlantic City) (the “Organization”), which comprise the statement of financial position as of December 31, 2024, and the related statements of activities and change in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 13, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’s internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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 Organization’s 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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 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.

CBIZ CPAs P.C.

Philadelphia, PA
March 13, 2025