

Gunnison Crested Butte Tourism Association

Financial Report

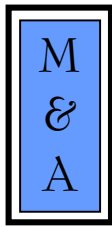
December 31, 2021



**Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Organization)
December 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

**To the Board of Directors
Gunnison Crested Butte Tourism Association
Gunnison, Colorado**

Opinion

We have audited the financial statements of Gunnison Crested Butte Tourism Association (the "Association"), a Colorado non-profit corporation, which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). 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 the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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 Association's ability to continue as a going concern for one year after the date that the financial statements are issued.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors
Gunnison Crested Butte Tourism Association
Gunnison, Colorado

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 U.S. GAAS 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 U.S. GAAS, 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 Association'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 Association'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 supplemental schedule on page 11 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 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 U.S. GAAS. In our opinion, the information, is fairly stated in all material respects in relation to the financial statements as a whole.


McMahan and Associates, L.L.C.
Avon, Colorado
May 27, 2022

Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Statement of Financial Position
December 31, 2021
With Comparative Totals for 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Current Assets:		
Cash and cash equivalents	384,744	430,335
Accounts receivable	-	600
Total Current Assets	<u>384,744</u>	<u>430,935</u>
Property and Equipment:		
Furniture	528	528
Subtotal	<u>528</u>	<u>528</u>
Less accumulated depreciation	<u>(528)</u>	<u>(528)</u>
Total Property and Equipment	<u>-</u>	<u>-</u>
Total Assets	<u><u>384,744</u></u>	<u><u>430,935</u></u>
Liabilities and Net Assets:		
Liabilities:		
Current Liabilities:		
Accounts payable	135,304	15,904
Total Current Liabilities	<u>135,304</u>	<u>15,904</u>
Total Liabilities	<u>135,304</u>	<u>15,904</u>
Net Assets:		
Without donor restrictions	249,440	415,031
Total Net Assets	<u>249,440</u>	<u>415,031</u>
Total Liabilities and Net Assets	<u><u>384,744</u></u>	<u><u>430,935</u></u>

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

**Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2021
With Comparative Totals for 2020**

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Revenues, Gains, and Other Support:				
Local marketing district funding	2,390,591	-	2,390,591	2,153,245
Grant revenue and program funding	70,000	-	70,000	449,120
ICELab	52,479	-	52,479	39,643
Interest income	19	-	19	33
Other Income	31,687	-	31,687	-
Total Revenues, Gains, and Other Support	2,544,776	-	2,544,776	2,642,041
Expenses:				
Administrative	44,648	-	44,648	46,152
Tourism promotion	590,498	-	590,498	264,888
Media	1,323,665	-	1,323,665	1,381,216
IceLab	107,730	-	107,730	-
Payroll and contractors	643,826	-	643,826	666,649
Total Expenses	2,710,367	-	2,710,367	2,358,905
Change in Net Assets	(165,591)	-	(165,591)	283,136
Net Assets - Beginning of Year	415,031	-	415,031	131,895
Net Assets - End of Year	249,440	-	249,440	415,031

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

**Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Statement of Functional Expenses
For the Year Ended December 31, 2021
With Comparative Totals for 2020**

	2021			2020
	Program Services	Management and General	Fundraising	Total
Expenses:				
Administrative	-	44,648	-	44,648
Tourism promotion	571,490	19,008	-	590,498
Media	1,323,665	4,500	-	1,328,165
IceLab	107,730	-	-	107,730
Payroll and contractors	624,511	19,315	-	643,826
Total Expenses	2,627,396	87,471	-	2,714,867

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

Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Statement of Cash Flows
For the Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
Cash Flows from Operating Activities:		
Cash received from operations	2,390,591	2,153,245
Interest received	19	33
Cash received from other sources	154,766	298,763
Cash paid to employees or independent contractors	(643,826)	(666,649)
Cash paid for goods and services	(1,947,141)	(1,814,524)
Net Cash Provided (Used) by Operating Activities	<u>(45,591)</u>	<u>(29,132)</u>
Net Increase (Decrease) in Cash	(45,591)	(29,132)
Cash and Cash Equivalents - Beginning of Year	<u>430,335</u>	<u>459,467</u>
Cash and Cash Equivalents - End of Year	<u><u>384,744</u></u>	<u><u>430,335</u></u>
Reconciliation of Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Change in net assets	<u>(165,591)</u>	<u>283,136</u>
Adjustments to change in net assets:		
(Increase) decrease in accounts receivable	600	10,000
Increase (decrease) in accounts payable	119,400	(122,268)
Increase (decrease) in deferred revenue	-	(200,000)
Total Adjustments	<u>120,000</u>	<u>(312,268)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>(45,591)</u></u>	<u><u>(29,132)</u></u>

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

Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2021

1. Organization

The Gunnison-Crested Butte Tourism Association (the "Association") was incorporated in the State of Colorado and designated as a 501(c)(6) to promote the Gunnison Valley as a year-round travel destination and foster relationships with community partners, support for Western Colorado University and creation of entrepreneurial opportunities (e.g., ICELab). Increasing total annual tourism and guest revenue is one of the primary goals of the Association.

2. Summary of Significant Accounting Principles

A. Financial Statement Presentation

The Association reports its financial statements in accordance with FASB Accounting Standards Codification Topic 958, *Not-for-Profit Organizations* ("ASC Topic 958"), formerly Statement of Financial Accounting Standards No. 117. Under ASC Topic 958, the Association is required to report information regarding its financial position and activities according to two classifications of net assets, without donor restriction and with donor restriction.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting which recognizes revenues when earned and expenses when incurred.

C. Cash and Cash Equivalents

The Association considers all deposits that can be withdrawn at any time without notice or penalty and certificate of deposits with maturities of three months or less.

D. Accounts Receivable

The Association utilizes the allowance method of recognizing the future potential uncollectibility of amounts receivable from members and others. No allowance was considered necessary at December 31, 2021, since all such amounts were considered collectible.

E. 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 the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Income Tax

The Association is incorporated as a not-for-profit corporation under Internal Revenue Code Section 501(c)(6). As such, the Association's earnings must be reinvested into the organization and may not benefit any individual member or shareholder.

Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2021
(continued)

2. Summary of Significant Accounting Principles (continued)

F. Income Tax (continued)

Unrelated business income is income derived from a trade or business by the exempt organization that is not substantially related to the performance of the organization's exempt purpose or function. For the year ended December 31, 2021, the Association had no taxable income.

G. Method used for Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to program or supporting functions of the association. These expenses include tourism promotion, administration, media, and contractors. Administrative expenses are allocated based on the function they support, including insurance, meals and entertainment, and supplies.

H. Support and Revenue Recognition

Contributions of cash and other assets are reported as with donor or grantor restriction if they are received with donor or grantor stipulations that limit or specify the use of the donated assets, whether by time, period, or purpose. When a donor or grantor restriction expires – that is, when a stipulated time restriction ends, or the stated purpose restriction is accomplished – donor / grantor restricted net assets are reclassified to net assets without donor restriction and reported in the Statement of Activities as net assets released from restrictions.

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Unconditional promises to give expected to be collected within one year are reflected as current contributions and are recorded at their net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the Statement of Activities. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Non-monetary contributions of goods and services are recorded at their fair values in the period received. Donated services are recorded at their fair values in the period received, provided that such services either create or enhance non-financial assets or the services are considered “professional” services which the Organization would otherwise be required to purchase. Donated fixed assets are recorded at fair value when received and reflected in these financial statements as contribution revenue and an addition to fixed assets. Nonmonetary donations are recognized as revenue and offsetting expense or asset, depending on the nature of such support received.

Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2021
(continued)

2. Summary of Significant Accounting Principles (continued)

I. Comparative Information

The financial statements include certain prior year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity to U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the fiscal year ended December 31, 2020, from which the comparative totals were derived.

J. Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

K. Subsequent Event

Management has evaluated subsequent events through May 27, 2022, the date these financial statements were available to be issued.

3. Property and Equipment

The Association had the following property and equipment:

Property and Equipment:

Furniture	\$ 528
Subtotal	<u>528</u>
Less accumulated depreciation	<u>(528)</u>
Total Property and Equipment	<u><u>\$ -</u></u>

Property and equipment are recorded at cost when purchased or at fair value at the date of gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets when placed in service. Furniture and equipment are depreciated over five years.

Gunnison Crested Butte Tourism Association
(A Colorado Non-Profit Corporation)
Notes to the Financial Statements
December 31, 2021
(continued)

4. Revenue from Contracts with Customers

For the year ended December 31, 2021, revenue recognized for goods transferred or performance obligations met at a point in time were \$52,479. There were no revenues recognized for goods transferred or performance obligations met over time during 2021. Revenues may be affected by general economic conditions and inflationary pressures. Revenues are primarily collected from revenues at the ICELab.

5. Concentration of Revenue

The Association received approximately 94% in 2021 and 81% in 2020 from the Gunnison Valley Local Marketing District.

6. Classification of Net Assets and Net Assets Released from Restriction

During the year ended December 31, 2021, the Association did not have any restricted net assets or assets released from restrictions. At December 31, 2021 the Association had assets without donor restrictions of \$249,440.

7. Liquidity and Availability of Resources

The Association's net assets consist of donor-restricted amounts and amounts without donor restrictions. The Association's investment policy and liquidity management is structured around short-term investments. The financial assets available within one year from December 31, 2021 for general expenditures are as follows:

Cash and cash equivalents	\$ 384,744
Total	<u>\$ 384,744</u>

Gunnison Crested Butte Tourism Association
Schedule of Revenues, Expenses and Changes in Net Assets
Budget and Actual Comparison
For the Year Ended December 31, 2021
With Comparative Totals for 2020

	2021			2020
	Original & Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Local marketing district	2,369,591	2,390,591	21,000	2,153,245
Grant revenue and program funding	-	70,000	70,000	449,120
ICELab	-	52,479	52,479	39,643
Interest income	-	19	19	33
Other Income	-	31,687	31,687	-
Total Revenues	<u>2,369,591</u>	<u>2,544,776</u>	<u>175,185</u>	<u>2,642,041</u>
Expenses:				
Administrative:				
Computer office equipment	-	-	-	3,914
Professional development	-	-	-	117
Insurance	-	-	-	3,370
Miscellaneous expense	55,165	44,648	10,517	8,879
Office supplies	-	-	-	2,571
Telephone and internet	-	-	-	15,242
Postage	-	-	-	158
Dues and subscriptions	-	-	-	11,901
Total Administration	<u>55,165</u>	<u>44,648</u>	<u>10,517</u>	<u>46,152</u>
Tourism promotion:				
FAMS - journalist familiarization visits	-	-	-	38,195
Fulfillment	-	-	-	8,593
Promotional Items	-	-	-	1,370
Research	74,707	168,560	(93,853)	663
Event expense	-	-	-	10,000
Trail signage	-	-	-	10,312
Visitor Center	50,000	50,000	-	50,000
Travel and tradeshow	148,280	48,546	99,734	5,954
Website and apps	130,334	69,501	60,833	139,801
Public land experience	44,210	120,374	(76,164)	-
Special projects	40,280	133,517	(93,237)	-
Total Tourism promotion	<u>487,811</u>	<u>590,498</u>	<u>(102,687)</u>	<u>264,888</u>
Media:				
Broadcast	-	-	-	3,100
Electronic media	462,466	473,743	(11,277)	585,702
Print media	52,715	64,924	(12,209)	25,396
Social media	102,121	192,048	(89,927)	407,241
Media management	-	4,500	(4,500)	83,523
Out of home media	-	-	-	20,500
Creative productions	200,327	213,621	(13,294)	255,754
Air specific media	191,500	374,829	(183,329)	-
Total Media	<u>1,009,129</u>	<u>1,323,665</u>	<u>(314,536)</u>	<u>1,381,216</u>
IceLab:				
TAPP grant expense	169,842	107,730	62,112	-
Total Media	<u>169,842</u>	<u>107,730</u>	<u>62,112</u>	<u>-</u>
Contractors:				
Contract Services	636,761	643,826	(7,065)	666,649
Total contractors	<u>636,761</u>	<u>643,826</u>	<u>(7,065)</u>	<u>666,649</u>
Total Expense	<u>2,358,708</u>	<u>2,710,367</u>	<u>(351,659)</u>	<u>2,358,905</u>
Change in Net Assets		(165,591)		283,136
Net Assets - Beginning of Year		415,031		131,895
Net Assets - End of Year		<u>249,440</u>		<u>415,031</u>

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