

**RICHMOND METROPOLITAN CONVENTION  
AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2024 AND 2023**

**RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU**  
**dba RICHMOND REGION TOURISM**

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HARRIS, HARDY & JOHNSTONE, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Richmond Metropolitan Convention and Visitors Bureau  
dba Richmond Region Tourism  
Richmond, Virginia

**Opinion**

We have audited the accompanying consolidated financial statements of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism (a nonprofit organization) (the "Bureau"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism as of June 30, 2024 and 2023, and the changes in its net assets 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism 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.

**Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Richmond Metropolitan Convention and Visitors Bureau's dba Richmond Region Tourism internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Richmond Metropolitan Convention and Visitors Bureau's dba Richmond Region Tourism 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 audits.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules of financial position, activities, and net assets with donor restrictions, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating schedules and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2024, on our consideration of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism'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 Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism'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 Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's internal control over financial reporting and compliance.

*Harris, Hardy ; Johnstone, P.C.*

Richmond, Virginia  
November 21, 2024

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 7,789,441	\$ 3,599,661
Grants and contributions receivable	1,901,237	305,688
Prepaid expenses	397,645	303,474
Property and equipment, net	<u>258,931</u>	<u>132,706</u>
	<u><u>\$ 10,347,254</u></u>	<u><u>\$ 4,341,529</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 922,606	\$ 461,915
Accrued liabilities	267,056	205,050
Advanced grants	<u>58,450</u>	<u>177,342</u>
TOTAL LIABILITIES	<u>1,248,112</u>	<u>844,307</u>
NET ASSETS		
Without donor restrictions	8,734,164	3,020,110
With donor restrictions	<u>364,978</u>	<u>477,112</u>
TOTAL NET ASSETS	<u>9,099,142</u>	<u>3,497,222</u>
	<u><u>\$ 10,347,254</u></u>	<u><u>\$ 4,341,529</u></u>

See Independent Auditor's Report and Notes to Consolidated Financial Statements

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Support, Other Than Special Events			
Contributions			
Tourism Improvement District	\$ 8,514,081	\$ -	\$ 8,514,081
Membership contributions - local governments	7,669,913	-	7,669,913
GRCCA contribution	-	590,300	590,300
Foundation contributions	32,200	98,101	130,301
Other contributions and sponsorships	223,500	-	223,500
Grants	-	1,389,562	1,389,562
Total Support, Other Than Special Events	16,439,694	2,077,963	18,517,657
Special Events			
Special event revenue	68,914	-	68,914
Less: Direct benefits to donors	(193,323)	-	(193,323)
In-kind special event revenue	68,352	-	68,352
Less: In-kind direct benefits to donors	(68,352)	-	(68,352)
Net Support from Special Events	(124,409)	-	(124,409)
Other Revenues and Gains			
Investment return, net	265,449	-	265,449
Advertising	22,335	-	22,335
Other	5,362	-	5,362
Employee retention credits	-	-	-
Total Other Revenues and Gains	293,146	-	293,146
Net Assets Released from Restrictions			
Satisfaction of program restrictions	2,190,097	(2,190,097)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	18,798,528	(112,134)	18,686,394
EXPENSES			
Program Services			
Marketing	4,709,361	-	4,709,361
Sales	3,669,650	-	3,669,650
Community Relations	765,601	-	765,601
Visitors Experience	1,056,928	-	1,056,928
GRCCA - long-term marketing	757,284	-	757,284
Foundation	78,957	-	78,957
Total Program Services	11,037,781	-	11,037,781
Management and General	2,046,693	-	2,046,693
TOTAL EXPENSES	13,084,474	-	13,084,474
CHANGE IN NET ASSETS	5,714,054	(112,134)	5,601,920
NET ASSETS, beginning of year	3,020,110	477,112	3,497,222
NET ASSETS, end of year	\$ 8,734,164	\$ 364,978	\$ 9,099,142

See Independent Auditor's Report and Notes to Consolidated Financial Statements



RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATED STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Support, Other Than Special Events			
Contributions			
Tourism Improvement District	\$ -	\$ -	\$ -
Membership contributions - local governments	4,469,854	-	4,469,854
GRCCA contribution	-	689,621	689,621
Foundation contributions	42,970	64,765	107,735
Other contributions and sponsorships	126,300	-	126,300
Grants	-	1,162,760	1,162,760
Total Support, Other Than Special Events	4,639,124	1,917,146	6,556,270
Special Events			
Special event revenue	97,782	-	97,782
Less: Direct benefits to donors	(187,225)	-	(187,225)
In-kind special event revenue	72,036	-	72,036
Less: In-kind direct benefits to donors	(72,036)	-	(72,036)
Net Support from Special Events	(89,443)	-	(89,443)
Other Revenues and Gains			
Investment return, net	65,764	-	65,764
Advertising	16,564	-	16,564
Other	34,276	-	34,276
Employee retention credits	361,836	-	361,836
Total Other Revenues and Gains	478,440	-	478,440
Net Assets Released from Restrictions			
Satisfaction of program restrictions	1,900,842	(1,900,842)	-
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	6,928,963	16,304	6,945,267
EXPENSES			
Program Services			
Marketing	3,003,718	-	3,003,718
Sales	1,939,120	-	1,939,120
Community Relations	690,320	-	690,320
Visitors Experience	892,728	-	892,728
GRCCA - long-term marketing	698,176	-	698,176
Foundation	86,556	-	86,556
Total Program Services	7,310,618	-	7,310,618
Management and General	1,644,491	-	1,644,491
TOTAL EXPENSES	8,955,109	-	8,955,109
CHANGE IN NET ASSETS	(2,026,146)	16,304	(2,009,842)
NET ASSETS, beginning of year	5,046,256	460,808	5,507,064
NET ASSETS, end of year	\$ 3,020,110	\$ 477,112	\$ 3,497,222

See Independent Auditor's Report and Notes to Consolidated Financial Statements

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services								
	Marketing	Sales	Community Relations	Visitors Experience	GRCCA Long-Term Marketing	Foundation	Total Program Services	Management and General	Total
Salaries	\$ 548,464	\$ 771,822	\$ 401,445	\$ 498,426	\$ 194,039	\$ -	\$ 2,414,196	\$ 915,046	\$ 3,329,242
Employee benefits	120,803	164,863	82,144	104,716	33,661	-	506,187	151,486	657,673
Payroll taxes	41,286	58,438	29,525	37,582	14,616	-	181,447	56,515	237,962
Total salaries and related expenses	710,553	995,123	513,114	640,724	242,316	-	3,101,830	1,123,047	4,224,877
Promotion and public relations	437,912	941,522	206,191	139,177	443,485	40,957	2,209,244	37,789	2,247,033
Marketing and promotion - TID	1,451,860	-	-	-	-	-	1,451,860	-	1,451,860
Sales - TID	-	1,381,917	-	-	-	-	1,381,917	-	1,381,917
Marketing and promotion - ARPA	1,374,842	-	-	-	-	-	1,374,842	-	1,374,842
Advertising	639,245	59,346	-	-	19,114	-	717,705	-	717,705
Professional fees and contract services	21,392	30,662	15,479	107,479	4,479	-	179,491	386,727	566,218
Special events	-	-	-	-	-	261,675	261,675	-	261,675
Occupancy	-	-	-	-	-	-	-	250,812	250,812
Travel	32,756	90,761	10,693	34,932	39,547	-	208,689	27,057	235,746
Training and memberships - TID	-	129,244	-	-	-	-	129,244	-	129,244
Group Tours - TID	-	-	-	72,092	-	-	72,092	-	72,092
Organizational dues	13,991	7,214	2,006	13,078	2,703	-	38,992	27,754	66,746
Supplies	-	-	-	1,318	-	-	1,318	62,273	63,591
Conferences, conventions, and meetings	-	5,157	3,468	850	-	-	9,475	53,555	63,030
Telephone and internet	11,019	15,886	9,290	9,376	3,691	-	49,262	12,114	61,376
Depreciation and amortization	4,361	7,391	4,343	17,880	1,369	-	35,344	18,671	54,015
Printing, postage, and office	11,430	5,427	1,017	5,059	580	-	23,513	21,962	45,475
Grants	-	-	-	-	-	30,500	30,500	-	30,500
Insurance	-	-	-	1,561	-	-	1,561	18,165	19,726
Brochure distribution and video	-	-	-	12,890	-	-	12,890	-	12,890
Educational programs	-	-	-	-	-	7,500	7,500	-	7,500
Taxes and licenses	-	-	-	512	-	-	512	6,767	7,279
TOTAL EXPENSES	4,709,361	3,669,650	765,601	1,056,928	757,284	340,632	11,299,456	2,046,693	13,346,149
Direct benefits to donors	-	-	-	-	-	(261,675)	(261,675)	-	(261,675)
PER STATEMENT OF ACTIVITIES	<u>\$ 4,709,361</u>	<u>\$ 3,669,650</u>	<u>\$ 765,601</u>	<u>\$ 1,056,928</u>	<u>\$ 757,284</u>	<u>\$ 78,957</u>	<u>\$ 11,037,781</u>	<u>\$ 2,046,693</u>	<u>\$ 13,084,474</u>

See Independent Auditor's Report and Notes to Consolidated Financial Statements

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services								
	Marketing	Sales	Community Relations	Visitors Experience	GRCCA Long-Term Marketing	Foundation	Total Program Services	Management and General	Total
Salaries	\$ 494,978	\$ 599,217	\$ 347,094	\$ 490,873	\$ 191,968	\$ -	\$ 2,124,130	\$ 753,800	\$ 2,877,930
Employee benefits	73,806	118,679	71,472	89,607	39,370	-	392,934	143,975	536,909
Payroll taxes	37,341	45,199	26,072	37,210	14,548	-	160,370	48,079	208,449
Total salaries and related expenses	606,125	763,095	444,638	617,690	245,886	-	2,677,434	945,854	3,623,288
Promotion and public relations	471,989	933,850	199,670	121,151	392,809	62,556	2,182,025	29,490	2,211,515
Marketing and promotion - ARPA	1,070,158	-	-	-	-	-	1,070,158	-	1,070,158
Advertising	631,040	79,338	-	-	18,845	-	729,223	-	729,223
Professional fees and contract services	31,724	26,926	12,193	67,617	3,877	-	142,337	241,030	383,367
Special events	-	-	-	-	-	259,261	259,261	-	259,261
Occupancy	-	-	-	-	-	-	-	243,509	243,509
Travel	19,775	99,591	12,247	32,683	26,689	-	190,985	23,447	214,432
Sports marketing and promotion - ARPA	107,322	-	-	-	-	-	107,322	-	107,322
Organizational dues	15,330	11,704	2,584	12,193	4,502	-	46,313	25,684	71,997
Telephone and internet	10,635	14,134	9,047	9,358	3,693	-	46,867	12,135	59,002
Depreciation and amortization	28,958	3,004	2,209	10,462	648	-	45,281	9,613	54,894
Printing, postage, and office	10,662	2,010	477	5,354	1,227	-	19,730	25,192	44,922
Conferences, conventions, and meetings	-	5,468	7,255	12	-	-	12,735	26,466	39,201
Supplies	-	-	-	1,186	-	-	1,186	34,985	36,171
Insurance	-	-	-	1,332	-	-	1,332	21,197	22,529
Grants	-	-	-	-	-	21,000	21,000	-	21,000
Brochure distribution and video	-	-	-	13,119	-	-	13,119	-	13,119
Taxes and licenses	-	-	-	571	-	-	571	5,889	6,460
Educational programs	-	-	-	-	-	3,000	3,000	-	3,000
TOTAL EXPENSES	3,003,718	1,939,120	690,320	892,728	698,176	345,817	7,569,879	1,644,491	9,214,370
Direct benefits to donors	-	-	-	-	-	(259,261)	(259,261)	-	(259,261)
PER STATEMENT OF ACTIVITIES	<u>\$ 3,003,718</u>	<u>\$ 1,939,120</u>	<u>\$ 690,320</u>	<u>\$ 892,728</u>	<u>\$ 698,176</u>	<u>\$ 86,556</u>	<u>\$ 7,310,618</u>	<u>\$ 1,644,491</u>	<u>\$ 8,955,109</u>

See Independent Auditor's Report and Notes to Consolidated Financial Statements

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 5,601,920	\$ (2,009,842)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	54,015	54,894
(Increase) decrease in		
Grants and contributions receivable	(1,595,549)	(303,587)
Prepaid expenses	(94,171)	(201,982)
Increase (decrease) in		
Accounts payable	460,691	219,586
Accrued liabilities	62,006	12,908
Advanced grants	<u>(118,892)</u>	<u>(695,658)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>4,370,020</u>	<u>(2,923,681)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(180,240)</u>	<u>(106,539)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(180,240)</u>	<u>(106,539)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,189,780	(3,030,220)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,599,661</u>	<u>6,629,881</u>
CASH AND CASH EQUIVALENTS, end of year	<u><u>\$ 7,789,441</u></u>	<u><u>\$ 3,599,661</u></u>

See Independent Auditor's Report and Notes to Consolidated Financial Statements

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism (“RMCVB”, the “Bureau”) is organized for the purpose of promoting convention and tourism development in the Richmond Metropolitan area in order to increase revenues, provide increased employment and improve overall health for all participating jurisdictions.

The Richmond Metropolitan Convention and Visitors Bureau Foundation (the “Foundation”) was organized to conduct and support activities which promote the advancement of RMCVB and its educational activities. The Foundation anticipates financial support to come from a variety of sources, including contributions and grants from public and private foundations and government programs, as well as contributions and gifts from individuals and corporations.

Program Descriptions

*Marketing* - The Marketing team focuses on creating, curating, sharing, and influencing content that inspires leisure travelers, and meeting and sports event planners.

*Sales* - The Sales team is responsible for attracting, selling, and providing outstanding service to meeting, convention, tour, and sporting event related group business within the Richmond region.

*Community Relations* - The Community Relations department serves as a voice for the tourism industry in government relations and a voice of the visitor in regional planning and development.

*Visitors Experience* - The Visitors Experience team members are destination specialists for the tourism/hospitality industry, providing services for leisure, sports, and convention travelers. The staff seeks to provide accurate regional tourist information and encourage visitors to extend their length of stay and/or return to the Richmond region at a later date.

*Greater Richmond Convention Center Authority Long-Term Marketing* - The Greater Richmond Convention Center Authority designates a contribution yearly to RMCVB for the purpose of keeping two salespeople on staff to promote the Convention Center by traveling to tradeshow and conventions.

*Foundation* - The Foundation supports educational and charitable initiatives.

Summary of Significant Accounting Policies

RMCVB and the Foundation prepare their consolidated financial statements in accordance with accounting principles generally accepted in the United States of America for nonprofit entities. The significant accounting and reporting policies used by RMCVB and the Foundation are described subsequently to enhance the usefulness and understandability of the consolidated financial statements.

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Principles of Consolidation

The consolidated financial statements include the accounts of RMCVB and the Foundation. The executive board and management of the Foundation are the same as that of RMCVB. RMCVB does not provide funding of any kind to the Foundation. All intercompany accounts have been eliminated during consolidation.

Fair Value Measurements

The Bureau reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by accounting principles generally accepted in the United States of America, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets in markets that are not active;
  - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
  - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the Bureau measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value. However, level 1 inputs are not available for many of the assets and liabilities that the Bureau is required to measure at fair value (for example, unconditional promises to give and in-kind contributions).

The primary uses of fair value measures in the Bureau's consolidated financial statements are the initial measurement of noncash gifts, including gifts of investment assets and unconditional promises to give.

Estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities as of the date of the consolidated financial statements. On an ongoing basis, the Bureau's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Bureau's management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Reclassifications

Certain accounts in the prior-year consolidated financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements, with no effect on previously reported change in net assets.

Income Taxes

RMCVB and the Foundation are exempt from federal income taxes as defined under the Internal Revenue Code Section 501(c)(6) and Section 501(c)(3), respectively. However, income from certain activities not directly related to RMCVB and the Foundation's tax-exempt purpose could be subject to taxation as unrelated business income. In addition, the Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Uncertain Tax Positions

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the consolidated financial statements. Under that guidance, the Bureau may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Bureau and various positions related to the potential sources of unrelated business taxable income (UBTI). The Bureau has recognized no uncertain tax positions for the years ended June 30, 2024 and 2023.

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restrictions in the consolidated statements of activities unless the donor specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restrictions.

Schedule of Expenditures of Federal Awards

The accompanying Supplemental Schedule of Expenditures of Federal Awards is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Expenditures reported on the Supplemental Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations* or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Bureau has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Cash Equivalents

Cash equivalents include all deposits in banks and highly liquid investments with original maturity dates of less than three months as well as certificates of deposit with original maturities of less than one year. The carrying value of cash equivalents approximated fair value because of the short maturities of those financial instruments.

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions and Grants Receivable

Contributions and grants receivable are primarily unsecured non-interest-bearing amounts. Management believes that all outstanding contributions and grants receivable are collectible in full, therefore no allowance for uncollectible receivables has been provided.

Property and Equipment, Net

Property and equipment are reported in the consolidated statements of financial position at cost, if purchased, and at fair value at the date of donation, if donated. Equipment is capitalized if it has a cost or fair value of \$1,000 or more and a useful life when acquired of more than one year. Repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

Leases

Effective July 1, 2022, the Bureau adopted FASB ASC 842, Leases. The Bureau elected to adopt the package of three practical expedients available under the transition guidance. This package includes the following: relief from determination of lease contracts included in existing or expiring leases at the point of adoption, relief from having to reevaluate the classification of leases in effect at the point of adoption, and relief from reevaluation of existing leases that have initial direct costs associated with the execution of the lease contract.

The Bureau determines if a contract contains a lease at inception based on whether the Bureau has the right to control the asset during the contract period and other facts and circumstances. The lease classification is determined at the commencement date.

The Bureau has elected to apply the practical expedient allowing for leases with terms of 12 months or fewer to remain off the consolidated statements of financial position.

The Bureau applies the discount rate implicit in the lease contract. If there is no implicit rate, the Bureau applies its incremental borrowing rate or the risk-free interest rate. The Bureau has not elected to apply a single discount rate to each portfolio of leases.

The Bureau has elected not to combine lease and non-lease components as a single lease component for each class of assets. Non-lease components are expensed as incurred and are not included in the right-of-use asset and lease liability.



RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Advanced Grants

The Bureau received funds under the American Rescue Plan Act (ARPA) and Diversity, Equity, and Inclusion (DEI) programs that require it to meet certain criteria and conditions from the grantors before recognizing revenue in the consolidated statements of activities.

Net Assets

The consolidated financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions are resources available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the Bureau, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net Assets With Donor Restrictions

Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Bureau must continue to use the resources in accordance with the donor's instructions.

The Bureau's unspent contributions are included in this class if the donor limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions. Net assets restricted for acquisition of buildings or equipment (or less commonly, the contribution of those assets directly) are reported as net assets with donor restrictions until the specified asset is placed in service by the Bureau, unless the donor provides more specific directions about the period of its use.

Contributions

Contributions, including unconditional promises to give, are recognized when received. All contributions are reported as increases in net assets without donor restrictions unless use of the contributed assets is specifically restricted by the donor. Amounts received that are restricted by the donor to use in future periods or for specific purposes are reported as increases in net assets with donor restrictions. Unconditional promises with payments due in future years have an implied restriction to be used in the year the payment is due, and therefore are reported as restricted until the payment is due, unless the contribution is clearly intended to support activities of the current fiscal year. Conditional promises, such as matching grants, are not recognized until they become unconditional, that is, until all conditions on which they depend are substantially met.

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Membership Contributions

Jurisdictional membership consists of the counties of Chesterfield, Hanover, Henrico, and New Kent, the Cities of Richmond and Colonial Heights, and the Town of Ashland.

Grant Revenue

Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. Grant revenue from federal agencies is subject to independent audit under the Office of Management and Budget's audit requirements for federal awards and review by grantor agencies. The review could result in the disallowance of expenditures under the terms of the grant or reductions of future grant funds. Based on prior experience, the Bureau's management believes that costs ultimately disallowed, if any, would not materially affect the financial position of the Bureau.

Special Events

The Bureau engages in several events during the year that meet the criteria of special events according to accounting principles generally accepted in the United States of America. Special events revenue is calculated by multiplying the cost of the ticket by the number of tickets sold or the price to register for an event. Any amount received above the ticket price is considered a contribution and is included in contributions on the consolidated statements of activities. Direct benefits to donors includes all costs that directly relate to the specific event. These costs can consist of facility rental, food, entertainment, prizes, etc. All expenses incurred that do not have a direct benefit to donors are recorded as special events expenses on the consolidated statements of activities and functional expenses.

In-Kind Contributions

The Bureau receives contributions in a form other than cash or investments. Most are donated items for use in special events, which are recorded as contributions as of the date of gift and as expenses when the donated items are placed into service or distributed.

Expense Recognition and Allocation

The cost of providing the Bureau's programs and other activities is summarized on a functional basis in the consolidated statements of activities and consolidated statements of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied, as follows:

- Salaries and wages, benefits, and payroll taxes are allocated based on activity reports prepared by key personnel.
- Depreciation, office expenses, professional services, and other expenses are allocated based on management's best estimate of the distribution of costs across programs and functions.

Every three years, or more often when new programs are added, the basis on which costs are allocated are evaluated.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Expense Recognition and Allocation - Continued

Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Bureau.

Advertising

Advertising costs are expensed as incurred.

NOTE B - LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2024 are:

Financial assets:	
Cash and cash equivalents	\$ 7,789,441
Grants and contributions receivable	1,901,237
Total financial assets	<u>9,690,678</u>
Less: Financial assets held to meet donor-imposed restrictions:	
Purpose restricted net assets (Note D)	<u>364,978</u>
Total financial assets available for general expenditures within one year	<u>\$ 9,325,700</u>

As part of the Bureau's liquidity management plan, cash is invested in interest-bearing accounts.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment, net consists of the following as of June 30, 2024 and 2023:

	2024	2023
Office equipment	\$ 410,055	\$ 343,181
Leasehold improvements	86,227	-
Less: Accumulated depreciation	<u>237,351</u>	<u>210,475</u>
Property and equipment, net	<u>\$ 258,931</u>	<u>\$ 132,706</u>

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE D - NET ASSETS WITH DONOR RESTRICTIONS

The Greater Richmond Convention Center Authority designates revenues for RMCVB to use on their salaries, travel, and advertising. Donor-restricted net assets available for these purposes totaled \$281,071 and \$448,058 as of June 30, 2024 and 2023, respectively.

The Foundation has received contributions designated for use in its educational and DEI programs. Donor-restricted net assets available for these purposes totaled \$83,907 and \$29,054 as of June 30, 2024 and 2023, respectively.

NOTE E - RETIREMENT PLAN

RMCVB has a defined contribution plan for vested employees, administered by the American Chamber of Commerce Executives. Employees can contribute up to 100% of their salary, within IRS limits. RMCVB contributes to the plan 8.3% of the total annual wages. RMCVB will match 100%, up to 4% of wages for each eligible employee. Participants in the Plan must be 21 years old and have provided three months of service before obtaining eligibility. Employer contributions for the years ended June 30, 2024 and 2023 totaled \$373,877 and \$268,728, respectively, and are included in employee benefits in the accompanying consolidated statements of functional expenses.

NOTE F - LEASE

RMCVB has a lease agreement with Greater Richmond Convention Center Authority effective July 1, 2016. The terms of the lease require payments of \$203,934 per year for 15 years, with an annual 3% increase to include office space for RMCVB and the Greater Richmond Visitors Center. The lease can be terminated with 90 days written notice by either party. In addition, it also includes the use of the office furniture, computers, parking, and validation parking for guests, visitors, and clients. All utilities are included, except for local and long-distance telephone service. As a result of the termination clause available to both the lessee and lessor the lease is not considered a legally enforceable contract as defined by FASB ASC 842, Leases beyond a rolling 90-day period. The penalty to the Bureau for terminating the contract would not be considered significant. The Bureau has elected to apply the short-term practical expedient which allows the lease to remain off the consolidated statements of financial position. Lease expense during the years ended June 30, 2024 and 2023 totaled \$250,812 and \$243,509, respectively.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - Continued

JUNE 30, 2024 AND 2023

NOTE F - LEASE - Continued

Following is a schedule of future minimum payments due under the lease if neither the lessor nor lessee exercises the termination clause:

<u>Year Ending June 30,</u>	
2025	\$ 258,338
2026	266,088
2027	274,071
2028	282,293
2029	290,762
Thereafter	607,953
	<u>\$ 1,979,505</u>

NOTE G - SPECIAL EVENTS

Income from special events, including sponsorships, registrations, and contributions, for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Sponsorships and contributions	\$ 176,950	\$ 126,300
Ticket sales and registrations	68,914	97,782
In-kind donations	68,352	72,036
Less: Direct benefits to donors	(193,323)	(187,225)
Less: In-kind direct benefits to donors	(68,352)	(72,036)
	<u>\$ 52,541</u>	<u>\$ 36,857</u>

The Foundation held three major special events each year, the annual meeting, golf tournament, and sports awards. Costs associated with these events have been included under the Foundation in the consolidated statements of functional expenses.

NOTE H - CONCENTRATIONS

Cash is maintained in accounts offered by TowneBank, Atlantic Union, and Principal. The total cash held by the Bureau as of June 30, 2024 and 2023 included \$6,852,152 and \$3,588,927, respectively, in monies that are not covered by insurance provided by the Federal Deposit Insurance Corporation (FDIC). It is the opinion of management that the solvency of the referenced financial institution is not of particular concern at this time. Included in the cash balance are grant funds advanced under the ARPA program totaling \$0 and \$177,342 as of June 30, 2024 and 2023, respectively.

NOTE I - SUBSEQUENT EVENTS

In the preparation of its consolidated financial statements, the Bureau considered subsequent events through November 21, 2024, which was the date the consolidated financial statements were available to be issued.

## SUPPLEMENTARY INFORMATION

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2024

	<u>RMCVB</u>	<u>RMCVB Foundation</u>	<u>Total</u>	<u>Consolidating Entries</u>	<u>Consolidated Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 7,512,406	\$ 277,035	\$ 7,789,441	\$ -	\$ 7,789,441
Grants and contributions receivable	1,868,111	33,126	1,901,237	-	1,901,237
Prepaid expenses	381,795	15,850	397,645	-	397,645
Property and equipment, net	258,931	-	258,931	-	258,931
	<u>\$ 10,021,243</u>	<u>\$ 326,011</u>	<u>\$ 10,347,254</u>	<u>\$ -</u>	<u>\$ 10,347,254</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 910,796	\$ 11,810	\$ 922,606	\$ -	\$ 922,606
Accrued liabilities	267,056	-	267,056	-	267,056
Advanced grants	-	58,450	58,450	-	58,450
TOTAL LIABILITIES	<u>1,177,852</u>	<u>70,260</u>	<u>1,248,112</u>	<u>-</u>	<u>1,248,112</u>
<b>NET ASSETS</b>					
Without donor restrictions	8,562,320	171,844	8,734,164	-	8,734,164
With donor restrictions	281,071	83,907	364,978	-	364,978
TOTAL NET ASSETS	<u>8,843,391</u>	<u>255,751</u>	<u>9,099,142</u>	<u>-</u>	<u>9,099,142</u>
	<u>\$ 10,021,243</u>	<u>\$ 326,011</u>	<u>\$ 10,347,254</u>	<u>\$ -</u>	<u>\$ 10,347,254</u>

See Independent Auditor's Report

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
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CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

JUNE 30, 2023

	<u>RMCVB</u>	<u>RMCVB Foundation</u>	<u>Total</u>	<u>Consolidating Entries</u>	<u>Consolidated Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,418,491	\$ 181,170	\$ 3,599,661	\$ -	\$ 3,599,661
Grants and contributions receivable	304,688	1,000	305,688	-	305,688
Prepaid expenses	303,474	-	303,474	-	303,474
Property and equipment, net	132,706	-	132,706	-	132,706
	<u>\$ 4,159,359</u>	<u>\$ 182,170</u>	<u>\$ 4,341,529</u>	<u>\$ -</u>	<u>\$ 4,341,529</u>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 455,127	\$ 6,788	\$ 461,915	\$ -	\$ 461,915
Accrued liabilities	205,050	-	205,050	-	205,050
Advanced grants	152,342	25,000	177,342	-	177,342
	<u>812,519</u>	<u>31,788</u>	<u>844,307</u>	<u>-</u>	<u>844,307</u>
<b>NET ASSETS</b>					
Without donor restrictions	2,898,782	121,328	3,020,110	-	3,020,110
With donor restrictions	448,058	29,054	477,112	-	477,112
	<u>3,346,840</u>	<u>150,382</u>	<u>3,497,222</u>	<u>-</u>	<u>3,497,222</u>
	<u>\$ 4,159,359</u>	<u>\$ 182,170</u>	<u>\$ 4,341,529</u>	<u>\$ -</u>	<u>\$ 4,341,529</u>

See Independent Auditor's Report



RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2024

	RMCVB	RMCVB Foundation	Total	Consolidating Entries	Consolidated Total
REVENUES, GAINS, AND OTHER SUPPORT					
Support, Other Than Special Events					
Contributions					
Tourism Improvement District	\$ 8,514,081	\$ -	\$ 8,514,081	\$ -	\$ 8,514,081
Membership contributions - local governments	7,669,913	-	7,669,913	-	7,669,913
GRCCA contribution	590,300	-	590,300	-	590,300
Foundation contributions	-	130,301	130,301	-	130,301
Other contributions and sponsorships	46,550	176,950	223,500	-	223,500
Grants	1,389,562	-	1,389,562	-	1,389,562
Total Support, Other Than Special Events	18,210,406	307,251	18,517,657	-	18,517,657
Special Events					
Special event revenue	-	68,914	68,914	-	68,914
Less: Direct benefits to donors	-	(193,323)	(193,323)	-	(193,323)
In-kind special event revenue	-	68,352	68,352	-	68,352
Less: In-kind direct benefits to donors	-	(68,352)	(68,352)	-	(68,352)
Net Support from Special Events	-	(124,409)	(124,409)	-	(124,409)
Other Revenues and Gains					
Investment return, net	264,370	1,079	265,449	-	265,449
Advertising	22,335	-	22,335	-	22,335
Other	4,957	405	5,362	-	5,362
Employee retention credits	-	-	-	-	-
Total Other Revenues and Gains	291,662	1,484	293,146	-	293,146
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	18,502,068	184,326	18,686,394	-	18,686,394
EXPENSES					
Program Services					
Marketing	4,709,361	-	4,709,361	-	4,709,361
Sales	3,669,650	-	3,669,650	-	3,669,650
Community Relations	765,601	-	765,601	-	765,601
Visitors Experience	1,056,928	-	1,056,928	-	1,056,928
GRCCA - long-term marketing	757,284	-	757,284	-	757,284
Foundation	-	78,957	78,957	-	78,957
Total Program Services	10,958,824	78,957	11,037,781	-	11,037,781
Management and General	2,046,693	-	2,046,693	-	2,046,693
TOTAL EXPENSES	13,005,517	78,957	13,084,474	-	13,084,474
CHANGE IN NET ASSETS	5,496,551	105,369	5,601,920	-	5,601,920
NET ASSETS, beginning of year	3,346,840	150,382	3,497,222	-	3,497,222
NET ASSETS, end of year	\$ 8,843,391	\$ 255,751	\$ 9,099,142	\$ -	\$ 9,099,142
See Independent Auditor's Report					

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
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CONSOLIDATING SCHEDULE OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

	RMCVB	RMCVB Foundation	Total	Consolidating Entries	Consolidated Total
REVENUES, GAINS, AND OTHER SUPPORT					
Support, Other Than Special Events					
Contributions					
Tourism Improvement District	\$ -	\$ -	\$ -	\$ -	\$ -
Membership contributions - local governments	4,469,854	-	4,469,854	-	4,469,854
GRCCA contribution	689,621	-	689,621	-	689,621
Foundation contributions	-	107,735	107,735	-	107,735
Other contributions and sponsorships	-	126,300	126,300	-	126,300
Grants	1,162,760	-	1,162,760	-	1,162,760
Total Support, Other Than Special Events	6,322,235	234,035	6,556,270	-	6,556,270
Special Events					
Special event revenue	-	97,782	97,782	-	97,782
Less: Direct benefits to donors	-	(187,225)	(187,225)	-	(187,225)
In-kind special event revenue	-	72,036	72,036	-	72,036
Less: In-kind direct benefits to donors	-	(72,036)	(72,036)	-	(72,036)
Net Support from Special Events	-	(89,443)	(89,443)	-	(89,443)
Other Revenues and Gains					
Investment return, net	65,741	23	65,764	-	65,764
Advertising	16,564	-	16,564	-	16,564
Other	34,277	(1)	34,276	-	34,276
Employee retention credits	361,836	-	361,836	-	361,836
Total Other Revenues and Gains	478,418	22	478,440	-	478,440
TOTAL REVENUES, GAINS, AND OTHER SUPPORT	6,800,653	144,614	6,945,267	-	6,945,267
EXPENSES					
Program Services					
Marketing	3,003,718	-	3,003,718	-	3,003,718
Sales	1,939,120	-	1,939,120	-	1,939,120
Community Relations	690,320	-	690,320	-	690,320
Visitors Experience	892,728	-	892,728	-	892,728
GRCCA - long-term marketing	698,176	-	698,176	-	698,176
Foundation	-	86,556	86,556	-	86,556
Total Program Services	7,224,062	86,556	7,310,618	-	7,310,618
Management and General	1,644,491	-	1,644,491	-	1,644,491
TOTAL EXPENSES	8,868,553	86,556	8,955,109	-	8,955,109
CHANGE IN NET ASSETS	(2,067,900)	58,058	(2,009,842)	-	(2,009,842)
NET ASSETS, beginning of year	5,414,740	92,324	5,507,064	-	5,507,064
NET ASSETS, end of year	\$ 3,346,840	\$ 150,382	\$ 3,497,222	\$ -	\$ 3,497,222
See Independent Auditor's Report					

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
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CONSOLIDATING SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS

YEAR ENDED JUNE 30, 2024

	Balance June 30, 2023	Revenue	Expenses	Balance June 30, 2024
RMCVB				
GRCCA	\$ 448,058	\$ 590,300	\$ 757,287	\$ 281,071
ARPA	-	1,374,843	1,374,843	-
Other	-	14,719	14,719	-
	<u>448,058</u>	<u>1,979,862</u>	<u>2,146,849</u>	<u>281,071</u>
Foundation				
I Am Tourism	-	25,000	4,931	20,069
DEI (BLKRVA)	27,054	64,745	30,562	61,237
Educational scholarship	2,000	5,000	7,000	-
OUT RVA	-	3,356	755	2,601
	<u>29,054</u>	<u>98,101</u>	<u>43,248</u>	<u>83,907</u>
	<u>\$ 477,112</u>	<u>\$ 2,077,963</u>	<u>\$ 2,190,097</u>	<u>\$ 364,978</u>

See Independent Auditor's Report

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

CONSOLIDATING SCHEDULE OF NET ASSETS WITH DONOR RESTRICTIONS

YEAR ENDED JUNE 30, 2023

	Balance June 30, 2022	Revenue	Expenses	Balance June 30, 2023
RMCVB				
GRCCA	\$ 456,709	\$ 689,621	\$ 698,272	\$ 448,058
ARPA	-	1,162,760	1,162,760	-
	<u>456,709</u>	<u>1,852,381</u>	<u>1,861,032</u>	<u>448,058</u>
Foundation				
I Am Tourism	-	-	-	-
DEI (BLKRVA)	4,099	57,525	34,570	27,054
Educational scholarship	-	5,000	3,000	2,000
OUT RVA	-	2,240	2,240	-
	<u>4,099</u>	<u>64,765</u>	<u>39,810</u>	<u>29,054</u>
	<u>\$ 460,808</u>	<u>\$ 1,917,146</u>	<u>\$ 1,900,842</u>	<u>\$ 477,112</u>

See Independent Auditor's Report



HARRIS, HARDY & JOHNSTONE, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors  
Richmond Metropolitan Convention and Visitors Bureau  
dba Richmond Region Tourism  
Richmond, Virginia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated November 21, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's internal control. Accordingly, we do not express an opinion on the effectiveness of the Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's internal control.

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

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statement. 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 Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism'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 Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harris, Hardy & Johnstone, P.C.*

Richmond, Virginia  
November 21, 2024



HARRIS, HARDY & JOHNSTONE, P.C.  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism  
Richmond, Virginia

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's major federal programs for the year ended June 30, 2024. Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

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



Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Harris, Hardy & Johnstone, P.C.*

Richmond, Virginia  
November 21, 2024

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

<u>Federal Agency</u>	<u>Grant Name</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity</u>	<u>Pass-Through Entity/Grant ID Number</u>	<u>Federal Expenditures</u>
U.S. Department of the Treasury	Coronavirus State and Local Fiscal Recovery Funds	21.027	County of Henrico	546001344	\$ 506,077
		21.027	City of Richmond	546001556	427,354
		21.027	County of Chesterfield	546001208	292,400
		21.027	County of Hanover	546001340	134,954
		21.027	City of Colonial Heights	546001228	14,058
					<u>\$ 1,374,843</u>

See Independent Auditor's Report

RICHMOND METROPOLITAN CONVENTION AND VISITORS BUREAU  
DBA RICHMOND REGION TOURISM

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2024

Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism were prepared in accordance with GAAP.
2. No material weaknesses were identified during the audit of the consolidated financial statements.
3. No instances of noncompliance material to the consolidated financial statements of Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism expresses an unmodified opinion.
6. Audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a) are reported in this schedule.
7. The program tested as a major program was:

<u>2024</u>	<u>CFDA #</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027

8. The threshold for distinguishing Types A and B was \$750,000.
9. Richmond Metropolitan Convention and Visitors Bureau dba Richmond Region Tourism was determined not to be a low-risk auditee.

Findings - Financial Statement Audit

None

Findings and Questioned Costs - Major Federal Award Programs Audit

None