



Mesa Verde Country Visitor Information Bureau

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022, AND 2021

(With Independent Auditor's Report Thereon)

Mesa Verde Country Visitor Information Bureau

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mesa Verde Country Visitor Information Bureau
Cortez, CO

Opinion

We have audited the accompanying financial statements of Mesa Verde Country Visitor Information Bureau (a not-for-profit organization), which comprise the statements of financial position as of December 31, 2022, and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Mesa Verde Country Visitor Information Bureau as of December 31, 2022, and 2021, and the related statements of activities and changes in its net assets, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Mesa Verde Country Visitor Information Bureau 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 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 Mesa Verde Country Visitor Information Bureau's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Mesa Verde Country Visitor Information Bureau'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 Mesa Verde Country Visitor Information Bureau'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.

Terra Business Solutions

Terra Business Solutions

Walnut, California

March 15, 2023

MESA VERDE COUNTRY VISITORS INFORMATION BUREAU
STATEMENT OF NET ASSETS
AT DECEMBER 31, 2022 and 2021

	2022	2021
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 250	\$ 25,470
Accounts Receivable	16,164	15,923
Prepaid Expenses	14,350	36,326
Total Current Assets	\$ 30,764	\$ 77,719
Property and Equipment		
Web Page Development in Process	\$ 25,650	\$ -
Equipment	7,099	-
Total Property and Equipment	\$ 32,749	\$ -
Less Accumulated Depreciation	(568)	-
Property and Equipment, Net	\$ 32,181	\$ -
Leased Assets, Net of Accumulated Amortization	\$ 20,026	\$ -
Total Assets	\$ 82,971	\$ 77,719
LIABILITIES AND NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 6,708	\$ 1,215
Accrued Salaries	6,918	9,429
Current Portion of Leases Payable	6,787	-
Total Current Liabilities	\$ 20,413	\$ 10,644
Leases Payable	\$ 14,063	\$ -
Total Liabilities	\$ 14,063	\$ -
Net Assets		
Net Assets Without Donor Restrictions	48,495	67,075
Total Liabilities and Net Assets	\$ 82,971	\$ 77,719

The notes are an integral part of the financial statements

MESA VERDE COUNTRY VISITORS INFORMATION BUREAU
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022</u>	<u>2021</u>
Revenues and Other Support				
Tourism Contract Income	\$ -	\$ 419,146	\$ 419,146	\$ 348,372
Welcome Center Contracts	112,949	-	112,949	93,555
Co-op Income	-	-	-	45,556
Other Revenue	5,365	-	5,365	851
Satisfaction of Program Restrictions	419,146	(419,146)	-	-
Total Revenues, Gains and Other Support	<u>\$ 537,460</u>	<u>\$ -</u>	<u>\$ 537,460</u>	<u>\$ 488,334</u>
Expenses				
Program Services				
Graphic Design	\$ 22,275	-	\$ 22,275	\$ 26,523
Fam Hostings & Press Trips	2,521	-	2,521	5,734
Grant Expense	-	-	-	42,859
CTO Partnerships	27,378	-	27,378	10,959
International Marketing	-	-	-	7,500
Internet Marketing	77,238	-	77,238	76,186
Print Advertising	23,325	-	23,325	37,094
Public Relations	24,300	-	24,300	24,350
Travel & Trade Show	1,609	-	1,609	1,114
Regional Advertising	7,122	-	7,122	10,521
Total Program Services	<u>\$ 185,768</u>	<u>\$ -</u>	<u>\$ 185,768</u>	<u>\$ 242,840</u>
Supporting Activities				
Salaries and Wages	\$ 203,754	\$ -	\$ 203,754	\$ 126,510
Insurance, Benefits and Taxes	44,110	-	44,110	35,675
Contract Services	1,603	-	1,603	7,288
Memberships and Dues	4,287	-	4,287	2,855
Office Supplies and Expenses	34,631	-	34,631	17,625
Postage and Parcel Mail	39,425	-	39,425	36,330
Depreciation and Amortization	5,813	-	5,813	-
Interest Expense	1,560	-	1,560	-
Other Supporting Services	35,089	-	35,089	21,026
Total Supporting Activities	<u>\$ 370,272</u>	<u>\$ -</u>	<u>\$ 370,272</u>	<u>\$ 247,309</u>
Total Expenses	<u>556,040</u>	<u>-</u>	<u>556,040</u>	<u>490,149</u>
Change in Net Assets	<u>(18,580)</u>	<u>-</u>	<u>(18,580)</u>	<u>(1,815)</u>
Net Assets, Beginning	<u>67,075</u>	<u>-</u>	<u>67,075</u>	<u>68,890</u>
Net Assets, Ending	<u>\$ 48,495</u>	<u>\$ -</u>	<u>\$ 48,495</u>	<u>\$ 67,075</u>

The notes are an integral part of the financial statements

**MESA VERDE COUNTRY VISITORS INFORMATION BUREAU
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	December 31, 2022			
	TOURISM AND PROMOTION	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Graphic Design	\$ 22,275	\$ -	\$ -	\$ 22,275
Fam Hostings & Press Trips	2,521	-	-	2,521
Grant Expense	-	-	-	-
CTO Partnerships	27,378	-	-	27,378
International Marketing	-	-	-	-
Internet Marketing	77,238	-	-	77,238
Print Advertising	23,325	-	-	23,325
Public Relations	24,300	-	-	24,300
Travel & Trade Show	1,609	-	-	1,609
Regional Advertising	7,122	-	-	7,122
Salaries and Wages	142,628	61,126	-	203,754
Insurance, Benefits and Taxes	30,877	13,233	-	44,110
Contract Services	1,603	-	-	1,603
Memberships and Dues	4,287	-	-	4,287
Office Supplies and Expenses	24,242	10,389	-	34,631
Postage and Parcel Mail	27,598	11,828	-	39,425
Depreciation and Amortization	4,069	1,744	-	5,813
Interest Expense	1,092	468	-	1,560
Other Supporting Services	24,562	10,527	-	35,089
	\$ 446,725	\$ 109,315	\$ -	\$ 556,040
Total expenses	\$ 446,725	\$ 109,315	\$ -	\$ 556,040

The notes are an integral part of the financial statements

MESA VERDE COUNTRY VISITORS INFORMATION BUREAU
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	December 31, 2021			
	TOURISM AND PROMOTION	MANAGEMENT AND GENERAL	FUNDRAISING	TOTAL
Graphic Design	\$ 26,523	\$ -	\$ -	\$ 26,523
Fam Hostings & Press Trips	5,734	-	-	5,734
Grant Expense	42,859	-	-	42,859
CTO Partnerships	10,959	-	-	10,959
International Marketing	7,500	-	-	7,500
Internet Marketing	76,186	-	-	76,186
Print Advertising	37,094	-	-	37,094
Public Relations	24,350	-	-	24,350
Travel & Trade Show	1,114	-	-	1,114
Regional Advertising	10,521	-	-	10,521
Salaries and Wages	88,557	37,953	-	126,510
Insurance, Benefits and Taxes	24,973	10,703	-	35,675
Contract Services	7,288	-	-	7,288
Memberships and Dues	2,855	-	-	2,855
Office Supplies and Expenses	12,338	5,288	-	17,625
Postage and Parcel Mail	25,431	10,899	-	36,330
Other Supporting Services	14,718	6,308	-	21,026
	\$ 418,999	\$ 71,150	\$ -	\$ 490,149
Total expenses	\$ 418,999	\$ 71,150	\$ -	\$ 490,149

The notes are an integral part of the financial statements

MESA VERDE COUNTRY VISITORS INFORMATION BUREAU
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows Provided (Used) by Operating Activities		
Cash receipts from tourism contracts	\$ 419,146	\$ 348,372
Cash receipts from welcome center, co-op and other income	114,505	113,774
Cash paid to or for benefit of employees	(250,375)	(165,137)
Cash paid to vendors	(308,496)	(331,794)
Net Change in Cash and Equivalents	\$ (25,220)	\$ (34,785)
Cash and Equivalents, Beginning	25,470	60,255
Cash and Equivalents, Ending	<u>\$ 250</u>	<u>\$ 25,470</u>
Reconciliation of Change in Net Assets to Net Cash		
Cash Provided (Used) by Operating Activities		
Change in Net Assets	<u>\$ (18,580)</u>	<u>\$ (1,815)</u>
Adjustments to reconcile change in net assets to cash provided (used) by operating activities		
Change in Assets (Increase) Decrease		
Accounts Receivable	\$ (241)	\$ (13,422)
Prepaid Expenses	21,976	(10,622)
Property and Equipment	(32,181)	-
Leased Assets	(20,026)	-
Change in Liabilities (Increase) Decrease		
Accounts Payable	5,493	(1,613)
Accrued Salaries	(2,511)	2,952
Deferred Grant Revenue	-	(10,265)
Current Portion of Leases Payable	6,787	-
Leases Payable	14,063	-
Total adjustments to reconcile cash activities	<u>\$ (6,640)</u>	<u>\$ (32,970)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (25,220)</u>	<u>\$ (34,785)</u>

The notes are an integral part of the financial statements

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 1 - Principal Activity

Mesa Verde Country Visitor Information Bureau (The Organization) is a 501(c)(6) not-for-profit organization whose purpose is: "To penetrate as many diverse markets as possible to drive increased visitation to Mesa Verde Country." Revenues are derived principally from the City of Cortez, Colorado (the City) (63% for 2022 and 54% for 2021) and Montezuma County, Colorado (21% for 2022 and 17% for 2021). This funding generally consists of lodgers' tax and the City, General Fund sales tax. The Tourism Board also occasionally receives grants and funding from other governmental agencies. The accounting policies of the Organization follow those of a not-for-profit organization. Because of the significance of funding from the City, the Organization is included as a component unit of the City in its financial statements.

NOTE 2 – Summary of Significant Accounting Policies

Basis of Accounting

The Organization's financial statements are prepared in conformity with US generally accepted accounting principles (US GAAP). In the opinion of the Organization's management, the accompanying financial statements contain all adjustments, consisting of normal recurring accruals, necessary to fairly present the accompanying financial statements.

Tax-Exempt Status

The Organization is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code and does not conduct unrelated business activities. The Organization has also been classified as an entity that is not a private Organization within the meaning of Section 509(a) of the Internal Revenue Code. Therefore, no provision has been made for federal income taxes in the accompanying financial statements.

Uncertain Tax Positions

The Organization follows accounting standards established by the Financial Accounting Standards Board (FASB) ASC 740 which clarify the accounting for uncertainty in income taxes recognized in the financial statements and ASC 740-10-25 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. It also provides guidance on derecognition, and measurement of a tax position taken or to be taken in a tax return. The Organization has no uncertain tax positions resulting in any tax expense or benefit that would have a material impact on the financial statements for the years ending December 31, 2022, and 2021.

Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions based on available information. To make estimates, allocations, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 2 – Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments available with a maturity date of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents without donor restrictions.

Concentration of Credit Risk

The Organization restricts investments of cash to financial institutions of high credit standing. Deposit concentration risk is managed by placing cash with financial institutions believed by the Organization to be creditworthy. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organization believes it is not exposed to any significant credit risks on its cash balances.

Market Risk

The Organization is located in Cortez, Colorado and relies on the local area residents and tourists coming to the area to generate sales and lodgers' taxes. The receipt of those taxes by the City of Cortez and Montezuma County allows them to fund the Organization's operations. Economic declines, increased travel costs, and local natural disasters, such as wildfires, impact the number of tourists coming to the area and can negatively impact the amount of sales and lodgers' taxes available for the governments' contributions. Any impact would not be realized until the following year, as each year's funding is based on the budgeted funding from the participating entities. The election of new officials at either governmental entity, other management changes at the governmental level, or other related issues could affect contribution amounts.

Revenue Recognition

Tourism funds from the City of Cortez and Montezuma County are recognized as temporarily restricted income when received. The Tourism Board reports gifts of cash and other assets as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of those donated assets. When a donor use restriction is met, temporarily restricted net assets are reclassified as unrestricted in the financial statements.

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 changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets without donor restrictions consists of assets which are fully available, at the discretion of management and the Board of Directors, for the Organization to utilize in any of its programs or supporting services. Net assets without donor restrictions also include amounts designated for certain purposes by the Board of Directors.

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 2 – Summary of Significant Accounting Policies (continued)

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.

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. 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, both.

Advertising Costs

Advertising costs are expensed as incurred. For the years ended December 31, 2022, and 2021 the Organization incurred \$23,325 and \$37,094 for print advertising and \$77,238 and \$76,186 for internet marketing. All the advertising costs are for marketing the area to potential visitors. Accordingly, there is no allocation of costs, nor are any of the advertising costs capitalized as substantially all the costs are related to publications that are time specific.

Basis of Presentation

Under accounting standards on Financial Statements of not-for-profit Organizations, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

As of January 01, 2020, the Organization adopted the provisions of Accounting Standards Update (ASU) 2016-14, Presentation of Financial Statements for Not-For-Profit Entities. The provisions of the ASU replace the existing three classes of net assets with two new classes (net assets without donor restrictions and net assets with donor restrictions). The ASU introduces new disclosure requirements to provide information about what is included or excluded from the Organization's intermediate measure of operations as well as disclosures to improve a financial statement user's ability to assess the Organization's liquidity and exposure to risk. The ASU also introduces new reporting requirements to present expenses by both function and natural classification in a single location and to present investment returns on the statements of activities net of external and direct internal investment expenses.

The new provisions should be applied on a retrospective basis; however, if presenting comparative financial statements, the ASU allows for the option to omit, for any periods presented before the period of adoption, the analysis of expenses by both natural classification and functional classification (the separate presentation of expenses by functional classification and expenses by natural classification is still required), and the disclosure about liquidity and availability of resources.

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 2 – Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

Accounting Standards Update No. 2014-09, 2016-08, 2016-10, 2016-12 and 2016-20, collectively implemented as Financial Accounting Standard Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606 (“ASC 606”) Revenue from Contracts with Customers, provides guidance for revenue recognition. This ASC’s core principle requires an organization to recognize revenue when it transfers promised goods or services to customers in an amount that reflects consideration to which the organization expects to be entitled in exchange for those goods or services. The standard also clarifies the principal versus agent considerations, providing the evaluation must focus on whether the entity has control of the goods or services before they are transferred to the customer. The new standard permits the use of either the modified retrospective or full retrospective transition method.

The Organization has performed a review of the new guidance as compared to its current accounting policies, and evaluated all services rendered to its customers as well as underlying contracts to determine the impact of this standard to its revenue recognition process. Upon completion of its review of relevant contracts, the Organization has decided that there was not a material impact on revenues in the years ending December 31, 2022, and 2021 because of applying ASC 606. Additionally, there have not been significant changes to the Organization’s business processes, systems, or internal controls because of implementing the standard. The Organization adopted the standard on January 1, 2020, using the modified retrospective transition method.

In February 2016, the FASB issued ASU No. 2016-02, Leases, which is intended to improve financial reporting about leasing transactions. ASU No. 2016-02 requires that leased assets be recognized as assets on the statement of financial position and the liabilities for the obligations under the lease also be recognized on the statement of financial position. ASU No. 2016-02 requires disclosures to help investors and other financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The required disclosures include qualitative and quantitative requirements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years.

Early adoption is permitted. ASU No. 2016-02 must be adopted using a modified retrospective transition and provides for certain practical expedients. Transition will require application of the new guidance at the beginning of the earliest comparative period presented. The Organization entered into two leases for equipment that fall under the requirements of ASU No. 2016-02 during the year ended December 31, 2022.

NOTE 3 - Fair Value Measurement

The Organization follows the method of fair value to value its financial assets and liabilities. Fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value measurements, a fair value hierarchy that prioritizes observable and unobservable inputs used to measure fair value into three broad levels has been established, which are described below:

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 3 - Fair Value Measurement (continued)

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

Financial assets carried at fair value on December 31, 2022, and 2021 are classified in the following schedules in one of three categories described above.

The table below presents the balances of assets measured at fair value as of December 31, 2022, and 2021 on a recurring basis:

Assets	2022			2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 250	\$ -	\$ -	\$ 25,470	\$ -	\$ -
Total Cash and cash equivalents	<u>\$ 250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,470</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 - Liquidity and Availability

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

	2022	2021
Cash and cash equivalents	<u>\$ 250</u>	<u>\$ 25,470</u>

As part of its liquidity management, the Organization maintains liquid assets sufficient to meet its ongoing funding needs, which include IRS distribution requirements, general expenditures, and other obligations. Its main source of income is derived from contributions.

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 5 - Cash, Cash Equivalents and Restricted Cash

Cash, cash equivalents, and restricted cash as noted in the cash flow statements consists of the following on December 31:

	2022	2021
Cash	\$ 250	\$ 25,470
Restricted cash	-	-
Total cash, cash equivalents, and restricted cash	\$ 250	\$ 25,470

NOTE 6 – Accounts Receivable

Accounts receivable consists of the following:

	2022	2021
Due from City of Cortez	\$ 7,503	\$ 7,503
Due from State of Colorado	6,666	5,410
Reimbursement due	196	-
Due from employee	1,800	3,000
	\$ 16,165	\$ 15,913

Amounts due from the city and the state relate to contractual amounts due for the year that were received in the following year. Amounts due from employee represents and advance that is repaid through payroll deductions. The Organization considers all receivables fully collectable therefore, no allowance for doubtful accounts is necessary.

NOTE 7 - Net Assets

Net assets with donor restrictions are restricted for the following purposes or period:

Net assets consist of the following on December 31:

	2022	2021
Without donor restrictions:		
Undesignated and unrestricted	\$ 48,495	\$ 67,075
Total net assets without donor restrictions	\$ 48,495	\$ 67,075
With donor restrictions:		
Subject to expenditure for specific purpose	\$ -	\$ -
	\$ -	\$ -

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 8 - Functional Allocation of Expenses

The costs of tourism and promotion and management and general activities have been presented on a functional basis in the statements of functional expenses. The statements of functional expenses present the natural classification of expenses by function. Accordingly, certain costs have been allocated among the tourism and promotion and management and general services benefited. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits and payroll taxes, office supplies and expenses, postage, depreciation and amortization, interest expense, and other supporting services, which are allocated based on estimates of time and effort.

NOTE 9 - Rental Commitments

The Organization rents office space and receives telephone services, computer and copy machine, and computer service from the City of Cortez. The agreement is renewed annually. Rent expense was \$10,335 and \$6,201 for the years ended December 31, 2022, and 2021, respectively.

NOTE 10 – Retirement Plan

The Organization contributes 5% of qualified employees' gross annual salaries to a tax deferred SEP IRA plan for all employees with at least one full year of service. \$3,575 was contributed in both 2022 and 2021.

NOTE 11 – Leases

The organization entered into two equipment leases accounted for as financing leases during 2022 as follows:

	Computer Equipment	Copier/ Printer
Value of equipment leased	\$ 16,375	\$ 8,896
Initial term of lease	36 Months	60 Months
Remaining term of lease at December 31, 2022	26 Months	56 Months
Implicit interest rate	11.32%	6.46%
Monthly payment	\$ 529	\$ 174
Residual value	\$ -	\$ -
Lease costs incurred in 2022:		
Interest expense	\$ 1,357	\$ 203
Amortization of asset	\$ 4,549	\$ 696

MESA VERDE COUNTRY VISITOR INFORMATION BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022, AND 2021

NOTE 11 – Leases (continued)

Terms at conclusion of the lease:

Computer Equipment:

1. Renewal of agreement with replacement of equipment with new equipment
2. Buyout of equipment leased at an agreed upon price
3. Return of hardware at the Organization's expense

Copier/Printer

1. Renewal as a month to month agreement at the same monthly rate
2. Buyout of equipment leased at fair market value
3. Return of equipment at the Organization's expense

NOTE 12 – Subsequent Events

The Organization has evaluated subsequent events through March 15, 2023, which is the date that the financial statements were approved and available to be issued.

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus as a pandemic. Management continues to evaluate the potential negative economic impact. Given the uncertainty of these circumstances, the related impact on the Organization's operations cannot be reasonably estimated at this time.