

**SOUTH CENTRAL TENNESSEE TOURISM ASSOCIATION
(A NON-PROFIT ASSOCIATION)
FINANCIAL STATEMENTS AND ACCOUNTANT'S REVIEW REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

TABLE OF CONTENTS

Accountant's Review Report	1
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Activities	5
Statement of Cash Flows	6
Notes to Financial Statements	7-8

MICHAEL D. SULLIVAN
CERTIFIED PUBLIC ACCOUNTANT
655 North Ellington Parkway
Lewisburg, TN 37091
(931) 270-6715

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
South Central Tennessee Tourism Association
74 Bob White Drive
Manchester, TN 37355

I have reviewed the accompanying financial statements of South Central Tennessee Tourism Association (a nonprofit organization), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

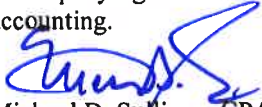
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.


Michael D. Sullivan, CPA
Lewisburg, TN 37091
September 29, 2022

SOUTH CENTRAL TENNESSEE TOURISM ASSOCIATION
(A NON-PROFIT ASSOCIATION)
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash in Bank	\$ 3,895.03
Accounts Receivable	23,448.44
Prepaid Rent	450.00
Total Current Assets	<u>27,793.47</u>

Fixed Assets

Equipment	15,390.22
Accumulated Depreciation	<u>(5,301.81)</u>
Total Fixed Assets	<u>10,088.41</u>

Total Assets	<u><u>\$ 37,881.88</u></u>
--------------	----------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ -
Accrued Payroll Taxes	923.00
Total Current Liabilities	<u>923.00</u>
Total Liabilities	923.00

Net Assets, Unrestricted	<u>36,958.88</u>
--------------------------	------------------

Total Liabilities and Net Assets	<u><u>\$ 37,881.88</u></u>
----------------------------------	----------------------------

See Accompanying Notes and Accountant's Review Report

SOUTH CENTRAL TENNESSEE TOURISM ASSOCIATION
(A NON-PROFIT ASSOCIATION)
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Support and Revenue	
Vacation/Visitor Guide Income	\$ 2,100.00
Grants	70,840.00
Memberships	66,315.42
Brochure Sponsor	3,600.00
Festival Ticket Sales	19,997.58
Jack Geo Tour	4,000.00
Marketing Campaign Income	71,950.00
Product Sales	244.00
Tourism Dept Development	25,000.00
Interest Income	1.49
TOTAL REVENUE	264,048.49
Expenses	
Program Services	238,038.66
Management and General	16,720.80
TOTAL EXPENSES	254,759.46
Operating Income (Expense)	9,289.03
Change in Net Assets	9,289.03
Net Assets, Beginning of Year	27,669.85
Net Assets, End of Year	\$ 36,958.88

See Accompanying Notes and Accountant's Review Report

SOUTH CENTRAL TENNESSEE TOURISM ASSOCIATION
(A NON-PROFIT ASSOCIATION)
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2022

	<u>Program</u> <u>Services</u>	<u>Management</u> <u>and General</u>	<u>Total</u> <u>Expenses</u>
Automobile Expense	\$ 13,728.75	\$ 1,525.42	\$ 15,254.17
Marketing Expenses	105,411.81	-	105,411.81
Contract Labor	42,663.45	4,740.38	47,403.83
Depreciation	3,248.83	360.98	3,609.81
Dues and Subscriptions	2,348.22	260.91	2,609.13
Employee Benefits	2,475.00	275.00	2,750.00
Equipment Rental	2,112.75	234.75	2,347.50
Fees	227.88	25.32	253.20
Insurance-Liability	-	2,293.00	2,293.00
Licenses	18.41	2.05	20.46
Travel	3,867.12	429.68	4,296.80
Meetings	2,776.65	-	2,776.65
Office Supplies	4,949.28	549.92	5,499.20
Other	4,396.64	488.52	4,885.15
Payroll Taxes	2,130.30	236.70	2,367.00
Postage and Delivery	572.51	63.61	636.12
Professional Fees	6,017.43	668.60	6,686.03
Program Expense	8,657.74	961.97	9,619.71
Rent	4,397.70	488.63	4,886.33
Salary	27,000.00	3,000.00	30,000.00
Telephone	63.00	7.00	70.00
Webservices	975.20	108.36	1,083.56
	<hr/>		
TOTAL EXPENSES	<u>\$ 238,038.66</u>	<u>\$ 16,720.80</u>	<u>\$ 254,759.46</u>

See Accompanying Notes and Accountant's Review Report

SOUTH CENTRAL TENNESSEE TOURISM ASSOCIATION
(A NON-PROFIT ASSOCIATION)
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in net assets	\$ 9,289.03
Adjustments to reconcile net increase in net assets to net cash provided (used) by operating activities:	
Depreciation	3,609.81
(Increase) decrease in:	
Accounts Receivable	(14,428.61)
Prepays	
Increase (decrease) in:	
Accounts Payable	-
Accrued Payroll Taxes	(461.50)
	(461.50)
Net Cash Provided by Operating Activities	(1,991.27)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Property and Equipment	(3,546.74)
	(3,546.74)
Net Cash Provided (Used in) Investing Activities	(3,546.74)
Net Increase (decrease) in cash	(5,538.01)
Cash at beginning of year	9,433.04
	9,433.04
Cash at end of year	3,895.03
	3,895.03

See Accompanying Notes and Accountant's Review Report

SOUTH CENTRAL TENNESSEE TOURISM ASSOCIATION
(A NON-PROFIT ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

South Central Tennessee Tourism Association (Association) was organized on June 1, 1973. The purpose of the Association is to promote in a lawful manner, the development, operation, maintenance and general welfare of the tourist industry throughout the South Central region of the State of Tennessee.

Basis of Accounting

The accompanying financial statements of the Association have been prepared on the accrual basis of accounting.

Sources of Revenue

The Association generates revenue from the payment of annual dues by its membership. Membership dues are recognized as revenue when received by the association. Membership is open to individuals and organizations interested in the travel and tourism industry and that support the goals of the Association.

The Association also receives grant and contract revenue from the State of Tennessee and advertising revenue from advertisers in the brochures the Association publishes. Grant and contract funding and advertising funding is recognized as revenue when billed and recorded on the Association's Books and when funding requirements have been met.

Investments

Investments purchased by the Association are initially recorded at their cost, and donated investments are recorded at fair value on the day they are received as a donation. Subsequent to their acquisition, investments in marketable securities with readily determinable fair values and all investments in debt securities are adjusted to their fair values based on quoted market prices as of the date of the statement of assets and net assets. Unrealized gains and losses are included in the change in net assets.

Property and Equipment

Property and Equipment are recorded at cost. Depreciation is computed using the modified accelerated cost recovery system on the estimated useful lives of the assets.

Contributions

The organization records contributions and grants when they are received.

SOUTH CENTRAL TENNESSEE TOURISM ASSOCIATION
(A NON-PROFIT ASSOCIATION)
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

Income Taxes

No provision has been made for income taxes in the financial statements. The Association is exempt from Federal and State income taxes under Internal Revenue Code Section 501(c)(3). This code section enables the Organization to accept donations which qualify as charitable contributions to the donor. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2017, 2018, and 2019 are subject to examination by the IRS, generally for three years after they were filed.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of Management's Review

Management has evaluated subsequent events through September 29, 2022, the date that the financial statements were available to be issued.