Greater Miami Convention and Visitors Bureau, Inc.

Financial Report
September 30, 2024

Contents

RSM US LLP

Independent Auditor's Report

Board of Directors
Greater Miami Convention and Visitors Bureau, Inc.

Opinion

We have audited the financial statements of the Greater Miami Convention and Visitors Bureau, Inc. (the Bureau), which comprise the statements of financial position as of September 30, 2024 and 2023, the related statements of activities and changes in net assets and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bureau as of September 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 the Bureau's ability to continue as a going concern for one year after the date that the financial statements are issued or 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the 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.

RSM US LLP

Miami, Florida
December 27, 2024

Greater Miami Convention and Visitors Bureau, Inc.

Statements of Financial Position
September 30, 2024 and 2023

	2024	2023
Assets		
Assets:		
Cash and cash equivalents	$ 12,351,459	$ 17,639,013
Receivables:		
Public sources	4,595,941	4,609,245
Private memberships	241,449	343,222
Co-op sponsorships	95,700	134,923
Other	4,011	7,708
	4,937,101	5,095,098
Less allowance for credit losses	91,841	234,627
Receivables, net of allowance	4,845,260	4,860,471
Prepaid and other assets	4,018,384	736,343
Investments—457 retirement plan	1,965,886	2,120,430
Investments, at fair value	24,108,278	20,680,831
Right-of-use lease assets—operating	10,360,459	396,390
Leasehold improvements and equipment, net	2,017,999	495,091
Total assets	$ 59,667,725	$ 46,928,569
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	$ 3,038,680	$ 6,317,384
Deferred revenue	1,088,815	1,046,236
Deferred compensation liability—457 retirement plan	1,965,886	2,120,430
Right-of-use lease liabilities—operating	11,064,746	407,509
Total liabilities	17,158,127	9,891,559
Net assets:		
Net assets without donor restrictions:		
Board designated (Note 2)	27,019,756	20,111,221
Undesignated	12,683,284	12,815,473
Total net assets without donor restrictions	39,703,040	32,926,694
Net assets with donor restrictions (Note 3)	2,806,558	4,110,316
Total net assets	42,509,598	37,037,010
Total liabilities and net assets	$ 59,667,725	$ 46,928,569

See notes to financial statements.

Greater Miami Convention and Visitors Bureau, Inc.

Statements of Activities and Changes in Net Assets
Years Ended September 30, 2024 and 2023

	2024	2023
Changes in net assets without donor restrictions:		
Revenue, public and other support:		
Public funds, net	$ 46,569,696	$ 43,514,001
Membership dues	1,589,072	1,591,243
Programs	2,231,322	1,555,694
Contributed services	180,834	23,881
Interest and other income	874,762	726,861
Investment income, net of expenses	3,210,478	1,582,940
Net assets released from restrictions	1,303,758	-
Total revenue, public and other support	55,959,922	48,994,620
Expenses (Note 8):		
Advertising	18,883,932	20,429,502
Promotion	12,911,205	10,222,829
Salaries	9,698,901	8,672,359
Rent	1,305,486	852,700
Employee benefits	2,569,402	2,382,480
Interlocal commitments and grants	800,000	800,000
Payroll taxes	578,056	516,076
Depreciation	242,998	132,034
Office equipment rental and maintenance	945,899	1,155,974
Telephone	68,518	94,953
Commissions	166,695	164,128
Professional fees	493,993	162,561
Provision for credit losses (recoveries)	(59,092)	-
Dues and subscriptions	75,275	275,877
Postage and delivery	35,374	38,962
Office supplies	21,858	38,870
Insurance	155,043	136,740
Miscellaneous	290,033	197,627
Total expenses	49,183,576	46,273,672
Increase in net assets without donor restrictions	6,776,346	2,720,948
Changes in net assets with donor restrictions:		
Public funds restricted for specified purpose	-	2,209,679
Net assets released from restrictions	(1,303,758)	-
Changes in net assets with donor restrictions	(1,303,758)	2,209,679
Change in net assets	5,472,588	4,930,627
Net assets:		
Beginning	37,037,010	32,106,383
Ending	$ 42,509,598	$ 37,037,010

See notes to financial statements.

Greater Miami Convention and Visitors Bureau, Inc.

Statements of Cash Flows
Years Ended September 30, 2024 and 2023

	2024	2023
Cash flows from operating activities:		
Change in net assets	**$ 5,472,588**	$ 4,930,627
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**242,998**	132,034
Provision for credit losses (recoveries)	**(59,092)**	-
Net realized and unrealized gain on investments	**(2,877,951)**	(1,343,523)
Changes in assets and liabilities:		
(Increase) decrease in:		
Receivables	**74,303**	(1,867,550)
Prepaid and other assets	**(3,282,041)**	(252,340)
Investments—457 retirement plan	**154,544**	(244,896)
Right-of-use lease assets—operating	**815,092**	826,137
Increase (decrease) in:		
Accounts payable and accrued expenses	**(3,278,704)**	176,898
Deferred rent	**-**	(357,884)
Deferred revenue	**42,579**	105,297
Deferred compensation liability—457 retirement plan	**(154,544)**	244,896
Right-of-use lease liabilities—operating	**(121,924)**	(815,018)
Net cash (used in) provided by operating activities	**(2,972,152)**	1,534,678
Cash flows from investing activities:		
Purchase of equipment	**(1,765,906)**	(426,539)
Purchase of investments	**(6,420,441)**	(8,954,036)
Proceeds from sale of investments	**5,870,945**	4,645,010
Net cash used in investing activities	**(2,315,402)**	(4,735,565)
Net decrease in cash and cash equivalents	**(5,287,554)**	(3,200,887)
Cash and cash equivalents :		
Beginning	**17,639,013**	20,839,900
Ending	**$ 12,351,459**	$ 17,639,013
Supplemental disclosures of noncash investing and financing activities:		
Operating right-of-use assets obtained and liabilities incurred as a result of adoption of ASC 842	**$ -**	$ 1,222,527
Operating right-of-use asset obtained in exchange for new operating lease liability	**$ 10,779,161**	$ -

See notes to financial statements.

Note 1. Nature of Organization and Significant Accounting Policies

Nature of organization: The Greater Miami Convention and Visitors Bureau, Inc. (the Bureau) promotes convention-type events and tourism in the Greater Miami and Miami Beach area. The Bureau was incorporated as a nonprofit entity on December 16, 1983. The Bureau is governed by a 30-member Board of Directors (Board) that serve for a four-year term. The chair of the Board serves a one-year term, with the possibility of re-election for a second term.

A summary of the Bureau's significant accounting policies follows:

Basis of presentation: A nonprofit 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. Accordingly, net assets of the Bureau and changes therein are classified and reported as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board. Net assets without donor restrictions include expendable funds available to support operations, as well as cash and investments in debt and equity securities, which are set aside by the Board for future business recovery and host city event commitments.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Bureau, the passage of time or permanently maintained by the Bureau. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statements of activities and changes in net assets as net assets released from restrictions. Net assets with donor restrictions relate to contractual purpose use restrictions on funds provided to the Bureau.

Accounting estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of the statements of cash flows, the Bureau considers all highly liquid, temporary investments purchased with an original maturity of three months or less to be cash equivalents. For the years ended September 30, 2024 and 2023, cash equivalents consisted of money market funds. All of the Bureau's cash is held at one financial institution which, at times, may exceed federally insured limits. The Bureau has not experienced any losses and believes it is not exposed to any significant risk with respect to cash and cash equivalents.

Accounts receivables: Accounts receivables from contracts with customers for private memberships, co-op sponsorships, and other are carried at the original charge amount less an estimate made for allowance for credit losses based on a review of all outstanding amounts on a monthly basis. The Bureau assesses collectability by reviewing accounts receivable on a collective basis where similar characteristics exist and on an individual basis when we identify specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Bureau considers historical collectability based on past due status and make judgments about the creditworthiness of customers based on ongoing credit evaluations. Additionally, the Bureau considers customer-specific information, current market conditions and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. As of September 30, 2024 and 2023, approximately $92,000 and $235,000 was reserved in an allowance for credit losses. Contract assets totaled $341,160, $485,853 and $673,893 as of September 30, 2024, 2023, and October 1, 2022, respectively.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Accounts receivable from public sources were deemed fully collectible at September 30, 2024 and 2023.

The following table provides the changes in allowance for credit losses for the year ended September 30, 2024:

Beginning balance:	$	234,627
Writeoffs		(83,694)
Recoveries		(59,092)
Ending balance	$	91,841

Recoveries of accounts receivable previously written off are recorded when received. An account receivable is considered to be past due if any portion of the receivable balance is outstanding for more than 30 days.

Board-designated net assets: Net assets without donor restrictions whose use is limited consists of cash and investments in debt and equity securities, which are set aside by the Board for future business recovery and host city event commitments.

Investments: Investments are stated at fair value. Fair value is 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 for fair value measurements. Realized and unrealized gains and losses are included in the changes in net assets without donor restriction. Realized gains and losses are reported at date of disposition based on the difference between the net proceeds received and the purchased value of the investment sold, using the specific identification method. Unrealized gains and losses are reported for the change in fair value between reporting periods. Interest and dividend income is reported when earned. Alternative investments are stated at fair value as established by using the net asset value (NAV) of each investment fund as provided by the investment fund manager.

Risks and uncertainties: The Bureau’s investments include various types of investment securities which are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is possible that changes in risks in the near term could materially affect the Bureau’s investment balance reported in the statements of financial position.

Leasehold improvements and equipment: Leasehold improvements and equipment are recorded at cost. Depreciation is computed on the straight-line method over the following estimated useful lives of the depreciable assets:

	Years
Leasehold improvements	Lesser of the life of asset or lease term
Furniture, fixtures and equipment	7
Computer equipment	3

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Impairment of long-lived assets: The carrying value of leasehold improvements and equipment is reviewed for impairment whenever events or changes in circumstances indicate such value may not be recoverable. Recoverability of assets or asset groups to be held and used is measured by a comparison of the carrying amount of an asset or asset group to future net cash flows expected to be generated by the asset or asset group. If such assets or asset groups are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets or asset group. Assets or asset groups to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell. No impairment of the Bureau's long-lived assets or asset groups have been recognized during the years ended September 30, 2024 and 2023.

Revenue recognition: The Bureau applies Financial Accounting Standards Board (FASB) Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)* and ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Bureau first determines if a transaction represents an exchange transaction and if so, accounts for the transaction under Topic 606, which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Bureaus revenue from contracts with customers consists of membership dues and member programs. The Bureaus contracts for membership dues have a single performance obligation that is satisfied over time. The transaction price is the amount of consideration to which the Organization expects to be entitled in exchange for use of benefits and services received. Revenue is recorded based on transaction price, which is a fixed consideration. The Bureau recognizes revenue over time on a straight-line basis over the one-year membership term for each member. The Bureaus contracts for programs have a single performance obligation that is recognized when the underlying event has occurred.

The Bureau performs an evaluation at contract inception focused on whether a performance obligation is satisfied over time or at a point in time. If a performance obligation meeting certain specific criteria, the related revenue is recognized over time as the customer consumes and receives the benefit of the Bureaus services as they are performed. If certain criteria is not met, the revenue is recognized at a point in time.

Total revenue recognized at a point in time and over time was as follows for the years ended September 30, 2024 and 2023:

	2024	2023
Programs—revenue recognized at a point in time	$ 2,231,322	$ 1,555,694
Membership dues—revenue recognized over time	1,589,072	1,591,243
Total revenue	$ 3,820,394	$ 3,146,937

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Public and private funds: Revenue recognition on contracts and grants deemed to be non-exchange transactions follow Topic 958. Unconditional contributions received, including promises to give, cash, other assets, and non-exchange grants and contracts are recorded as support to net assets with or without donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions. Conditional contributions are those contributions that contain certain donor-imposed rights of refund/return and barriers (performance obligations and/or controlling stipulations). Conditional contributions with donor restrictions are recognized into revenue, as net assets with donor restrictions, when conditions have been substantially met. If a restriction is released in the same period as the condition is met, and thus revenue is recognized, the contribution is recorded as without donor restrictions. Conditional contributions received in advance of satisfying conditions are recorded as refundable advances. The Bureau had no condition contributions as of September 30, 2024 and 2023.

The operations of the Bureau are primarily supported through allocations of a municipal resort tax, tourist development tax, and hotel food and beverage tax administered through an interlocal agreement among the city of Miami, Miami-Dade County and the Village of Bal Harbour and a separate interlocal agreement with the city of Miami Beach. Revenues from the interlocal agreements accounted for approximately 87% and 85% of the total revenues of the Bureau for the years ended September 30, 2024 and 2023, respectively. The interlocal agreements provide the basis of funding and prohibits its use on certain types of services and activities which may be purchased with such funds. Miami-Dade County contributes approximately 61% of its tourist development tax and hotel food and beverage tax collected totaling approximately $37,479,191 and $36,368,840 for the years ended September 30, 2024 and 2023, respectively. The interlocal agreement with the city of Miami, Miami-Dade County and the Village of Bal Harbour shall automatically renew each September 30 for a period of one year, unless a participating public agency delivers to the Bureau, more than 90 days before the date such term expires, a written notice of termination.

On November 15, 2021, the Bureau entered into a new agreement with the city for a five-year term period from October 1, 2021 through September 30, 2026. The agreement provides for certain base fees to be paid to the Bureau comprised of 10% of the 2% city resort tax (less a collection fee of 4%). Additionally, in each year of the agreement, the Bureau may earn an annual incentive fee of up to $2,000,000 based on the Bureau’s ability to achieve 100% of the agreed-upon performance objectives, as set forth in the agreement. For the years ended September 30, 2024 and 2023, the Bureau earned revenues of $9,090,505 and $9,354,840, respectively.

Revenues for expenditure driven grants are recognized when the qualifying expenditures are incurred, and all eligibility requirements have been met.

Contributed non-financial assets: Contributed services and the related expenses are recognized at their fair value in the period of use. Such support is only recognized when the underlying value of the services can be determined on a measurable and objective basis. Contributed services are recognized as contributions if the services: (a) create or enhance non-financial assets; or (b) require specialized skills, are performed by people with those skills, and would otherwise have been purchased. Unless otherwise notes, contributed non-financial assets did not have donor restrictions.

Deferred revenue: During a fiscal year, funds are collected for membership dues for the following fiscal year. The membership dues received in advance are reported as deferred revenue as of year-end. Deferred revenue as of September 30, 2024 and 2023, and October 1, 2022, are $1,088,815, $1,046,236, and $940,939.

Advertising and promotions: Advertising and promotion costs are expensed when incurred.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Income taxes: The Bureau is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code (IRC) and Chapter 220.13 of the Florida Statutes. Therefore, the financial statements reflect no provision for income taxes.

The Bureau has evaluated its tax positions and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of the guidance listed above. With few exceptions, the Bureau is no longer subject to income tax examinations by the U.S. federal or state tax authorities for years prior to 2021.

Leases: The Bureau determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. A contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) The Bureau obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Bureau also considers whether its service arrangements include the right to control the use of an asset.

The Bureau made an accounting policy election available not to recognize right-of-use (ROU) assets and lease liabilities for leases with a term of 12 months or less. For all other leases, ROU assets and lease liabilities are measured based on the present value of future lease payments over the lease term at the commencement date of the lease (or October 1, 2022, for existing leases upon the adoption of Topic 842, Leases). The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives. To determine the present value of lease payments, The Bureau made an accounting policy election available to nonpublic companies to utilize a risk-free borrowing rate, which is aligned with the lease term at the lease commencement date (or remaining term for leases existing upon the adoption of Topic 842).

Future lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index), which is initially measured using the index or rate at lease commencement. Subsequent changes of an index and other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. Residual value guarantees or payments for terminating the lease are included in the lease payments only when it is probable they will be incurred.

The Bureau has made an accounting policy election to account for lease and non-lease components in its contracts as a single lease component for its real estate, vehicle and equipment asset classes. The non-lease components typically represent additional services transferred to the Bureau, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

Reclassifications: Certain amounts in the prior year’s financial statements have been reclassified to conform and be comparable to the current year’s presentation. The reclassifications had no effect on previously reported net assets. As part of the reclassification, the line item previously presented in prior year’s financials called, assets whose use is limited, board-designated cash and cash equivalents and investments, was reclassified to cash and cash equivalents.

Note 1. Nature of Organization and Significant Accounting Policies (Continued)

Recently adopted accounting pronouncements: In June 2016, the FASB issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which creates a new credit impairment standard for financial assets measure at amortized cost. The ASU requires financial assets measured at amortized cost (including trade receivables) to be presented at the net amount expected to be collected, through an allowance for credit losses that are expected to occur over the remaining life of the asset, rather than incurred losses. The measurement of credit losses for newly recognized financial assets (other than certain purchased assets) and subsequent changes in the allowance for credit losses are recorded in the statements of activities and changes in net assets as the amounts expected to be collected change. ASU 2016-13 is effective for the Bureau as of October 1, 2023. The Bureau adopted this new guidance as of October 1, 2023, with the cumulative-effect transition method with the required prospective approach, which did not have a material impact on the financial statements.

Subsequent events: As of September 30, 2024, the Bureau has evaluated subsequent events through December 27, 2024, the date on which the financial statements were available to be issued.

Note 2. Assets Whose Use is Limited

Assets whose use is limited result from the establishment by the Board's designation. The composition of assets whose use is limited as of September 30, 2024 and 2023, consist of the following:

	2024	2023
Designated—host city event commitments cash and cash equivalents	$ 2,911,478	$ 3,500,000
Designated—business recovery investments	24,108,278	16,611,221
	$ 27,019,756	$ 20,111,221

Note 3. Net Assets With Donor Restrictions

Net assets with donor restrictions relate to contractual purpose use restrictions on funds provided to the Bureau. The composition of net assets with donor restrictions as of September 30, 2024 and 2023, consist of the following:

	2024	2023
Contractual restriction for specified purpose	$ 2,806,558	$ 4,110,316

Note 4. Investments and Investment Gains

As of September 30, 2024 and 2023, investments consist of the following:

	2024	2023
Cash equivalents	$ 396,809	$ 334,992
Equity securities	13,443,631	10,758,782
Fixed income	9,048,780	8,217,051
Limited partnership—real estate investment trust	1,219,058	1,370,006
	$ 24,108,278	$ 20,680,831

Note 4. Investments and Investment Gains (Continued)

Investment income, net of expense, during the years ended September 30, 2024 and 2023, consist of the following:

	2024	2023
Investment income (interest, dividends and other)	$ 442,898	$ 378,400
Net realized and unrealized gain	2,877,951	1,343,523
Less investment-related expenses	(110,371)	(138,983)
	$ 3,210,478	$ 1,582,940

Note 5. Leasehold Improvements and Equipment

Leasehold improvements and equipment as of September 30, 2024 and 2023, consist of the following:

	2024	2023
Furniture, fixtures and equipment	$ 740,982	$ 820,025
Computer equipment and software	1,927,077	1,761,013
Leasehold improvements	1,169,691	781,767
	3,837,750	3,362,805
Less accumulated depreciation	(1,819,751)	(2,867,714)
	$ 2,017,999	$ 495,091

Note 6. Retirement Plans

Defined contribution plan: The Bureau has a defined contribution pension plan (the Plan) covering all full-time employees who meet the Plan's eligibility requirements. Contributions are calculated as 10% of annual compensation, plus 5.4% of annual compensation above $140,500 and $133,500 for the years ended September 30, 2024 and 2023, respectively. Pension expense amounted to $995,973 and $891,661 for the years ended September 30, 2024 and 2023, respectively.

401(k) plan: The Bureau has a 401(k) plan allowing eligible employees to contribute amounts to the 401(k) plan on a pretax basis to be invested on their behalf. The plan was established without a provision for contributions by the Bureau on behalf of the employees.

457 plan: The Bureau has a defined contribution IRC 457(b) deferred compensation plan (the 457 Plan) available only to senior management who meet the 457 Plan's eligibility requirements. The 457 Plan was established without a provision for contributions by the Bureau on behalf of the employees. The 457 Plan investments are held by the 457 Plan custodians Nationwide Bank and Voya Bank, and such investments are held to pay the 457 Plan's retirement benefits. These investments are included in the accompanying Bureau's statements of financial position in the amounts of $1,965,886 and $2,120,430 as of September 30, 2024 and 2023, respectively. The investments do not constitute 457 Plan assets under U.S. GAAP and are therefore included in the accompanying Bureau's statements of financial position as investments—457 retirement plan. The investments consist of mutual funds and fixed income securities measured at fair value as of September 30, 2024 and 2023, and are Level 1 and 2 on the fair value hierarchy (Note 9). The Bureau also reports a corresponding deferred compensation liability—457 retirement plan for the 457 Plan in the accompanying Bureau's statements of financial position in the amounts of $1,965,886 and $2,120,430 as of September 30, 2024 and 2023, respectively.

Note 7. Leases

On June 2, 2014, the Bureau entered into a commercial building operating lease agreement for its office space. The 10-year lease, effective February 1, 2015 and expiring January 31, 2025. The Bureau exercised its cancellation option to terminate the lease effective on March 31, 2023, resulting in an early termination date of March 31, 2024.

On March 30, 2023, the Bureau entered into a commercial building operating lease agreement for new office space. The 11 and a half-year lease, effective April 1, 2024, and expiring January 31, 2036, provides for the lease by the Bureau of approximately 21,298 square feet of space in Miami, Florida. The Bureau obtained a notice to proceed with construction to build out certain tenant improvements starting October 10, 2023, and took possession of the space at that time to oversee construction of the improvements. In conjunction with entering into the new office space lease the Bureau exercised its cancellation option to terminate its existing lease with an effective date of March 31, 2024, and started occupying the new space effective April 1, 2024.

The components of lease expense are as follows for the years ended September 30, 2024 and 2023:

	2024	2023
Short-term lease cost	$ 26,970	$ 18,999
Operating lease costs	1,184,563	822,068
	$ 1,211,533	$ 841,067

The following is a schedule of the future undisclosed cash flows reconciliation to the lease liabilities recognized on the statement of financial position as of September 30, 2024:

	Amount
Years ending September 30:	
2025	$ 200,413
2026	1,208,500
2027	1,244,833
2028	1,282,251
2029	1,320,643
Thereafter	9,338,306
Total lease payments	14,594,946
Less imputed interest	(3,530,200)
Total present value of lease liabilities	$ 11,064,746

The weighted-average lease term as of September 30, 2024, was 11.3 and 0.5 years, respectively. The weighted-average discount rate used in calculating the lease liabilities are 4.54% and 3.93% as of September 30, 2024 and 2023, respectively.

Note 8. Natural and Functional Expenses, Contributed Non-Financial Assets

Natural expenses are defined by their nature, such as salaries, rent, office supplies, etc. Functional expenses are classified by the type of activity for which expenses were incurred; for example, support and direct program costs. Expenses are allocated among the programs and supporting services benefited based on time records and estimates made by management.

Note 8. Natural and Functional Expenses, Contributed Non-Financial Assets (Continued)

Operating expenses are reported in statements of activities and changes in net assets by natural classification. Expenses related to the Bureau by both natural classification and functional classification for the years ended September 30, 2024 and 2023, are summarized below.

The table below presents expenses by both their nature and their function for fiscal year 2024:

	Sales, Marketing and Promotional Activities	Total Program Services	General and Administrative	Membership Development	Total Support Services	Total Program and Support Services
Advertising	$ 18,783,688	$ 18,783,688	$ 21,437	$ 78,807	$ 100,244	$ 18,883,932
Promotion	12,251,177	12,251,177	345,565	314,463	660,028	12,911,205
Salaries	7,792,362	7,792,362	1,635,332	271,207	1,906,539	9,698,901
Rent	-	-	1,305,486	-	1,305,486	1,305,486
Employee benefits	2,097,204	2,097,204	298,556	173,642	472,198	2,569,402
Interlocal commitment and grants	-	-	800,000	-	800,000	800,000
Payroll taxes	449,415	449,415	98,374	30,267	128,641	578,056
Depreciation	-	-	242,998	-	242,998	242,998
Office equipment rental and maintenance	394,207	394,207	550,792	900	551,692	945,899
Telephone	6,830	6,830	61,688	-	61,688	68,518
Commissions	-	-	-	166,695	166,695	166,695
Professional fees	285,854	285,854	208,139	-	208,139	493,993
Provision for credit losses (recoveries)	(77,238)	(77,238)	-	18,146	18,146	(59,092)
Dues and subscriptions	73,585	73,585	1,690	-	1,690	75,275
Postage and delivery	19,276	19,276	14,799	1,299	16,098	35,374
Office supplies	6,631	6,631	15,160	67	15,227	21,858
Insurance	-	-	155,043	-	155,043	155,043
Miscellaneous	27,510	27,510	193,459	69,064	262,523	290,033
Total expenses	$ 42,110,501	$ 42,110,501	$ 5,948,518	$ 1,124,557	$ 7,073,075	$ 49,183,576

The table below presents expenses by both their nature and their function for fiscal year 2023:

	Sales, Marketing and Promotional Activities	Total Program Services	General and Administrative	Membership Development	Total Support Services	Total Program and Support Services
Advertising	$ 20,225,978	$ 20,225,978	$ 13,073	$ 190,451	$ 203,524	$ 20,429,502
Promotion	9,685,963	9,685,963	145,281	391,585	536,866	10,222,829
Salaries	7,023,192	7,023,192	1,367,882	281,285	1,649,167	8,672,359
Rent	-	-	852,700	-	852,700	852,700
Employee benefits	1,868,441	1,868,441	358,257	155,782	514,039	2,382,480
Interlocal commitments and grants	-	-	800,000	-	800,000	800,000
Payroll taxes	407,861	407,861	77,796	30,419	108,215	516,076
Depreciation	-	-	132,034	-	132,034	132,034
Office equipment rental and maintenance	642,291	642,291	502,005	11,678	513,683	1,155,974
Telephone	8,123	8,123	86,830	-	86,830	94,953
Commissions	-	-	-	164,128	164,128	164,128
Professional fees	-	-	162,561	-	162,561	162,561
Dues and subscriptions	274,757	274,757	1,120	-	1,120	275,877
Postage and delivery	21,564	21,564	17,374	24	17,398	38,962
Office supplies	7,334	7,334	27,269	4,267	31,536	38,870
Insurance	-	-	136,740	-	136,740	136,740
Miscellaneous	72,273	72,273	70,261	55,093	125,354	197,627
Total expenses	$ 40,237,777	$ 40,237,777	$ 4,751,183	$ 1,284,712	$ 6,035,895	$ 46,273,672

Note 8. Natural and Functional Expenses, Contributed Advertising and Promotional Expenses (Continued)

The following represents the total of contributed advertising and promotional expense for the years ended September 30, 2024 and 2023:

	2024	2023
Contributed promotion services	$ 180,834	$ 23,881
Total contributed services	$ 180,834	$ 23,881

Contributed promotional services from donors are valued at the estimated fair value based on current rates for similar services.

Note 9. Fair Value Disclosures

The Bureau follows the provisions of the Fair Value Measurement Topic of the FASB Accounting Standards Codification (ASC) for financial assets and liabilities. This topic applies to all financial assets and liabilities that are being measured and reported on a fair value basis, and establishes a framework for measuring fair value of assets and liabilities and expands disclosures about fair value measurements. The Fair Value Measurement Topic of the FASB ASC requires that fair value measurements be classified and disclosed in one of the following three categories:

Level 1: Valuations for assets and liabilities traded in active exchange markets, such as the New York Stock Exchange. Level 1 also includes U.S. Treasury and federal agency securities and federal agency mortgage-backed securities, which are traded by dealers or brokers in active markets. Inputs to the valuation methodologies include unadjusted quoted prices in active markets for identical assets or liabilities that are accessible at the measurement date.

Level 2: Valuations for assets traded in less active dealer or broker markets. Inputs to the valuation methodologies include quoted prices from third-party pricing services for identical or similar assets in active and/or inactive markets; inputs other than quoted prices that are observable for the asset or liability; or inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

Level 3: Valuations for assets that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer or broker traded transactions. Inputs to the valuation methodologies incorporate certain assumptions and projections in determining the fair value assigned to such assets.

The asset or liability’s fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Bureau utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for financial assets and financial liabilities measured at fair value. There have been no changes in the methodologies used as of September 30, 2024 and 2023.

Note 9. Fair Value Disclosures (Continued)

Investments:

Equities: Equity securities listed on national markets or exchanges are valued at the last sales price, or if there is no sale and the market is considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy.

Debt securities: Investments in debt securities include corporate bonds and government and agency obligation bonds that are either exchange-traded and/or valued at last sales price. These securities are valued using market observable data, such as reported sales of similar securities, broker quotes, yields, bids, offers or reference data and classified within Level 2 of the valuation hierarchy.

Alternative investments: The limited partnership interest is valued at NAV per share for this investment, as provided by the investment fund manager.

The following table summarizes the Bureau's assets measured at fair value on a recurring basis as of September 30, 2024:

	September 30, 2024	Fair Value Measurements at Reporting Date Using	
		Level 1	Level 2
Investments by fair value level:			
Assets:			
Cash equivalents	$ 396,809	$ 396,809	$ -
Equity securities:			
Large cap stocks	9,609,754	9,609,754	-
Mid cap stocks	1,438,875	1,438,875	-
International large cap stocks	2,395,002	2,395,002	-
Fixed income:			
Taxable bonds	4,763,091	-	4,763,091
U.S. Treasury	4,285,689	-	4,285,689
Investments at fair value	22,889,220	13,840,440	9,048,780
Investments measured by NAV:			
Alternative investments (*):			
Limited partnership—REIT	1,219,058	-	-
Total investments	$ 24,108,278	$ 13,840,440	$ 9,048,780

(*) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

Note 9. Fair Value Disclosures (Continued)

The following table summarizes the Bureau's assets measured at fair value on a recurring basis as of September 30, 2023:

	September 30, 2023	Fair Value Measurements at Reporting Date Using	
		Level 1	Level 2
Investments by fair value level:			
Assets:			
Cash equivalents	$ 334,992	$ 334,992	$ -
Equity securities:			
Large cap stocks	7,275,996	7,275,996	-
Mid cap stocks	1,053,582	1,053,582	-
Small cap stocks	-	-	-
International large cap stocks	2,302,072	2,302,072	-
International small/mid cap stocks	127,132	127,132	-
Fixed income:			
Taxable bonds	4,148,685	-	4,148,685
U.S. Treasury	4,068,366	-	4,068,366
Investments at fair value	19,310,825	11,093,774	8,217,051
Investments measured by NAV:			
Alternative investments (*):			
Limited partnership—REIT	1,370,006	-	-
Total investments	$ 20,680,831	$ 11,093,774	$ 8,217,051

(*) In accordance with Subtopic 820-10, certain investments that are measured at fair value using the NAV per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

The fair value of the Bureau's investment in U.S. Real Estate Investment Fund, LLC is measured using the NAV per share (or equivalent) valuation technique in accordance with FASB ASC 820. The Bureau's fair value of its investment in U.S. Real Estate Investment Fund, LLC was $1,219,058 and $1,370,006 as of September 30, 2024 and 2023, respectively, and there were no unfunded commitments. The Bureau may request redemption of its interest quarterly, provided that the Bureau has no unfunded commitments outstanding. U.S. Real Estate Investment Fund, LLC is a balanced portfolio of yield-driven real estate and real estate-related assets that are broadly diversified by geography and product type. The objectives of the Fund are to preserve and protect investors' capital, provide potential for capital appreciation, produce income on invested capital and to outperform the NFI-ODCE.

Note 9. Fair Value Disclosures (Continued)

The following table summarizes the Bureau's investments—457 retirement plan assets and liabilities measured at fair value on a recurring basis as of September 30, 2024:

	September 30, 2024	Fair Value Measurements at Reporting Date Using	
		Level 1	Level 2
Financial assets:			
Investments—457 retirement plan:			
Cash	$ 327	$ 327	$ -
Equity securities—stocks	630,090	630,090	-
Equity securities—mutual funds	838,251	838,251	-
Fixed Income	497,218	-	497,218
Total investments—457 retirement plan	$ 1,965,886	$ 1,468,668	$ 497,218
Financial liabilities:			
Deferred compensation liability—457 retirement plan	$ 1,965,886	$ -	$ 1,965,886

The following table summarizes the Bureau's investments—457 retirement plan assets and liabilities measured at fair value on a recurring basis as of September 30, 2023:

	September 30, 2023	Fair Value Measurements at Reporting Date Using	
		Level 1	Level 2
Financial assets:			
Investments—457 retirement plan:			
Equity securities—stocks	$ 963,217	$ 963,217	$ -
Equity securities—mutual funds	593,033	593,033	-
Fixed Income	564,180	-	564,180
Total investments—457 retirement plan	$ 2,120,430	$ 1,556,250	$ 564,180
Financial liabilities:			
Deferred compensation liability—457 retirement plan	$ 2,120,430	$ -	$ 2,120,430

Note 10. Liquidity

The Bureau structures its financial assets to be available as its general expenditures, liabilities and other obligations come due. To achieve this, the Bureau forecasts its future cash flows and monitors its liquidity on a monthly basis.

The following table reflects the Bureau's financial assets as of September 30, 2024 and 2023, excluding amounts not available for general expenditures within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	2024	2023
Financial assets at year-end:		
Cash and cash equivalents	$ 12,351,459	$ 17,639,013
Receivables:		
Public sources	4,595,941	4,609,245
Private memberships	241,449	343,222
Co-op sponsorships	95,700	134,923
Other	4,011	7,708
	4,937,101	5,095,098
Less allowance for credit loss	(91,841)	(234,627)
	4,845,260	4,860,471
Investments	24,108,278	20,680,831
Less amounts not available to meet cash needs for general expenses within one year due to:		
Net assets with donor restrictions	(2,806,558)	(4,110,316)
Board designated for specified purposes	(27,019,756)	(20,111,221)
Total financial assets available to meet cash needs for general expenditures within one year	$ 11,478,683	$ 18,958,778

Note 11. Paycheck Protection Program Loan

The Bureau received U.S. Small Business Administration (SBA) Paycheck Protection Program loans in the amount of $2,946,110 in previous years, of which the full amount of the loans were forgiven in 2022. The loans are subject to audit by the SBA for a period of six years following forgiveness.