

CITY OF VALDEZ

GRANT FUNDING REQUEST FOR COMMUNITY SERVICE ORGANIZATIONS

APPLICATION CHECKLIST

This checklist is simply for your use in preparation of your application packet. It is not a part of the packet to be copied and submitted.

You are encouraged to check and double check your facts and figures prior to making your copies. Packets that omit any of the requested information or that contain errors in calculations **WILL BE RETURNED TO THE APPLICANT** for correction and resubmission. The ensuing delay may jeopardize your application for funding.

A COMPLETE APPLICATION PACKET INCLUDES:

- X 501(c)(3) tax exempt status letter (labeled page 13.1)
 - X Proof of Insurance as required per application (labeled page 13.2)
 - X Funding Request/Certification form (labeled page 1)
 - X Recent Total Organization Financial Statement (labeled page 2)
 - X Copy of Prior Three Prior Years' Balance Sheets (labeled page 3)
 - X Current Operating Budget for Total Organization (labeled page 4)
 - X Copy of Proposed 2021 Budget (labeled page 5)
 - X Program Information forms (labeled pages 6, 7, and 8)
 - X Operating Expenses of Proposed Program/Budget form #1 (labeled page 9)
 - X Funding Sources for Proposed Program/Budget form #2 (labeled page 10)
 - X Scope of Services form (labeled page 11)
 - X Additional pages submitted by agency (labeled pages 11.1 - 5)
 - X Copy of Balance Sheet and Profit and Loss as of 6/30/2020 (labeled page 12)
 - X *Copy of Financial Statements w/ Independent Auditor's Report December 31, 2019 & 2018*
-

REMINDER: You must submit **one COMPLETE PDF FILE** before the deadline. Late submissions will not be considered for funding.

DEADLINE: **5:00 p.m., Friday, August 21st, 2020**
Early submissions are accepted and encouraged!

Thank you for your submission.

GRANT FUNDING REQUEST FOR COMMUNITY SERVICE ORGANIZATIONS

2021 FUNDING REQUEST/CERTIFICATION FORM

ORGANIZATION NAME: Valdez Convention & Visitors Bureau PHONE: 835-2984
 ADDRESS: 309 Fairbanks Drive, Valdez AK ZIP: 99686
 CONTACT PERSON: Sharon Anderson PHONE: 835-2984
 CONTACT PERSON E-MAIL: executivedirector@valdezalaska.org
 PROGRAM TITLE: Destination Marketing & Advertising of Valdez Alaska
 FUNDING REQUEST FOR 2021: \$ 446,245

1. Non-Profit Corporation? Yes X No _____
 Date of incorporation: 02/02/1983 Federal Tax ID #: 92-0090495
2. Organization's estimated TOTAL 2021 operating budget: \$ 513,644
3. Historical Funding and Membership Information

	Total CSO Budget	City Funding	City % of Total	# of Members
2017	534,418	446,245	83.77	122
2018	534,418	446,245	83.77	123
2019	534,418	446,245	83.77	97
2020	513,644	446,245	86.88	134

4. What was previous grant funding used for? Be specific.

Previous grant funding was used to market Valdez as a leisure and meeting destination. This has been completed through various methods such as:

- Placing advertisements in strategic visitor guides (Bells Travel, Vacation Country, Bearfoot) and publications (Fish Alaska, Alaska Business, Valley News, Frontiersman),
- Producing the Valdez Vacation Guide and circulating it to perspective and committed travelers at Anchorage airport and hotels, Girdwood, Fairbanks, other CVBs on the Richardson, Glenn and Parks Highways.
- The ValdezAlaska.org website and social media promoted Discover Valdez,
- Managing and maintaining the Information Center in Valdez year-round, serving a wide variety of visitors daily answering questions and providing directions,
- Increased Facebook social media ads, promoting member businesses and Discover Valdez.

Due to the COVID-19 pandemic promotion and advertising methods changed:



- VCVB member participation in promo code deals posted on Travel Alaska website and our own,
- Utilizing radio ads in Anchorage and Fairbanks, increased radio ads in Valdez,
- Posted Google ads aimed at visitor demographic types that are know to visit Valdez.
- VCVB staff were unable to attending consumer and travel trade shows in and outside Alaska,
- VCVB staff were unable to meet with international markets (consumers) to promote Valdez.

ATTACHMENTS: (label as indicated)

- Copy of your organization's most recent fiscal year end financial statements including balance sheet and profit and loss, and sources and uses of revenues. These statements must also show all accumulated fund balances for all of the organization's assets. (label page 2)
- Copy of balance sheets from three prior fiscal years. (label page 3)
- Copy of your organization's estimated current operating budget, including revenues and expenditures. (label page 4)
- Copy of proposed 2021 budget, including revenues and expenditures. (label page 5)
- Copy of your organization's balance sheet and profit and loss as of 6/30/2020

CERTIFICATION: (must be signed by both individuals)

I certify that the information contained in this application, including all attachments and supporting materials, is true and correct to the best of my knowledge.

	Sharon Anderson	<u>08/20/2020</u>
EXECUTIVE DIRECTOR (or equivalent)		DATE
	Patricia Relay	<u>08-20-2020</u>
PRESIDENT, BOARD OF DIRECTORS (or equivalent)		DATE



MOST RECENT FISCAL YEAR END FINANCIAL STATEMENTS
PROFIT AND LOSS STATEMENT 2019

Balance Sheet 2019 is with Page 3

PAGE 2

Valdez Convention & Visitors Bureau Inc.
Profit & Loss Budget vs. Actual
January through December 2019

Page 2.1

	Jan - Dec 19	Budget
Ordinary Income/Expense		
Income		
41100 · City of Valdez Grants	446,245.00	446,245.11
42000 · Membership Income		
42100 · King Membership	3,760.00	3,900.00
42200 · Silver Membership	1,500.00	1,650.00
42300 · Pink Membership	3,416.90	4,450.00
42400 · Adventure Corridor Membership	1,800.00	2,000.00
Total 42000 · Membership Income	10,476.90	12,000.00
43000 · Cooperative Advertising		
43110 · Print Package	10,123.81	12,200.00
43120 · Print & Digital Package	6,800.00	8,000.00
43130 · VIC Television Ads	400.00	400.00
43140 · VCVB Wall Advertising	1,850.00	1,550.00
43150 · 50 Fun Things Flipbook	2,000.00	1,500.00
43160 · Vacation Guide Addl Listings	1,000.00	1,200.00
43170 · Show Banner Panel Ad	1,200.00	1,500.00
43180 · Vacation Guide Color Ad	28,691.29	27,760.00
43190 · VIC Display Cases	820.00	920.00
43200 · Sandwich Board Ad	500.00	500.00
43210 · Discover Valdez Webpage	0.00	0.00
Total 43000 · Cooperative Advertising	53,385.10	55,530.00
44000 · Retail Sales		
44100 · Clothing	2,876.40	1,960.00
44200 · Collectibles	2,173.20	1,132.00
44300 · Food Goods	310.00	2,864.00
44400 · Discounts Given	-18.80	-356.00
Total 44000 · Retail Sales	5,340.80	5,600.00
46100 · Donations Received	159.49	20.00
46200 · Interest Income	43.21	
48100 · Vendor Booth Sales	0.00	0.00
48200 · Raffle Ticket Sales	0.00	4,000.00
Total Income	515,650.50	523,395.11
Cost of Goods Sold		
51000 · Cost of Goods Sold		
51100 · Retail Cost of Goods	4,051.76	2,778.21
Total 51000 · Cost of Goods Sold	4,051.76	2,778.21
Total COGS	4,051.76	2,778.21
Gross Profit	511,598.74	520,616.90
Expense		
61000 · Payroll Expenses		
61100 · Director Wages	38,120.72	60,000.00
61200 · Accounts Wages	34,797.32	42,000.00
61300 · Services Wages	35,092.53	36,000.00
61400 · Seasonal Wages	18,028.63	21,015.90
61500 · Vacation / Sick Wages	9,311.43	
61800 · Payroll Tax Expense	12,144.64	18,228.00
61900 · Health, Dental Vision Ins	36,910.56	33,000.00
Total 61000 · Payroll Expenses	184,405.83	210,243.90
62000 · Insurance		
62100 · General Liability	1,658.00	1,660.00
62200 · Board Insurance	1,542.00	1,542.00
62300 · Workers Comp	1,134.00	799.00
Total 62000 · Insurance	4,334.00	4,001.00

Valdez Convention & Visitors Bureau Inc.
Profit & Loss Budget vs. Actual
January through December 2019

2.2

	Jan - Dec 19	Budget
63000 · Operating Costs		
63100 · Operating - Admin		
63110 · Rent	36,000.00	36,000.00
63120 · Waste, Water, Sewer	794.88	595.60
63130 · Electricity	6,555.87	6,390.15
63140 · Heating Fuel	6,042.24	5,697.25
63150 · Equip Rental and Maint	0.00	2,500.00
63160 · Wall Ad Panels	0.00	25.00
Total 63100 · Operating - Admin	49,392.99	51,208.00
63200 · Operating - Communication		
63210 · Telephone Office	1,564.08	2,192.02
63220 · Telephone Mobile	1,491.69	1,344.69
63230 · Internet	3,113.10	3,036.45
63240 · Website Design	23,950.00	23,000.00
Total 63200 · Operating - Communication	30,118.87	29,573.16
63300 · Operating - Supplies		
63310 · Office Supplies	2,206.32	3,000.00
63320 · Printing	1,845.81	2,192.24
63330 · Cleaning Fees	1,029.78	942.58
Total 63300 · Operating - Supplies	5,081.91	6,134.82
63400 · Operating - Guides		
63410 · Guide Postage / Shipping	9,583.45	10,000.00
63420 · Guides Distribution	9,759.24	13,000.00
Total 63400 · Operating - Guides	19,342.69	23,000.00
63500 · Operating - Fees		
63510 · Bank Service Charge	137.00	500.00
63520 · Licenses and Permits	95.00	120.00
63530 · Software / Subscriptions	5,253.74	1,800.00
63540 · Credit Card Acceptance Fees	1,350.38	1,100.00
63550 · Penalties and Fees	16,029.48	15,000.00
Total 63500 · Operating - Fees	22,865.60	18,520.00
63600 · Operating - Professional		
63610 · Accounting Fees	12,903.75	8,065.21
63620 · Financial Audit	21,500.00	20,000.00
Total 63600 · Operating - Professional	34,403.75	28,065.21
Total 63000 · Operating Costs	161,205.81	156,501.19
64000 · Program Work		
64100 · Advertising		
64110 · Internet and Web Ads	6,370.00	8,166.81
64120 · Social Media	296.43	6,000.00
64130 · Branding	750.00	3,000.00
64140 · Radio & TV Ads	4,748.00	6,000.00
64150 · Guides & Magazines	11,060.15	15,880.00
64160 · Advertising	1,957.00	15.00
64100 · Advertising - Other	0.00	0.00
Total 64100 · Advertising	25,181.58	39,061.81

Valdez Convention & Visitors Bureau Inc.
Profit & Loss Budget vs. Actual
January through December 2019

2.3

	Jan - Dec 19	Budget
64200 · Marketing		
64210 · ATIA Leads	3,500.00	3,500.00
64220 · Cruise Ship Prep	0.00	1,500.00
64230 · 50 Fun Things	5,579.70	5,370.00
64240 · Valdez Vacation Guide	65,000.00	65,000.00
64245 · Vacation Guide Asset Contra	-15,243.75	
64260 · Public Relations	0.00	3,500.00
Total 64200 · Marketing	58,835.95	78,870.00
64300 · Trade		
64310 · Exhibits	5,580.00	5,580.00
64320 · Familiarization Trips	454.70	3,500.00
64330 · Membership Fees	300.00	900.00
64340 · Registration Fees	708.50	3,000.00
64350 · Sponsorships	790.00	1,000.00
Total 64300 · Trade	7,833.20	13,980.00
Total 64000 · Program Work	91,850.73	131,911.81
65000 · Travel and Fundraising		
65100 · Transportation	3,850.93	5,700.00
65200 · Meals	680.67	1,750.00
Total 65000 · Travel and Fundraising	4,531.60	7,450.00
66000 · Special Events		
66100 · Board and Member Meetings	749.75	1,000.00
66200 · Special Events Contingency	39.18	
Total 66000 · Special Events	788.93	1,000.00
69000 · Contingency	0.00	9,509.00
Total Expense	447,116.90	520,616.90
Net Ordinary Income	64,481.84	0.00
Other Income/Expense		
Other Income		
81000 · Capital Credits	3,169.32	
Total Other Income	3,169.32	
Other Expense		
91000 · Depreciation	841.80	
92000 · Bad Debt / Uncollectible	900.00	
Total Other Expense	1,741.80	
Net Other Income	1,427.52	
Net Income	65,909.36	0.00



**BALANCE SHEETS FROM
THREE PRIOR FISCAL YEARS
2019, 2018, 2017
PAGE 3**

Balance Sheet

As of December 31, 2019

	Total
ASSETS	
Current Assets	
Checking/Savings	
11100 - FNBA Checking	32,305.00
11400 - Front Desk Cash Register	200.00
11500 - Petty Cash Drawer	81.67
Total Checking/Savings	32,586.67
Accounts Receivable	
11000 - Accounts Receivable	2,600.00
Total Accounts Receivable	2,600.00
Other Current Assets	
12000 - *Undeposited Funds	22.00
Total Other Current Assets	22.00
Total Current Assets	35,208.67
Fixed Assets	
14100 - Office Equipment Original Cost	14,116.00
14200 - Office Equipment Depreciation	-13,578.80
Total Fixed Assets	537.20
Other Assets	
14500 - Inventory Retail	11,373.05
14600 - Inventory Vacation Guides	62,806.25
Total Other Assets	74,179.30
TOTAL ASSETS	109,925.17
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 - Accounts Payable	2,129.01
Total Accounts Payable	2,129.01
Credit Cards	
21100 - Bank of America	
21197 - X BOA 8971 Accounts Manager	546.03
Total 21100 - Bank of America	546.03
Total Credit Cards	546.03
Other Current Liabilities	
23000 - Payroll Liabilities	
23100 - Fed / SS / Med Tax	714.00
23200 - Alaska ESC/SUTA	322.44
23300 - FUTA	60.89
23600 - Accrued Leave Payable	802.22
23700 - Accrued Payroll	4,666.66
Total 23000 - Payroll Liabilities	6,566.21
25000 - Deferred Revenue	48,078.75
Total Other Current Liabilities	54,644.96
Total Current Liabilities	57,320.00

Balance Sheet

As of December 31, 2019

	Total
Total Liabilities	57,320.00
Equity	
30000 · Opening Balance Equity	34,882.53
32000 · Unrestricted Net Assets	-62,373.36
33000 · Retained Earnings	14,186.64
Net Income	65,909.36
Total Equity	52,605.17
TOTAL LIABILITIES & EQUITY	109,925.17

Balance Sheet

As of December 31, 2018

	Total
ASSETS	
Current Assets	
Checking/Savings	
11100 · FNBA Checking	-723.47
11200 · FNBA Gaming	140.80
11400 · Front Desk Cash Register	80.00
11500 · Petty Cash Drawer	82.28
Total Checking/Savings	-420.39
Accounts Receivable	
11000 · Accounts Receivable	3,000.00
Total Accounts Receivable	3,000.00
Total Current Assets	2,579.61
Fixed Assets	
14100 · Office Equipment Original Cost	14,116.00
14200 · Office Equipment Depreciation	-12,737.00
Total Fixed Assets	1,379.00
Other Assets	
14500 · Inventory Retail	12,095.00
14600 · Inventory Vacation Guides	17,812.50
Total Other Assets	29,907.50
TOTAL ASSETS	33,866.11
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	15,430.33
Total Accounts Payable	15,430.33
Credit Cards	
21100 · Bank of America	
21198 · X BOA 3176 Membership Manager	-191.01
21199 · X BOA 1066 Executive Director	4,389.69
Total 21100 · Bank of America	4,198.68
Total Credit Cards	4,198.68
Other Current Liabilities	
23000 · Payroll Liabilities	
23100 · Fed / SS / Med Tax	7,790.42
23200 · Alaska ESC/SUTA	83.13
23300 · FUTA	33.25
23600 · Accrued Leave Payable	2,028.33
23700 · Accrued Payroll	5,541.67
23000 · Payroll Liabilities - Other	-6,021.26
Total 23000 · Payroll Liabilities	9,455.54
25000 · Deferred Revenue	47,835.75
Total Other Current Liabilities	57,291.29
Total Current Liabilities	76,920.30

Valdez Convention & Visitors Bureau Inc.**Balance Sheet**

3.4

As of December 31, 2018

	Total
Total Liabilities	76,920.30
Equity	
30000 · Opening Balance Equity	34,882.53
33000 · Retained Earnings	-15,563.36
Net Income	-62,373.36
Total Equity	-43,054.19
TOTAL LIABILITIES & EQUITY	33,866.11

VALDEZ CONVENTION & VISITORS BUREAU

3.5

BALANCE SHEET

As of December 31, 2017

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
12520006016505745	-3,697.74
Front Desk Cash Register	80.00
VCVB Gaming - FNBA	0.00
VCVB Savings - FNBA	0.00
Total Bank Accounts	\$ -3,617.74
Accounts Receivable	
1200 Accounts Receivable	3,641.24
Allowance for Bad Debt	0.00
Total Accounts Receivable	\$3,641.24
Other Current Assets	
12100 Inventory Asset	6,702.25
1300 Prepaids	-325.23
1499 Undeposited Funds	2.00
Petty Cash	119.34
Security Deposit	0.00
Total Other Current Assets	\$6,498.36
Total Current Assets	\$6,521.86
Fixed Assets	
1610 Accum. Deprec. Office Equipment	4,182.20
Total Fixed Assets	\$4,182.20
TOTAL ASSETS	\$10,704.06
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable	26,295.94
Total Accounts Payable	\$26,295.94
Credit Cards	
2050 Credit Card - VISA ACCOUNT 3534	1,268.02
Total Credit Cards	\$1,268.02
Other Current Liabilities	
2100 Payroll Liabilities	7,242.42
2200 Deferred Revenue	35,739.96
Employee Health Insurance/401K	4,270.20
Total Other Current Liabilities	\$47,252.58
Total Current Liabilities	\$74,816.54
Total Liabilities	\$74,816.54
Equity	
1110 Retained Earnings	-63,484.56

Balance Sheet

As of December 31, 2017

	TOTAL
3000 Opening Bal Equity	0.00
Net Income	-627.92
Total Equity	\$ -64,112.48
TOTAL LIABILITIES AND EQUITY	\$10,704.06



**CURRENT OPERATING BUDGET 2020
REVENUES OVER EXPENSES**

PAGE 4

Valdez Convention Visitors Bureau Inc.

Budget Overview: FY2020

Page 4.1

January - December 2020

	Total
Ordinary Income/Expense	
Income	
41100 · City of Valdez Grants	458,245.11
42000 · Membership Income	
42100 · King Membership	3,900.00
42200 · Silver Membership	1,650.00
42300 · Pink Membership	4,450.00
42400 · Adventure Corridor Membership	2,000.00
42000 · Membership Income - Other	0.00
Total 42000 · Membership Income	12,000.00
43000 · Cooperative Advertising	
43110 · Print Package	12,200.00
43120 · Print & Digital Package	8,000.00
43130 · VIC Television Ads	1,400.00
43140 · VCVB Wall Advertising	2,750.00
43150 · 50 Fun Things Flipbook	1,500.00
43160 · Vacation Guide Addl Listings	1,400.00
43170 · Show Banner Panel Ad	2,000.00
43180 · Vacation Guide Color Ad	27,760.00
43190 · VIC Display Cases	1,520.00
43200 · Sandwich Board Ad	1,000.00
43210 · Discover Valdez Webpage	0.00
43000 · Cooperative Advertising - Other	0.00
Total 43000 · Cooperative Advertising	59,530.00
44000 · Retail Sales	
44100 · Clothing	6,960.00
44200 · Collectibles	6,132.00
44300 · Food Goods	2,864.00
44400 · Discounts Given	-356.00
44000 · Retail Sales - Other	0.00
Total 44000 · Retail Sales	15,600.00
46100 · Donations Received	20.00
46200 · Interest Income	0.00
48100 · Vendor Booth Sales	0.00
48200 · Raffle Ticket Sales	0.00
Total Income	545,395.11
Cost of Goods Sold	
51000 · Cost of Goods Sold	
51100 · Retail Cost of Goods	7,778.21
51200 · Raffle Ticket Payouts	0.00
51300 · Raffle Tickets - Printing	0.00
51400 · Shrinkage / Spoilage	0.00
51000 · Cost of Goods Sold - Other	0.00
Total 51000 · Cost of Goods Sold	7,778.21

Valdez Convention Visitors Bureau Inc.

Budget Overview: FY2020

4.2

January - December 2020

	Total
Total COGS	7,778.21
Gross Profit	537,616.90
Expense	
61000 · Payroll Expenses	
61100 · Director Wages	65,000.00
61200 · Accounts Wages	36,000.00
61300 · Services Wages	38,000.00
61400 · Seasonal Wages	21,435.90
61500 · Vacation / Sick Wages	0.00
61800 · Payroll Tax Expense	18,228.00
61900 · Health, Dental Vision Ins	33,000.00
61000 · Payroll Expenses - Other	0.00
Total 61000 · Payroll Expenses	211,663.90
62000 · Insurance	
62100 · General Liability	1,660.00
62200 · Board Insurance	1,542.00
62300 · Workers Comp	799.00
62000 · Insurance - Other	0.00
Total 62000 · Insurance	4,001.00
63000 · Operating Costs	
63100 · Operating - Admin	
63110 · Rent	36,000.00
63120 · Waste, Water, Sewer	595.00
63130 · Electricity	6,390.15
63140 · Heating Fuel	5,697.25
63150 · Equip Rental and Maint	2,500.00
63160 · Wall Ad Panels	415.00
63100 · Operating - Admin - Other	0.00
Total 63100 · Operating - Admin	51,597.40
63200 · Operating - Communication	
63210 · Telephone Office	2,192.02
63220 · Telephone Mobile	1,344.69
63230 · Internet	3,036.45
63240 · Website Design	23,000.00
63200 · Operating - Communication - Other	0.00
Total 63200 · Operating - Communication	29,573.16
63300 · Operating - Supplies	
63310 · Office Supplies	3,000.00
63320 · Printing	2,192.24
63330 · Cleaning Fees	942.58
63300 · Operating - Supplies - Other	0.00
Total 63300 · Operating - Supplies	6,134.82
63400 · Operating - Guides	
63410 · Guide Postage / Shipping	10,000.00
63420 · Guides Distribution	13,000.00

Valdez Convention Visitors Bureau Inc.

Budget Overview: FY2020

4.3

January - December 2020

	Total
63400 · Operating - Guides - Other	0.00
Total 63400 · Operating - Guides	23,000.00
63500 · Operating - Fees	
63510 · Bank Service Charge	500.00
63520 · Licenses and Permits	120.00
63530 · Software / Subscriptions	3,000.00
63540 · Credit Card Acceptance Fees	1,100.00
63550 · Penalties and Fees	0.00
63500 · Operating - Fees - Other	0.00
Total 63500 · Operating - Fees	4,720.00
63600 · Operating - Professional	
63610 · Accounting Fees	4,000.00
63620 · Financial Audit	18,000.00
Total 63600 · Operating - Professional	22,000.00
Total 63000 · Operating Costs	137,025.38
64000 · Program Work	
64100 · Advertising	
64110 · Internet and Web Ads	8,166.81
64120 · Social Media	18,000.00
64130 · Branding	2,610.00
64140 · Radio & TV Ads	8,000.00
64150 · Guides & Magazines	18,380.00
64160 · Advertising	15.00
64100 · Advertising - Other	0.00
Total 64100 · Advertising	55,171.81
64200 · Marketing	
64210 · ATIA Leads	3,500.00
64220 · Cruise Ship Prep	3,000.00
64230 · 50 Fun Things	5,370.00
64240 · Valdez Vacation Guide	65,000.00
64260 · Public Relations	7,894.21
64200 · Marketing - Other	0.00
Total 64200 · Marketing	84,764.21
64300 · Trade	
64310 · Exhibits	5,580.00
64320 · Familiarization Trips	3,500.00
64330 · Membership Fees	2,450.00
64340 · Registration Fees	4,700.00
64350 · Sponsorships	1,000.00
64300 · Trade - Other	0.00
Total 64300 · Trade	17,230.00
Total 64000 · Program Work	157,166.02

65000 · Travel and Fundraising

Valdez Convention Visitors Bureau Inc.**Budget Overview: FY2020**

4.4

January - December 2020

	Total
65100 · Transportation	7,700.00
65200 · Meals	2,300.00
65000 · Travel and Fundraising - Other	0.00
Total 65000 · Travel and Fundraising	10,000.00
66000 · Special Events	
66100 · Board and Member Meetings	1,000.00
66200 · Special Events Contingency	0.00
66000 · Special Events - Other	0.00
Total 66000 · Special Events	1,000.00
69000 · Contingency	16,760.60
Total Expense	537,616.90
Net Ordinary Income	0.00
Other Income/Expense	
Other Income	
81000 · Capital Credits	0.00
82000 · NSF Fees Collected	0.00
Total Other Income	0.00
Other Expense	
91000 · Depreciation	0.00
Total Other Expense	0.00
Net Other Income	0.00
Net Income	0.00



**PROPOSED 2021 BUDGET INCLUDING REVENUES
OVER EXPENSES**

PAGE 5

**Valdez Convention & Visitors Bureau Inc.
Proposed 2021 Budget**

Page 5.1

Ordinary Income/Expense	Total
Income	
41100 · City of Valdez Grants	446,245.00
42000 · Membership Income	
42100 · King Membership	3,900.00
42200 · Silver Membership	1,650.00
42300 · Pink Membership	4,400.00
42400 · Adventure Corridor Membership	2,000.00
Total 42000 · Membership Income	11,950.00
43000 · Cooperative Advertising	
43110 · Print Package	12,200.00
43120 · Print & Digital Package	7,000.00
43130 · VIC Television Ads	600.00
43140 · VCVB Wall Advertising	2,750.00
43160 · Vacation Guide Addl Listings	1,400.00
43170 · Show Banner Panel Ad	1,200.00
43180 · Vacation Guide Color Ad	27,760.00
43190 · VIC Display Cases	1,520.00
43200 · Sandwich Board Ad	500.00
43220 · Wall Mounted TV	500.00
Total 43000 · Cooperative Advertising	55,430.00
44000 · Retail Sales	
44100 · Clothing	1,960.00
44200 · Collectibles	1,132.00
44400 · Discounts Given	-340.00
Total 44000 · Retail Sales	2,752.00
46100 · Donations Received	26.00
46200 · Interest Income	42.00
Total Income	516,445.00
Cost of Goods Sold	
51000 · Cost of Goods Sold	
51100 · Retail Cost of Goods	2,801.00
Total 51000 · Cost of Goods Sold	2,801.00
Total COGS	2,801.00
Gross Profit	513,644.00

**Valdez Convention & Visitors Bureau Inc.
Proposed 2021 Budget**

5.2

Ordinary Income/Expense	Total
Expense	
61000 • Payroll Expenses	
61100 • Director Wages	65,000.00
61200 • Accounts Wages	39,104.00
61300 • Services Wages	39,104.00
61400 • Seasonal Wages	25,200.00
61700 • Payroll Tax Expense	19,367.00
61800 • Health, Dental Vision Ins	33,000.00
Total 61000 • Payroll Expenses	220,775.00
62000 • Insurance	
62100 • General Liability	1,695.00
62200 • Board Insurance	2,115.00
62300 • Workers Comp	595.00
Total 62000 • Insurance	4,405.00
63000 • Operating Costs	
63100 • Operating - Admin	
63110 • Rent	36,000.00
63120 • Waste, Water, Sewer	800.00
63130 • Electricity	6,550.00
63140 • Heating Fuel	6,050.00
63150 • Equip Rental and Maint	2,500.00
Total 63100 • Operating - Admin	51,900.00
63200 • Op - Communication	
63210 • Telephone Office	1,750.00
63220 • Telephone Mobile	1,500.00
63230 • Internet	3,050.00
63240 • Website Design	15,300.00
Total 63200 • Op - Communication	21,600.00
63300 • Operating - Supplies	
63310 • Office Supplies	3,500.00
63320 • Printing	2,000.00
63330 • Cleaning Fees	1,180.00
Total 63300 • Operating - Supplies	6,680.00
63400 • Operating - Guides	
63410 • Guide Postage / Shipping	4,650.00
63420 • Guides Distribution	10,950.00
Total 63400 • Operating - Guides	15,600.00

**Valdez Convention & Visitors Bureau Inc.
Proposed 2021 Budget**

5.3

Ordinary Income/Expense	Total
63500 · Operating - Fees	
63510 · Bank Service Charge	500.00
63520 · Licenses and Permits	120.00
63530 · Software / Subscriptions	1,800.00
63540 · Credit Card Acceptance Fees	1,350.00
63550 · Penalties and Fees	230.00
Total 63500 · Operating - Fees	4,000.00
63600 · Operating - Professional	
63610 · Accounting Fees	6,000.00
63620 · Financial Audit	20,000.00
Total 63600 · Operating - Professional	26,000.00
Total 63000 · Operating Costs	125,780.00
64000 · Program Work	
64100 · Advertising	
64110 · Internet and Web Ads	10,000.00
64120 · Social Media	12,000.00
64130 · Branding	3,000.00
64140 · Radio & TV Ads	18,000.00
64150 · Guides & Magazines	12,000.00
Total 64100 · Advertising	55,000.00
64200 · Marketing	
64210 · ATIA Leads	1,650.00
64220 · Cruise Ship Prep	2,100.00
64240 · Valdez Vacation Guide	62,500.00
64260 · Public Relations	3,500.00
Total 64200 · Marketing	69,750.00
64300 · Trade	
64310 · Exhibits	5,580.00
64320 · Familiarization Trips	3,500.00
64330 · Membership Fees	2,450.00
64340 · Registration Fees	4,700.00
64350 · Sponsorships	1,000.00
Total 64300 · Trade	17,230.00
Total 64000 · Program Work	141,980.00
65000 · Travel and Fundraising	
65100 · Transportation	7,000.00
65200 · Meals	1,995.00
Total 65000 · Travel and Fundraising	8,995.00
66000 · Special Events	
66100 · Board and Member Meetings	1,200.00
66200 · Special Events Contingency	1,000.00
Total 66000 · Special Events	2,200.00
69000 · Contingency	9,509.00
Total Expense	513,644.00
Net Ordinary Income	0.00

PROGRAM INFORMATION

ORGANIZATION NAME: Valdez Convention & Visitors Bureau

Program Title: Destination Marketing & Advertising of Valdez Alaska

Complete section below. Limit comments to this page.

1. Summarize the program you are proposing. (You will provide the details in the scope of services form.)

Design and implementation of destination marketing program to encourage year-round travel to Valdez by different visitor types.

2. Briefly, but specifically, describe why the program to be funded under this proposal is needed and how it will benefit the Valdez community. Is this a new or existing program? How have you determined the need for your program?

The destination marketing effort implemented in 2021 will continue previous work by retaining successful campaigns and by developing new promotion efforts that will reach targeted travelers. The marketing of Valdez as a visitor destination is essential to maintain and grow the tourism industry in the city of Valdez. The VCVB had to go through a marketing transition because of COVID-19, and businesses had to adapt too, not just in the tourism industry, 2020 proved that destination marketing is absolutely necessary. The VCVB kept up to date on the changing Alaska tourism industry operation, especially affecting Valdez. The VCVB was able to share through ValdezAlaska.org that Valdez businesses were open and safe. A healthy tourism industry provides jobs throughout the community, increases revenue for local businesses and provides a range of activities for local residents to enjoy.

3. Is this program year-round, seasonal, or a one-time event? Year-round
Schedule: Beginning date: 01/01/2021 Ending date: 12/31/2021

4. Estimated number of people to be served by this program? All of Valdez
Provide formula for estimate:

Residents, VCVB members, and all connected businesses benefit from a healthy tourism industry in Valdez. Visitors spend money on the variety of attractions in Valdez and in turn those businesses pay local employees and buy local supplies.

5. Target population served: (ie: youth, adult, Senior Citizens, disadvantaged, etc.)

Travelers to Valdez are multi-generational. The effects of the VCVB program serve all the business and residents of Valdez.

6. Is membership in your organization required for participation: Yes X No

7. Fee to participant: Member \$ 100 - 200 Non-Member \$ NA

8. Number of paid program staff: Full-time 3 Part-time 4 Temporary 4

ORGANIZATION NAME: Valdez Convention & Visitors Bureau
 Program Information (continued)

9. Volunteer Services Information:

Number of volunteers:	Actual 2018	<u>15</u>
	Actual 2019	<u>12</u>
	Anticipated 2020	<u>12</u>
	Estimated 2021	<u>12</u>

Source of volunteers (parents, members, professionals, others):

VCVB members & Valdez business owners/workers & residents.

Types of services provided by volunteers:

Assisting with program and advertisement development, serving on Board of Directors and associated committees, and helping visitors with information.

10. Where will you operate this program? What facilities?

The VCVB business office and Visitors Information Center is located at 309 Fairbanks Drive. Sales activities take place at the Information Center.

11. What is the specific impact on your program if City funding is available at the following percentages of your request?

- 75% Reduction in or no employment of seasonal/temporary staffing. No cruise dockside assistance. Limited visitor assistance at visitors information center.
- 50% Relocate. 1 staff employed to assist members, promote vacation guide, generate ad sales, put together guide. No visitor center. Contractual accounting and web maintenance.
- 25% Reduced vacation guide pages and print number by a contractor. No full or part time staff. No business office. No visitor center.
- 0% Close business.

12. The City is prohibited from contracting with businesses or persons that violate the Americans with Disabilities Act (ADA). What methods does your organization employ to comply with the requirements of ADA?

The Valdez Visitors Information Center has ramp access for guests that struggle with stairs and a wheelchair accessible rest room facility. The Visitors Center is an open space that is easy to navigate for those with mobility concerns.

ORGANIZATION NAME: Valdez Convention & Visitors Bureau
Program Information (continued)

13. Any other comments you would like to make about your program?

To have Valdez businesses stabilize and grow the Valdez Convention and Visitors Bureau wants to ensure that Valdez is active and competitive in the destination marketplace as travelers research and think about visiting Alaska.

- The Alaska Travel Industry Association (ATIA), through Travel Alaska provides the gateway to fulfill visitors' dream of visiting Alaska as a once in a lifetime destination and turns perspective travelers into committed travelers.

- The VCVB and the businesses of Valdez takes those committed travelers in Alaska and markets the activities and attractions of Prince William Sound to ensure visitors include Valdez in their itinerary.

- Tourism operators and local businesses get reservations and bookings for food and fun from those travelers, providing jobs and activities for community members.

Without the VCVB ensuring that Valdez is included in a traveler's itinerary, the community could easily be overlooked and oversold by other destinations like Seward, Kenai, and Homer in Alaska. The VCVB adapted due to the COVID-19 global pandemic by axing travel and trade shows, which were all canceled, and added radio ads in Fairbanks a known marketing, as well as in Anchorage to try create a new travel market. With the closing of the Canadian border with the US, Alaska had less lower 48 and Canadian RV travelers this summer and has to operate differently to attract other Alaskans. The VCVB increased its online presence with Google ads, helping travelers during their Alaska trip planning find Valdez easier and faster. We also placed Facebook ads sharing the beauty of the drive to Valdez, the great fishing, and well as the great hiking and trails around the community. These were great ways to reach potential travelers without endanger us or them during this global pandemic. The VCVB worked closely with ATIA and other destination marketing organizations as we shared the changing landscape and activities in our communities during the pandemic. By changing strategies quickly the VCVB was able to use funds effectively to attract returning and new Alaskan visitors.

The 2021 destination marketing strategies being implemented by the Valdez Convention and Visitors Bureau can be found in the Scope of Services attached to this CSO application. With all the uncertainty still in the travel industry due to the COVID-19 pandemic, the VCVB will continue to partner with other CVBs, chambers, and ATIA to further our marketing dollars. Again, the VCVB will adapt its marketing programs as needed as the new year progresses. I don't think that we know yet what "normal" will look like in Valdez, destination marketing, or the tourism industry.

ORGANIZATION NAME: Valdez Convention & Visitors Bureau**OPERATING EXPENSES OF PROPOSED PROGRAM**

(Budget Form #1)

<u>Program Expenses:</u>	<u>Budget</u>	<u>Breakdown</u>
PERSONAL SERVICES:	\$ 220,775	
Salaries/wages		\$ 168,408
Employee benefits		\$ 33,000
Other: <u>Payroll Tax Expenses</u>		\$ 19,367
CONTRACTUAL SERVICES:	\$ 47,100	
Reproduction/copying		\$ 2,000
Equipment rental		\$ 2,500
Data processing		\$ 1,650
Dues/subscriptions		\$ 4,000
Contractual services		\$ 10,950
Professional fees & services		\$ 26,000
Other: _____		\$ 0
OTHER SERVICES:	\$ 186,875	
Volunteer services		\$ 0
Communications/postage		\$ 26,250
Printing		\$ 62,500
Advertising/promotion		\$ 75,730
Electricity		\$ 6,550
Heating		\$ 6,050
Travel/transportation		\$ 8,995
Other: <u>Waste, Water, Sewer</u>		\$ 800
COMMODITIES:	\$ 6,880	
Clothing		\$ 0
Office supplies		\$ 3,500
Building maintenance		\$ 0
Operating supplies		\$ 3,380
Parts & supplies - equipment		\$ 0
OTHER CHARGES/EXPENSES:	\$ 52,014	
Insurance		\$ 4,405
Contingencies		\$ 9,509
Training		\$ 2,100
Rent		\$ 36,000
Capital equipment		\$ 0
Office equipment		\$ 0
Other expenses: _____		\$ 0
TOTAL COST FOR OPERATION OF THIS PROGRAM:	\$ 513,644	

ORGANIZATION NAME: Valdez Convention & Visitors Bureau

FUNDING SOURCES FOR PROPOSED PROGRAM
(Budget Form #2)

This program budget covers the period of 01/01/2021 to 12/31/2021

<u>SOURCES OF PROGRAM FUNDING</u>	<u>GOAL AMOUNT</u>	<u>%</u>	<u>COMMITTED (Y/N)</u>
Parent Organization	\$ _____	_____	_____
Gifts and Contributions	\$ _____	_____	_____
Membership Dues	\$ <u>11,950</u>	<u>2.27</u>	<u>Y - 63%</u>
Fees & charges to participants	\$ <u>55,430</u>	<u>10.8</u>	<u>Y - 37%</u>
Private sector grants (specify source and date of award)			
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
Fundraisers (specify major fundraising events/programs)			
Retail Sales & Misc. Income	\$ <u>19</u>	<u>---</u>	<u>N</u>
_____	\$ _____	_____	_____
_____	\$ _____	_____	_____
Subtotal of Financial Support for this program:	\$ <u>67,399</u>	<u>13.12</u>	
Supplemental Funding Requested from City of Valdez:	\$ <u>446,245</u>	<u>86.88</u>	
<u>TOTAL FUNDING FOR OPERATION OF THIS PROGRAM:</u>	\$ <u>513,644</u>	100%	

NOTE: Projected program financial support should meet or exceed projected program expenditures. If not, you must provide an explanation. If the financial support is projected to exceed the expenditures by a substantial amount, please provide an explanation as to why grant funds are being requested for this program.

ORGANIZATION NAME: Valdez Convention & Visitors Bureau

SCOPE OF SERVICES

Timeline OUTCOMES for 2021 (What do you plan to accomplish in 2021 - be specific)

PLEASE REFER TO ATTACHED DOCUMENT.

Attach additional pages if necessary

Definition: Outcome - End product or result accomplished.

Valdez Convention & Visitors Bureau

SCOPE OF SERVICES – YEAR 2021

DESTINATION, MARKETING, ADVERTISING, & PROMOTION

SUMMARY

The Valdez Convention and Visitors Bureau (VCVB) is a destination marketing organization that collaborates with municipal, community and business organizations to promote Valdez, Alaska as a preferred year-round travel destination. The marketing of the city of Valdez is essential to maintaining and growing the tourism economy in the Prince William Sound and Copper River Delta regions. The marketing strategies in 2021 will continue the VCVB's previous successful efforts but will also add new marketing tools that will allow delivery to specific travel audiences. The VCVB efforts will put Valdez on the route of RV travelers, independent travelers, and families, and draw other visitors to the Prince William Sound region.

The VCVB went through a marketing transition because of the COVID-19 pandemic, and businesses had to adapt too, not just in the tourism industry, 2020 proves that destination marketing is necessary to Valdez. We kept up to date on the changing Alaska tourism industry operation, especially affecting Valdez. The VCVB was able to share through ValdezAlaska.org that Valdez businesses were open and safe.

A healthy tourism industry provides income, stability, and regular employment to community members, including trained boat and bus operators, and college and high school students from in and outside the community. The money spent by visitors increases revenue for local businesses and allows a variety of outdoor and recreational activities for residents to enjoy.

PURPOSE

The VCVB encourages and promotes tourism and tourist related activities, convention business, travel by the public to and through Valdez, and maintains a continuing interest in the wellbeing of visitors in the Valdez area.

OBJECTIVES

- Provide interesting and descriptive Valdez destination content to drive internet traffic ValdezAlaska.org for travel research and planning.
- Increase interest in Valdez as a beautiful, full service and activity filled travel destination and encourage a desire to visit.
- Let returning and potential visitors know that Valdez has adapted for COVID-19 and is open for business.
- Generate visitor marketing leads and requests for trip-planning information.
- Maintain the diverse mix of visitor types to Valdez by using multi-pronged advertising methods.
- Encourage residents, and their visiting friends and relatives to experience Valdez food and fun activities by providing travel-planning information.
- Increase "Adventure Corridor" marketing efforts by strengthen partnerships with communities and visitor information centers along the Richardson and Glenn highways.

COMMUNITY

The Valdez Convention and Visitor Bureau operates at its business office and Information Center at 309 Fairbanks Drive. It is an open space that provides brochures of member businesses, the vacation guide, city and trail maps as well as interesting animal, fish, and bird displays.

In the summer, the VCVB provides city, trail, business, and museum information at Kelsey Dock on behalf of the city during cruise ship arrivals.

Non-profit community partner events are promoted at the Information Center verbally by staff and on the events board next to the visitor service window. The year-round event schedule is available on ValdezAlaska.org and longstanding community events are listed in the vacation guide.

TARGET MARKET

The target population for Valdez destination marketing in the summer includes Alaska residents, independent visitors, cruise passengers, package tours, sport-fisherman, and other outdoor enthusiasts. The Valdez Convention and Visitors Bureau will focus its Alaska marketing efforts on the Adventure Corridor, the Richardson Highway, Fairbanks to Valdez and those people coming off the Alcan Highway, Glenn Highway from the Mat-Su region. The VCVB will also target military service members and their families along the Richardson Highway, Ft Wainwright, Eielson AFB, and Ft Greeley.

In the winter, the visitor market switches to skiers, snowboarders, heli-skiers, snowmachine riders, and other snow sport seekers; most of these travelers are men. To ensure Valdez is a top destination for winter sport enthusiasts, the VCVB will focus on in-state snow-machine riders and skiers from Anchorage, Girdwood and the Mat-Su areas. The out of state marketing will focus on skiers and snowboarder from Western US states looking for new slopes to conquer, as well as German speaking international travelers.

CUSTOMER SEGMENT ¹

Summer (annually)

- 86,500 visitors – 98% vaca/pleasure
- 69% from outside Alaska
 - 25% MW, 20% W, & 19% S
- 31% are Alaskan visitors
 - 40% Fbk, 24% Anc, 19% Pal/Was
- 29% are international visitors
 - 7% Switzerland & 6% Germany
- 52 is the avg age, 56 NR & 44 resident

Winter (annually)

- 7,500 visitors – 93% for vacation/pleasure
- 39% from outside Alaska
 - 49% W & 10% MW
- 61% are Alaskan visitors
 - 63% Anc/ER, 16% Fbk, 10% Girdwood
- 47% are international visitors
 - 7% Switzerland, 5% each Canada, Australia, & UK
- 35 is the avg age and 68% male

Visitor Activities

Camping (including RV camping) was the number one activity reported by Valdez visitors, followed by fishing, wildlife viewing, and hiking. Summer visitors from outside Alaska were more likely to participate in paid activities like wildlife viewing, day cruises, and sightseeing tours. Alaska residents were more likely to do free or low-cost activities such as camping, fishing, and biking. Winter visitors' top activities were skiing/snowboarding, snowmachining, visiting friends/relatives, hiking, and ice climbing.

¹ McDowell Group, Valdez visitor market profile, prepared for City of Valdez, 02/2017

Valdez Trip Planning²

Just over half of summer respondents, 52 percent, said they used the internet to plan or book their Valdez trip. Summer visitors also utilize a variety of travel planning resources such as; brochures (28%), the Milepost (26%) and other travel guides, advice from friends and family (25%), prior travel experience (28%), and travel articles and television shows.

Winter visitors were more likely to use the internet/apps to plan their trip, 70 percent, the most popular websites were Google, Facebook, and TripAdvisor.

Internet usage remained very high for travel planning, while use of printed marketing materials remained very low.

MARKETING AND ADVERTISING STRATEGIES

Tourism is an essential part of the Valdez economy and must can be maintained as part of our community's economic base. For Valdez businesses to stabilize after COVID-19 businesses must show that the community is active and competitive in the sports fishing, hiking and camping, skiing and snowboarding marketplaces as travelers look at and consider Valdez as a destination.

Valdez's location, picturesque setting, outstanding fishing, world class snow sports, spectacular glacier and flightseeing tours, assorted hotels and meeting spaced, cultural attractions and selection of retailing and restaurant experiences is competitive with other Alaskan destinations.

The Valdez Convention and Visitors Bureau's marketing strategies include: a colorful website with useful trip-planning information, distribution of the Valdez vacation guide along the Richardson and Glenn highways, guide and magazine ads, Google and internet ads, and targeted social media posts. The VCVB increased its online presence because of the pandemic with Google ads and Facebook posts and paid ads. Also, we added radio ads in Fairbanks and Anchorage to increase visitation by Alaskan travelers.

The VCVB is working to advertise to specific Valdez visitor segments in travel magazines and build relationships with travel media. The VCVB needs to build Valdez's destination visibility in international markets using the above listed marketing tools. The VCVB is working to leverage marketing efforts through becoming familiar with package tour operators, cruise lines organizations, and other destination partners to reach smaller, but important, visitor markets.

² Ibid

MARKETING & ADVERTISING

What	Visitor Segment	Outcome
Valdez Vacation Guide	RV & independent travelers	60,000 distributed
Magazines		
Fish Alaska magazine	Sports fisherman, Fishing Derby	Increase visibility
Alaska Business magazine		
Winter Fat Bike Festival	Fat bike enthusiasts (Feb)	Increase hotel occupancy
Spring Fly-In	Airplane owners (Mar)	Increase hotel occupancy
Summer Gold Rush Days	Families & independent travelers (Jun)	Increase visibility to visitors
Fairbanks News Miner (military edition)	Military service members & family	Increase visibility, visitors
Travel guides & maps	RV travelers, independent travelers	Increase # of visitors
Milepost, Vacation Country, Bearfoot Guide		
Travel Alaska	All visitors to Alaska	Increase visibility, visitors
Destination Marketing Orgs: Anchorage, Cordova, Denali Boro, Fairbanks, Girdwood, Haines, Homer, Juneau, Kenai, Ketchikan, Kodiak, Mat-Su, Seward, Skagway, Soldotna, Unalaska		
Website - ValdezAlaska.org	All prospective & actual AK visitors	Increase views & clicks
	VCVB members	Increase membership use
Social Media		
Members, digital	Festival & event visitors	
Google ads	All prospective & actual AK visitors	Travel planning
Instagram	Independent travelers & families	Increase pic posts
Hashtag #Valdez Alaska & #Discover Valdez		
Lead Programs		
Direct business lead generator from website (valdezalaska.org)		Increase # of visitors
Continue with the State Travel Planner (ATIA lead program)		Increase # of visitors
Alaska Consumer Shows		
Mat-Su Outdoorsman Show (Wasilla)	Mar 26 – 28	Increase visibility, visitors
Great Alaskan Sportsman Show (Anchorage)	Apr 9 – 11	Increase visibility, visitors
Outdoor Sportsman Show (Fairbanks)	Apr 23 – 25	Increase visibility, visitors
Guide Distribution		
Anchorage Dist. – Anchorage, AK West & South & consumer shows		Increase visibility, visitors
Gold City Dist. – Fairbanks, Interior and East.		Increase visibility, visitors
PR Distribution Services – (Guide) Yukon & Canada		Increase visibility, visitors
Valdez Visitor Information Center		Assist visitors
Distribute to consumers/buyers at consumer and trade shows		Increase visibility, visitors
Bellingham WA – (Guide) Distribution at Ferry Terminal		Increase visibility, visitors
Houston BC, CA – (Guide) Distribution at Chamber of Commerce		Increase visibility, visitors

PRODUCT DEVELOPMENT *(Vacation guide & web site)*

2021 Valdez Vacation Guide

- Increase the distribution of the digital visitor guide
- Increase the vacation guide distribution in Fairbanks

Valdez Trail Map

- Print 15,000 & distribute to local businesses

Photo Contest – Area sites

- Incentive for visitors to photograph and share quality photos

TRADE ASSOCIATIONS *(National, international Fam tours)*

Alaska: ATIA – Alaska Travel Industry Association Annual Conference

- Increase contacts and partnerships with other CVBs and tourism related businesses

National: Nation Travel Association Annual Conference

- Increase contact with national travel industry representatives
- Pacific - NW Sportsmen's Show, Colorado RV trade show, & Los Angeles Travel & Trade Show

CONCLUSION

The Valdez Convention and Visitors Bureau, like every other business and organization across Alaska and the United States, had a year filled with the unexpected. Due to the COVID-19 pandemic we had to pivot, innovate, and change business and marketing strategies as the months progressed. The VCVB added more radio and internet advertising of Valdez in 2020 to compensate for the loss of travel to trade shows and tourism industry introductions. The VCVB hopes that destination marketing for Valdez, Alaska, and the United States starts to normalize as 2020 draws to a close. We look forward to a fresh start in 2021, bringing new visitors to Valdez and Prince William Sound through our marketing and promotion efforts.



**BALANCE SHEET AS OF
JUNE 30, 2020
PAGE 12**

Valdez Convention & Visitors Bureau Inc.

Balance Sheet

As of June 30, 2020

Page 12.1

	Total
ASSETS	
Current Assets	
Checking/Savings	
11100 · FNBA Checking	179,441.37
11400 · Front Desk Cash Register	200.00
11600 · Square Account - Clearing	-723.70
Total Checking/Savings	178,917.67
Accounts Receivable	
11000 · Accounts Receivable	900.00
Total Accounts Receivable	900.00
Other Current Assets	
12000 · *Undeposited Funds	-700.00
Total Other Current Assets	-700.00
Total Current Assets	179,117.67
Fixed Assets	
14100 · Office Equipment Original Cost	14,116.00
14200 · Office Equipment Depreciation	-13,578.80
Total Fixed Assets	537.20
Other Assets	
14500 · Inventory Retail	11,373.05
14600 · Inventory Vacation Guides	62,806.25
19999 · Ask My Accountant	119.99
Total Other Assets	74,299.29
TOTAL ASSETS	253,954.16
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	6,195.70
Total Accounts Payable	6,195.70
Credit Cards	
21100 · Bank of America	1,440.14
Total Credit Cards	1,440.14
Other Current Liabilities	
23000 · Payroll Liabilities	-972.14
25000 · Deferred Revenue	48,078.75
Total Other Current Liabilities	47,106.61
Total Current Liabilities	54,742.45
Total Liabilities	54,742.45
Equity	

Valdez Convention & Visitors Bureau Inc.

Balance Sheet

12.2

As of June 30, 2020

Total

30000 · Opening Balance Equity	34,882.53
32000 · Unrestricted Net Assets	3,536.00
33000 · Retained Earnings	14,186.64
Net Income	146,606.54
Total Equity	199,211.71
TOTAL LIABILITIES & EQUITY	253,954.16

Valdez Convention & Visitors Bureau Inc.**Profit & Loss**

12.3

January through June 2020

	Total
Ordinary Income/Expense	
Income	
41100 · City of Valdez Grants	343,683.75
42000 · Membership Income	3,350.00
43000 · Cooperative Advertising	6,150.00
44000 · Retail Sales	123.20
46200 · Interest Income	20.45
Total Income	353,327.40
Gross Profit	353,327.40
Expense	
61000 · Payroll Expenses	84,148.69
62000 · Insurance	4,561.00
63000 · Operating Costs	95,075.23
64000 · Program Work	24,434.68
66000 · Special Events	251.26
Total Expense	208,470.86
Net Ordinary Income	144,856.54
Other Income/Expense	
Other Income	
84000 · COV Economic Stimulus	1,750.00
Total Other Income	1,750.00
Net Other Income	1,750.00
Net Income	146,606.54



LETTER OF TAX EXEMPT STATUS, 501(C)6
PROOF OF INSURANCE
PAGE 13

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

PAGE 13.1

Date: **MAR 07 2013**

VALDEZ CONVENTION AND VISITORS
BUREAU INC
PO BOX 1603
VALDEZ, AK 99686

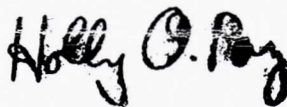
Employer Identification Number:
92-0090495
DLN:
17053102324012
Contact Person:
DIANE M ECKARD ID# 31394
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
December 31
Form 990 Required:
Yes
Effective Date of Exemption:
April 6, 2012
Contribution Deductibility:
No
Addendum Applies:
Yes

Dear Applicant:

We are pleased to inform you that upon review of your application for tax-exempt status we have determined that you are exempt from Federal income tax under section 501(c)(6) of the Internal Revenue Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Please see enclosed Publication 4221-NC, Compliance Guide for Tax-Exempt Organizations (Other than 501(c)(3) Public Charities and Private Foundations), for some helpful information about your responsibilities as an exempt organization.

Sincerely,



Holly O. Paz
Director, Exempt Organizations
Rulings and Agreements

Enclosure: Publication 4221-NC

ACORD™

CERTIFICATE OF LIABILITY INSURANCE

13.2

DATE (MM/DD/YYYY)
6/02/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER USI Insurance Services NW 3800 Centerpoint Dr., Suite 540 Anchorage, AK 99503 855 874-1300	CONTACT NAME: Tara Koloski, CIC, CISR PHONE (A/C, No, Ext): 855 874-1300 E-MAIL ADDRESS: tara.koloski@usi.com		FAX (A/C, No): 855 216-9730
	INSURER(S) AFFORDING COVERAGE INSURER A : Great American Assurance Company INSURER B : AmGUARD Insurance Co. INSURER C : INSURER D : INSURER E : INSURER F :		NAIC # 26344 42390
INSURED Valdez Convention & Visitors Bureau PO Box 1603 Valdez, AK 99686			

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:			MAC068474907	06/21/2020	06/21/2021	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS NON-OWNED AUTOS ONLY			MAC068474907	06/21/2020	06/21/2021	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB EXCESS LIAB DED RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	R2WC134968	06/21/2020	06/21/2021	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$100,000 E.L. DISEASE - EA EMPLOYEE \$100,000 E.L. DISEASE - POLICY LIMIT \$500,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)


** Workers Comp Information **

Proprietors/Partners/Executive Officers/Members Excluded:

Patricia Relay, President

CERTIFICATE HOLDER

CANCELLATION

City of Valdez 212 Chenega Street Valdez, AK 99686	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 
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**FINANCIAL STATEMENTS with
INDEPENDENT AUDITOR'S REPORT
DECEMBER 31, 2019 & 2018
PAGE 14**

**VALDEZ CONVENTION
& VISITORS BUREAU**
Valdez, Alaska

Financial Statements
with Independent Auditor's Report
Thereon

December 31, 2019 and 2018



NEWHOUSE & VOGLER
Certified Public Accountants

VALDEZ CONVENTION & VISITORS BUREAU
Valdez, Alaska

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1-2
 FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Statement of Functional Expenses	6
Year Ended December 31, 2019	6
Year Ended December 31, 2018	7
Notes to Financial Statements	8 - 12



Newhouse & Vogler

Certified Public Accountants

237 E. Fireweed Lane, Suite 200

Anchorage, Alaska 99503

(907) 258-7555

(907) 258-7582 Fax

Independent Auditor's Report

Board of Directors

Valdez Convention & Visitors Bureau

Valdez, Alaska

Report on the Financial Statements

We have audited the accompanying statements of Valdez Convention & Visitors Bureau, which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Valdez Convention & Visitors Bureau

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Valdez Visitor & Convention Bureau as of December 31, 2019 and 2018, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



Anchorage, AK
April 15, 2020

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

Statements of Financial Position

December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current assets:		
Cash and equivalents	\$ 32,609	303
Inventory	11,373	12,095
Accounts receivables	2,600	3,000
Prepaid expenses	<u>62,806</u>	<u>47,563</u>
<i>Total current assets</i>	109,388	62,961
 Property and equipment, net	 <u>537</u>	 <u>1,379</u>
 <i>Total assets</i>	 <u>\$ 109,925</u>	 <u>64,340</u>
 Liabilities and Net Assets		
Current liabilities:		
Overdrawn cash	\$ -	723
Accounts payable	2,675	19,629
Accrued payroll and related liabilities	6,566	9,456
Unearned revenue	<u>48,079</u>	<u>47,836</u>
<i>Total current liabilities</i>	<u>57,320</u>	<u>77,644</u>
 <i>Total liabilities</i>	 <u>57,320</u>	 <u>77,644</u>
 Net assets:		
Unrestricted – undesignated	<u>52,605</u>	<u>(13,304)</u>
	<u>\$ 109,925</u>	<u>64,340</u>

See accompanying notes to financial statements.

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

*Statements of Activities**Years ended December 31, 2019 and 2018*

	2019	2018
Revenues and gains:		
Retail sales	\$ 5,341	9,719
Less cost of goods sold	<u>4,052</u>	<u>6,602</u>
Gross profit	1,289	3,117
Members' dues	10,477	8,166
Local government contributions	446,245	446,245
Advertising revenue from members	53,385	44,199
Interest and dividend income	43	-
Miscellaneous	<u>3,329</u>	<u>6,466</u>
Total revenues	<u>514,768</u>	<u>508,193</u>
Expenses:		
Program services	346,458	401,750
Support services		
Management and general	101,835	103,428
Fundraising	<u>566</u>	<u>949</u>
Total support services	<u>102,401</u>	<u>104,377</u>
Total expenses	<u>448,859</u>	<u>506,127</u>
Change in unrestricted net assets	65,909	2,066
Net assets at beginning of year	<u>(13,304)</u>	<u>(15,370)</u>
Net assets at end of year	<u>\$ 52,605</u>	<u>(13,304)</u>

See accompanying notes to financial statements.

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

*Statements of Cash Flows**Years ended December 31, 2019 and 2018*

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 65,909	2,066
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	842	2,803
Bad debt	900	1,100
(Increase) decrease in assets:		
Accounts receivable	(500)	(59)
Prepaid expenses	(15,243)	(19,928)
Inventory	722	-
Increase (decrease) in liabilities:		
Bank overdraft	(723)	723
Accounts payable	(16,954)	12,382
Accrued payroll and related liabilities	(2,890)	(11,586)
Unearned revenue	243	12,096
<i>Net cash flows from operating activities</i>	<u>32,306</u>	<u>(403)</u>
<i>Net change in cash and cash equivalents</i>	32,306	(403)
Cash at beginning of year	<u>303</u>	<u>706</u>
Cash at end of year	<u>\$ 32,609</u>	<u>303</u>

See accompanying notes to financial statements

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

*Statement of Functional Expenses**Year Ended December 31, 2019*

Description	Program Services	Support Services			Totals
		Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 123,629	61,343	566	61,909	185,538
Advertising	58,215	-	-	-	58,215
Guide production	49,756	-	-	-	49,756
Rent	36,000	-	-	-	36,000
Professional services	21,904	13,850	-	13,850	35,754
Utilities	19,562	-	-	-	19,562
Penalties	-	16,029	-	16,029	16,029
Printing and production	9,760	391	-	391	10,151
Postage and freight	9,583	-	-	-	9,583
Trade shows and promotions	6,670	-	-	-	6,670
Licenses and permits	709	5,485	-	5,485	6,194
Travel and per diem	4,986	-	-	-	4,986
Insurance	3,200	-	-	-	3,200
Supplies	-	2,206	-	2,206	2,206
Equipment	1,454	-	-	-	1,454
Janitorial	1,030	-	-	-	1,030
Bad debt	-	900	-	900	900
Depreciation	-	842	-	842	842
Special events	-	789	-	789	789
Total expenses	\$ 346,458	101,835	566	102,401	448,859

See accompanying notes to financial statements.

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

*Statement of Functional Expenses**Year Ended December 31, 2018*

Description	Program Services	Support Services			Totals
		Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 139,980	69,456	642	70,098	210,078
Advertising	74,161	-	-	-	74,161
Guide production	41,072	-	-	-	41,072
Rent	36,000	-	-	-	36,000
Utilities	27,071	-	-	-	27,071
Professional services	15,923	10,068	-	10,068	25,991
Travel and per diem	25,226	-	-	-	25,226
Licenses and permits	14,350	4,804	-	4,804	19,154
Printing and production	12,824	1,399	-	1,399	14,223
Penalties	-	8,711	-	8,711	8,711
Postage and freight	8,006	-	-	-	8,006
Supplies	-	5,087	-	5,087	5,087
Insurance	3,202	-	-	-	3,202
Depreciation	-	2,803	-	2,803	2,803
Equipment	1,525	-	-	-	1,525
Trade shows and promotions	1,300	-	-	-	1,300
Janitorial	1,110	-	-	-	1,110
Bad debt	-	1,100	-	1,100	1,100
Special events	-	-	307	307	307
Total expenses	\$ 401,750	103,428	949	104,377	506,127

See accompanying notes to financial statements.

VALDEZ CONVENTION & VISITORS BUREAU
Valdez, Alaska

Notes to the Financial Statements

December 31, 2019 and 2018

NOTE 1 – NATUE OF THE ENTITY

Valdez Convention and Visitors Bureau (Organization) is a nonprofit corporation incorporated in the State of Alaska for the purpose of promoting business and tourism in the City of Valdez. The major sources of revenues and support are contributions from the City of Valdez and membership dues.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets represent assets of the organization, which are neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets represent assets of the organization whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the organization. When the stipulated time restriction ends or action is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as assets released from restrictions. There were no temporality restricted net assets at December 31, 2019 and 2018.

Permanently restricted net assets represent assets, which have been restricted by donors to be maintained by the organization in perpetuity. There were no permanently restricted net assets at December 31, 2019 and 2018.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant accruals.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

Cash and Cash Equivalents

The organization considers cash on deposit, cash on hand, money market funds, sweep accounts and short-term investments with original maturities of three months or less to be cash and cash equivalents.

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances and are collectable at year end.

Property and Equipment

Property and equipment is stated at cost. Expenditures for equipment and major additions and improvements with a cost of \$500 or more are capitalized and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment is retired, or otherwise disposed of, the cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is included in the results of operations for the respective period. Depreciation and amortization of property and equipment is computed using the straight-line method over the estimated useful lives of the assets of three to five years.

Deferred Revenue

Deferred revenue consists of advertising sales for the subsequent year's visitor's guide.

Support and Revenue

Contributions

Unconditional promises to give cash and other assets to the organization are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at the fair value at the date the gift is received. The promises to give are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statement of Activities as net assets released from program restrictions. Donor-restricted contributions whose restriction are met within the same year as received are reported as unrestricted contributions in the accompanying financial statements.

Membership Dues

Membership dues are billed to members for membership periods of one year and are recorded on the accrual basis.

Advertising

Sales of advertising for the visitors guide are deferred until the year for which the ad revenue relates.

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

Notes to the Financial Statements, continued

Income Taxes

Valdez Convention and Visitors Bureau is a nonprofit organization exempt from federal income taxes under the provisions of the Internal Revenue Service Code section 501(c)(6). Income derived from unrelated business activities is subject to the requirements of filing Federal Income Tax Form 990-T and a tax liability may be determined on these activities.

According to the provisions of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 740, Income Taxes, tax provisions initially need to be recognized in the financial statements when it is more likely than not that the positions will be sustained upon examination by the tax authorities. It also provides guidance for derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition.

As of December 31, 2019 and 2018, the organization had no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. It is policy of the organization to report interest and penalties associated with uncertain tax positions as other expense.

Reclassifications

Certain reclassifications have been made to the prior year financial statement presentation to correspond to the current year's format. Total equity and earnings are unchanged due to these reclassifications.

NOTE 3 - CASH

Cash consist of bank accounts and petty cash. Details of the carrying and bank balances at December 31, 2019 and 2018 are as follows:

	Carrying Balance	Bank Balance
December 31, 2019		
Cash	\$ 32,305	36,431
Petty Cash	304	-
Total	<u>\$ 32,609</u>	<u>36,431</u>
December 31, 2018		
Petty Cash	<u>\$ 303</u>	<u>-</u>
Overdrawn Cash	<u>\$ (723)</u>	<u>2,277</u>

Custodial Risk

All of the bank balance was covered under Federal Deposit Insurance Corporation insurance.

VALDEZ CONVENTION & VISITORS BUREAU
Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Computers and other equipment	\$ 14,116	14,116
Less accumulated depreciation	<u>(13,579)</u>	<u>(12,737)</u>
<i>Total net assets</i>	<u>\$ 537</u>	<u>1,379</u>

NOTE 5 – OPERATING LEASES

The organization leases property under a month to month operating lease for building space. Total costs for the lease was \$36,000 and \$36,000, for the years ended December 31, 2019 and 2018 respectively. The lease requires monthly payments of \$3,000

NOTE 6 – CONCENTRATIONS

For the years ended December 31, 2019 and 2018, the organization received approximately 87% and 88% of their support and revenue respectively from the City of Valdez. A reduction in this funding could have a significant negative impact on the operations of the organization. In addition, the organization operates in a relatively remote area in Alaska and operations are concentrated in the general vicinity of the City of Valdez. A significant downturn in the local economy could have a significant impact on the operations of the organization.

NOTE 7 – RELATED PARTY TRANSACTION

The organization had transactions with several of the board of directors' businesses. Both parties acted as the customer and vendor. These transactions include membership, advertising, familiarization trips and catering reimbursements.

NOTE 8 – RISK MANAGEMENT

The organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

VALDEZ CONVENTION & VISITORS BUREAU

Valdez, Alaska

Notes to the Financial Statements, continued

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

During year ended December 31, 2019, the organization recorded a prior period adjustment which lead to an overall increase in net position. Adjusting entries were posted to correctly state Prepaid expenses and Guide production expense in order for reporting to be in conformance with accounting principles generally accepted in the United States of America.

Adjustments to 2018 were as follows:

2018 Prepaid expense, previously stated	\$ 17,813
Prior period adjustment	<u>29,750</u>
2018 Prepaid expense, restated	<u>\$ 47,563</u>
2018 Guide production, previously stated	\$ 70,822
Prior period adjustment	<u>(29,750)</u>
2018 Guide production, restated	<u>\$ 41,072</u>

NOTE 10 – NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board has passed accounting standards updates with upcoming implementation dates. Management has not fully evaluated the potential effects of these updates but believes none of the new accounting pronouncements will have a material impact on the financial statements.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 15, 2020 the date on which the financial statements were available to be issued.