

**GAINESVILLE SPORTS ORGANIZING
COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

DECEMBER 31, 2020 AND 2019

**GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
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DECEMBER 31, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees,
Gainesville Sports Organizing Committee, Inc.
d/b/a Gainesville Sports Commission:

Report on the Financial Statements

We have audited the accompanying financial statements of Gainesville Sports Organizing Committee, Inc. d/b/a Gainesville Sports Commission, which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows 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; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

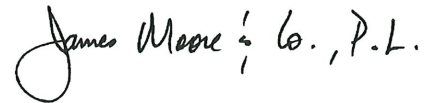
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gainesville Sports Organizing Committee, Inc. d/b/a Gainesville Sports Commission as of December 31, 2020 and 2019, 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.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of event revenues and expenses (Exhibit I) are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

James Moore & Co., P.L.

Gainesville, Florida
May 11, 2021

**GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents, undesignated	\$ 183,188	\$ 87,280
Cash and cash equivalents, board designated	253,192	323,150
Certificate of deposit, board designated	107,506	-
Accounts receivable, Alachua County Commission	55,785	61,160
Prepaid expenses and other assets	87,702	6,981
Total current assets	<u>687,373</u>	<u>478,571</u>
Property and equipment		
Furniture and equipment	66,651	66,651
Accumulated depreciation	(54,190)	(48,809)
Total property and equipment	<u>12,461</u>	<u>17,842</u>
Certificates of deposit, board designated	70,322	104,575
Total Assets	<u><u>\$ 770,156</u></u>	<u><u>\$ 600,988</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 37,367	\$ 17,588
Deferred revenue	28,608	9,417
Total current liabilities	<u>65,975</u>	<u>27,005</u>
Net assets		
Without donor restrictions, undesignated	260,700	128,416
Without donor restrictions, invested in property and equipment	12,461	17,842
Without donor restrictions, board designated	431,020	427,725
Total net assets	<u>704,181</u>	<u>573,983</u>
Total Liabilities and Net Assets	<u><u>\$ 770,156</u></u>	<u><u>\$ 600,988</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Revenues and support		
Event revenues (Exhibit I)	\$ 179,197	\$ 282,009
Alachua County Commission support	470,418	366,453
Membership dues and sponsorships	32,933	51,960
Other income	3,470	6,959
Total revenues and support	<u>686,018</u>	<u>707,381</u>
Expenses		
Event expenses (Exhibit I)	170,545	225,957
Other operating expenses	385,275	395,723
Total expenses	<u>555,820</u>	<u>621,680</u>
Change in net assets without donor restrictions	<u>130,198</u>	<u>85,701</u>
Net assets without donor restrictions, beginning of year	573,983	488,282
Net assets without donor restrictions, end of year	<u><u>\$ 704,181</u></u>	<u><u>\$ 573,983</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

**GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services	Management and General	Partner Development	Total
Expenses				
Professional services	\$ 15,514	\$ 36,534	\$ -	\$ 52,048
Advertising and promotion	51,833	-	13,844	65,677
Depreciation	-	5,381	-	5,381
Dues and subscriptions	5,331	84	908	6,323
Insurance	15,895	5,697	36	21,628
Other	5,530	160	-	5,690
Office expense	8,910	5,071	886	14,867
Postage	129	43	-	172
Rent	167,094	5,240	3,115	175,449
Salaries	112,129	21,771	42,185	176,085
Taxes and licenses	9,290	2,372	3,048	14,710
Telephone	5,410	361	1,443	7,214
Travel	1,540	215	321	2,076
Contract labor	4,024	-	-	4,024
Officials and staff	1,946	-	-	1,946
Rights and fees	2,530	-	-	2,530
 Total expenses by function	 <u>\$ 407,105</u>	 <u>\$ 82,929</u>	 <u>\$ 65,786</u>	 <u>\$ 555,820</u>

The accompanying notes to financial statements
are an integral part of these statements.

GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Program Services	Management and General	Partner Development	Total
Expenses				
Professional services	\$ 17,897	\$ 36,155	\$ -	\$ 54,052
Advertising and promotion	29,327	-	21,232	50,559
Depreciation	-	5,381	-	5,381
Dues and subscriptions	2,795	45	1,772	4,612
Insurance	13,267	7,173	-	20,440
Other	5,949	60	-	6,009
Office expense	6,929	10,759	-	17,688
Postage	409	207	-	616
Rent	190,683	8,534	-	199,217
Salaries	136,089	13,959	41,982	192,030
Taxes and licenses	11,048	914	3,329	15,291
Telephone	5,283	352	1,409	7,044
Travel	10,518	3,020	3,729	17,267
Awards and scholarships	17,045	-	-	17,045
Contract labor	4,322	-	-	4,322
Officials and staff	9,130	-	-	9,130
Rights and fees	977	-	-	977
 Total expenses by function	 <u>\$ 461,668</u>	 <u>\$ 86,559</u>	 <u>\$ 73,453</u>	 <u>\$ 621,680</u>

The accompanying notes to financial statements
are an integral part of these statements.

**GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Program revenues	\$ 179,197	\$ 282,009
Alachua County Commission support	475,793	365,086
Membership dues and sponsorships	32,933	51,960
Other income	3,470	6,959
Cash paid to employees and suppliers	<u>(592,190)</u>	<u>(602,582)</u>
Net cash provided by operating activities	<u>99,203</u>	<u>103,432</u>
Cash flows from investing activities		
Purchase of certificate of deposit	<u>(73,253)</u>	<u>(104,575)</u>
Net cash used in investing activities	<u>(73,253)</u>	<u>(104,575)</u>
Net change in cash and cash equivalents	<u>25,950</u>	<u>(1,143)</u>
Cash and cash equivalents, beginning of year	410,430	411,573
Cash and cash equivalents, end of year		
(Including \$253,192 and \$323,150 reported in designated accounts at December 31, 2020 and 2019, respectively)	<u><u>\$ 436,380</u></u>	<u><u>\$ 410,430</u></u>

The accompanying notes to financial statements
are an integral part of these statements.

GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

(j) **Income taxes**—The Organization is exempt from income taxes under Section 501(c)(4) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. The Organization's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Organization has reviewed and evaluated the relevant technical merits of each of its tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements of the Organization.

(k) **Use of estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

(l) **Advertising**—The Organization expenses advertising costs as incurred. Advertising expense was \$65,677 and \$50,559 for the years ended December 31, 2020 and 2019, respectively.

(m) **Functional allocation of expenses**—The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services by personnel.

(n) **Subsequent events**—The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 11, 2021 the date the financial statements were available to be issued. No subsequent events have been recognized or disclosed. See Note 9 for uncertainties surrounding the COVID-19 pandemic during and after the fiscal year.

(o) **Recently issued accounting pronouncements**—The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance during the year ended December 31, 2020 and earlier years. The Organization has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the consolidated financial statements below, does not believe that any other new or modified principles will have a material impact on the Organization's reported financial position or operations in the near term.

In February 2016, the FASB issued Accounting Standards Update 2016-02: *Leases (Topic 842)*, to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021 and may be adopted early. The Organization is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) **Summary of Significant Accounting Policies:** (Continued)

In September 2020, the FASB issued ASU 2020-07: "Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets", to increase the transparency of contributed nonfinancial assets through enhancements to presentation and disclosure. The ASU should be applied on a retrospective basis and is effective for the year ending December 31, 2022. Early adoption is permitted.

(2) **Funding from Alachua County Commission:**

The Alachua County Board of County Commissioners (the County) approved the allocation of the Tourist Development Tax to the Organization to be used to strengthen and develop sporting programs that will increase the tax. Effective October 1, 2017, the Organization has an agreement with the County whereby the County will compensate the Organization an amount not to exceed 22% of 99% of the first two cents of the Tourist Development Tax received in the previous fiscal year. This agreement expires September 30, 2023, with an option to renew annually through an amendment approved by both parties. Prior to October 1, 2017, the County compensated the Organization an amount not to exceed 16% of 99% of the first two cents of the Tourist Development Tax received in the previous fiscal year. Under this agreement, the Organization will receive funding in 12 installments. Approximately 69% and 52% of the Organization's revenues and support were derived from this agreement during the years ended December 31, 2020 and 2019, respectively. These amounts are included in Alachua County Commission support in the statements of activities.

The Organization also has a bid pool agreement with the County. The Organization is reimbursed by the County for certain funds used in the bid process and event expenses for sporting events to be held in Alachua County. Effective October 1, 2017, the agreement, as amended, provides funding of up to \$210,000 per fiscal year through September 30, 2023. This agreement expires September 30, 2023, with an option to renew annually through an amendment approved by both parties. Prior to October 1, 2017, the agreement provided funding of up to \$110,000 per fiscal year. Approximately 23% and 29% of the Organization's revenue and support was derived from this agreement during the years ended December 31, 2020 and 2019, respectively. These amounts are included in event revenues in the statements of activities.

The Organization was due \$55,785 and \$61,160 under agreements from the County for the years ended December 31, 2020 and 2019, respectively.

(3) **Concentrations of Credit Risk:**

Information related to significant concentrations of credit risk for financial instruments owned by the Organization are as follows:

(a) **Cash and cash equivalents**—The Organization has demand deposits held at a national bank. All deposits with banks are federally insured under FDIC protection. Bank balances for deposits totaled \$444,854 and \$444,222 at December 31, 2020 and 2019, respectively.

(b) **Accounts receivable**—Accounts receivable from the County are for reimbursement of costs according to agreements between the Organization and the County. The Organization has no policy requiring collateral or other security to support its receivables.

SUPPLEMENTARY INFORMATION

**GAINESVILLE SPORTS ORGANIZING COMMITTEE, INC.
D/B/A GAINESVILLE SPORTS COMMISSION
SCHEDULES OF EVENT REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

EXHIBIT I

	<u>Revenues</u>	<u>Expenses</u>
<u>2020</u>		
Cheerleading	\$ 52,736	\$ 42,174
East Coast Cheer	4,250	2,935
Sunshine State Games	2,935	4,328
5 Points Life Marathon	3,000	3,048
Karate Challenge	6,320	6,338
Gatoride	7,000	8,736
Senior Games	-	30
Other hosted Sports Tourism Events	97,795	97,795
Grants from Florida Sports Foundation	5,161	5,161
	<u>\$ 179,197</u>	<u>\$ 170,545</u>
<u>2019</u>		
Cheerleading	\$ 54,928	\$ 44,135
Pickleball Tournament	6,250	4,950
Sunshine State Games	29,274	15,679
5 Points Life Marathon	3,500	3,629
Karate Challenge	6,683	6,711
Gatoride	8,874	9,542
Senior Games	29,266	12,338
GSC Golf Classic	11,111	1,920
USAG Region 8	16,517	11,447
Other hosted Sports Tourism Events	115,606	115,606
	<u>\$ 282,009</u>	<u>\$ 225,957</u>

See accompanying notes to financial statements.