

**SONOMA COUNTY**  
• CALIFORNIA •  
**LIFE OPENS UP**

***Sonoma County Tourism Bureau, Inc.***

***For the Years ended June 30, 2021 and 2020***

***Financial Statements with Supplementary Information  
and  
Independent Auditor's Report***



**PISENTI & BRINKER** LLP  
Certified Public Accountants & Advisors

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## **Independent Auditor's Report**

Board of Directors  
Sonoma County Tourism Bureau, Inc.  
Santa Rosa, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Sonoma County Tourism Bureau, Inc. (the "Organization"), a nonprofit organization, which comprise the statements of financial position as of June 30, 2021 and 2020, 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 responsibility 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 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 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.

## **Independent Auditor's Report** (continued)

### **Auditor's Responsibility** (continued)

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.

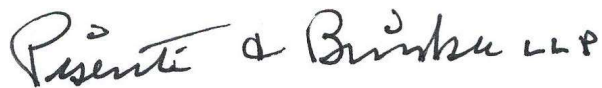
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Sonoma County Tourism Bureau, Inc. as of June 30, 2021 and 2020, 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 Matters**

Our audit was conducted for the purpose of forming an opinion on the financial statements as of and for the years ended June 30, 2021 and 2020, as a whole. The accompanying supplementary information for the years ended June 30, 2021 and 2020 is presented for purposes of additional analysis and is 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 for the years ended June 30, 2021 and 2020 has been subjected to the auditing procedures applied in the audit 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 for the years ended June 30, 2021 and 2020 is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads "Piserenti & Brink LLP". The signature is written in a cursive, flowing style.

Santa Rosa, California

March 23, 2022

**Sonoma County Tourism Bureau, Inc.**  
**Statements of Financial Position**

<b>June 30,</b>	<b>2021</b>	<b>2020</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,665,636	\$ 3,527,845
Accounts receivable	1,982,105	1,195,094
Inventory	14,468	57,157
Prepaid expenses and other assets	327,591	333,311
<b>Total current assets</b>	<b>6,989,800</b>	<b>5,113,407</b>
<b>Noncurrent assets</b>		
Property, equipment and improvements, net	64,792	55,596
Deposits	26,122	26,122
<b>Total non-current assets</b>	<b>90,914</b>	<b>81,718</b>
<b>Total assets</b>	<b>\$ 7,080,714</b>	<b>\$ 5,195,125</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 465,906	\$ 108,500
Accrued expenses	188,450	150,800
<b>Total current liabilities</b>	<b>654,356</b>	<b>259,300</b>
<b>Noncurrent liabilities</b>		
<b>Paycheck Protection Program loan</b>	<b>446,459</b>	<b>-</b>
<b>Total liabilities</b>	<b>1,100,815</b>	<b>259,300</b>
<b>Net assets without donor restrictions</b>	<b>5,979,899</b>	<b>4,935,825</b>
<b>Total liabilities and net assets</b>	<b>\$ 7,080,714</b>	<b>\$ 5,195,125</b>

See accompanying Notes to Financial Statements

**Sonoma County Tourism Bureau, Inc.**  
**Statement of Activities**

**For the Year Ended June 30, 2021**

	Net assets without donor restrictions	Net assets with donor restrictions	Total
<b>Support and other revenue</b>			
Contract revenue			
BIA contract	\$ 3,643,836	\$ -	\$ 3,643,836
TOT contract	2,263,883	-	2,263,883
Rental income and reimbursements	105,803	-	105,803
Cooperative income	16,000	-	16,000
CTA fees	6,153	-	6,153
Investment income	2,397	-	2,397
<b>Total support and other revenue</b>	<b>6,038,072</b>	<b>-</b>	<b>6,038,072</b>
<b>Expenses</b>			
Program services	3,822,695	-	3,822,695
Management and general	1,171,303	-	1,171,303
<b>Total expenses</b>	<b>4,993,998</b>	<b>-</b>	<b>4,993,998</b>
<b>Change in net assets</b>	<b>1,044,074</b>	<b>-</b>	<b>1,044,074</b>
<b>Net assets at beginning of year</b>	<b>4,935,825</b>	<b>-</b>	<b>4,935,825</b>
<b>Net assets at end of year</b>	<b>\$ 5,979,899</b>	<b>\$ -</b>	<b>\$ 5,979,899</b>

See accompanying Notes to Financial Statements

**Sonoma County Tourism Bureau, Inc.**  
**Statement of Activities**

**For the Year Ended June 30, 2020**

	Net assets without donor restrictions	Net assets with donor restrictions	Total
<b>Support and other revenue</b>			
Contract revenue			
BIA contract	\$ 4,207,935	\$ -	\$ 4,207,935
TOT contract	1,677,202	-	1,677,202
Rental income and reimbursements	226,559	-	226,559
Investment income	31,354	-	31,354
CTA fees	19,713	-	19,713
<b>Total support and other revenue</b>	<b>6,162,763</b>	<b>-</b>	<b>6,162,763</b>
<b>Expenses</b>			
Program services	4,654,093	-	4,654,093
Management and general	1,490,158	-	1,490,158
<b>Total expenses</b>	<b>6,144,251</b>	<b>-</b>	<b>6,144,251</b>
<b>Change in net assets</b>	<b>18,512</b>	<b>-</b>	<b>18,512</b>
<b>Net assets at beginning of year</b>	<b>4,917,313</b>	<b>-</b>	<b>4,917,313</b>
<b>Net assets at end of year</b>	<b>\$ 4,935,825</b>	<b>\$ -</b>	<b>\$ 4,935,825</b>

See accompanying Notes to Financial Statements

**Sonoma County Tourism Bureau, Inc.**  
**Statement of Functional Expenses**

**For the Year Ended June 30, 2021**

	Program Services	Management and General	Total
<b>Personnel</b>			
Salaries and wages	\$ 1,212,254	\$ 427,045	\$ 1,639,299
Employee benefits	124,454	41,502	165,956
Payroll taxes	89,989	27,133	117,122
Recruiting	-	6,836	6,836
<b>Personnel subtotal</b>	<b>1,426,697</b>	<b>502,516</b>	<b>1,929,213</b>
<b>Operating</b>			
Advertising	1,285,291	-	1,285,291
Digital engagement	435,910	2,099	438,009
Facilities expense	-	253,784	253,784
Research and development	139,060	7,000	146,060
Technology	-	134,901	134,901
Contract services	98,262	25,541	123,803
Fees and licenses	-	117,391	117,391
Destination programming	113,764	-	113,764
Office supplies and equipment	90,550	14,047	104,597
Organization tools	64,178	30,000	94,178
Client events and entertainment	89,458	1,195	90,653
Memberships	14,916	34,387	49,303
Travel and tradeshow	41,066	-	41,066
Depreciation	-	30,159	30,159
Professional development and training	6,786	18,283	25,069
Event and organization sponsorship	16,757	-	16,757
<b>Operating subtotal</b>	<b>2,395,998</b>	<b>668,787</b>	<b>3,064,785</b>
<b>Total expenses</b>	<b>\$ 3,822,695</b>	<b>\$ 1,171,303</b>	<b>\$ 4,993,998</b>

See accompanying Notes to Financial Statements



**Sonoma County Tourism Bureau, Inc.**  
**Statement of Functional Expenses**

**For the Year Ended June 30, 2020**

	Program Services	Management and General	Total
<b>Personnel</b>			
Salaries and wages	\$ 1,485,331	\$ 518,030	\$ 2,003,361
Employee benefits	182,782	56,538	239,320
Payroll taxes	112,863	29,765	142,628
Recruiting	-	9,918	9,918
<b>Personnel subtotal</b>	<b>1,780,976</b>	<b>614,251</b>	<b>2,395,227</b>
<b>Operating</b>			
Advertising	763,051	-	763,051
Contract services	578,728	24,310	603,038
Facilities	-	379,260	379,260
Digital engagement	339,383	612	339,995
Research and development	211,847	-	211,847
Client events and entertainment	186,107	1,342	187,449
Fees and licenses	-	178,234	178,234
Event and organization sponsorship	175,200	-	175,200
Travel and tradeshow	155,335	-	155,335
Other expense	154,116	-	154,116
Technology	19,012	113,176	132,188
Professional development and training	57,398	59,128	116,526
Destination programming	105,670	-	105,670
Office supplies and equipment	77,374	17,411	94,785
Organization tools	36,037	42,331	78,368
Depreciation	-	46,226	46,226
Memberships	13,859	13,877	27,736
<b>Operating subtotal</b>	<b>2,873,117</b>	<b>875,907</b>	<b>3,749,024</b>
<b>Total expenses</b>	<b>\$ 4,654,093</b>	<b>\$ 1,490,158</b>	<b>\$ 6,144,251</b>

See accompanying Notes to Financial Statements

**Sonoma County Tourism Bureau, Inc.**  
**Statements of Cash Flows**

<b>Year Ended June 30,</b>	<b>2021</b>	<b>2020</b>
	<b>Increase (decrease) in cash and cash equivalents</b>	
<b>Cash flows from operating activities</b>		
Changes in net assets	\$ 1,044,074	\$ 18,512
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	30,159	46,226
(Increase) decrease in operating assets:		
Accounts receivable	(787,011)	864,363
Inventory	42,689	(4,277)
Prepaid expenses and other assets	5,720	(263,005)
Increase (decrease) in operating liabilities:		
Accounts payable	357,406	(313,968)
Due to other organizations	-	(6,000)
Accrued expenses	37,650	(499,750)
Net cash provided by (used in) operating activities	730,687	(157,899)
<b>Cash flows from investing activities</b>		
Maturity of investments	-	1,899,909
Purchase of property, equipment and improvements	(39,355)	-
Net cash (used in) provided by investing activities	(39,355)	1,899,909
<b>Cash flows from financing activities</b>		
Proceeds from Paycheck Protection Program loan	446,459	-
<b>Net increase in cash and cash equivalents</b>	<b>1,137,791</b>	<b>1,742,010</b>
Cash and cash equivalents at beginning of year	3,527,845	1,785,835
Cash and cash equivalents at end of year	\$ 4,665,636	\$ 3,527,845

See accompanying Notes to Financial Statements

**Note A. Nature of the Organization**

The Sonoma County Tourism Bureau, Inc. (the “Organization”) was formed in 2005. The Organization is a California not-for-profit mutual benefit corporation established to promote and encourage tourism within Sonoma County.

The Organization has contracts with the County and receives funding from the Sonoma County Tourism Business Improvement Area (“BIA”) and the County of Sonoma Transient Occupancy Tax (“TOT”). The Organization facilitates the services, activities, and programs funded by BIA revenue, which covers all unincorporated areas of Sonoma County, as well as the cities of Cloverdale, Cotati, Petaluma, Rohnert Park, Santa Rosa, Sebastopol, and Windsor. The Organization’s revenue received from TOT must be spent to promote tourism throughout Sonoma County.

**Note B. Summary of Significant Accounting Policies**

*Basis of Presentation*

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 (“GAAP”). Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

*Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor restrictions. The only limits on net assets without donor restrictions are those resulting from the nature of the Organization and its purposes.

*With Donor Restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, when the donor stipulates that resources be maintained in perpetuity.

*Net Assets Released from Restriction* – Net assets with donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resourced was restricted has been fulfilled, or both.

*Cash and Cash Equivalents*

The Organization considers highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, except when a restriction is imposed which limits the investment’s use to long-term.

**Note B. Summary of Significant Accounting Policies (continued)**

*Accounts Receivable*

Receivables are monies due from various sources for services performed prior to the end of the reporting period. Management periodically evaluates the need for an allowance for doubtful accounts. At June 30, 2021 and 2020, management determined that no allowance was necessary.

*Property, Equipment, and Improvements*

Property, equipment, and improvements are stated at cost or estimated fair market value at date of donation. Depreciation is calculated using the straight-line method over the useful life of the asset, usually ranging from three to ten years. It is the Organization's policy to capitalize property, equipment, and improvements over \$1,000.

*Asset Impairment*

The Organization routinely evaluates the carrying value of its long-lived assets for impairment. The evaluations address the estimated recoverability of the assets' carrying values, which is principally determined based on projected undiscounted net cash flows generated by the underlying tangible assets. When the carrying value of an asset exceeds estimated recoverability, an asset impairment loss is recognized. No asset impairment charges were recorded during the years ended June 30, 2021 and 2020.

*Support and Other Revenue*

Contract revenue represents funds received from the County of Sonoma to support the Organization's program. Revenues are recorded when earned based on the terms of the contracts.

Rental income and reimbursements represent monies received from sub-lease rental agreements. Rental income is recorded as it is earned, and reimbursements are recorded when utilities and common area maintenance expenses have been incurred.

*Advertising Costs*

Advertising costs are expensed when incurred. Advertising expenses amounted to \$1,285,291 and \$763,051 for the years ended June 30, 2021 and 2020, respectively.

*Income Taxes*

The Organization is a not-for-profit organization and is exempt from federal and state income taxes under Section 501(c)(6) and California Franchise Tax Board Code Section 23701(d). However, the Organization is subject to income taxes on any net income that is derived from a trade or business, regularly carried on, and not in furtherance of the purposes for which it was granted exemption, commonly referred to as unrelated business income. The Organization may be subject to taxes on this unrelated business income.

**Note B. Summary of Significant Accounting Policies (continued)**

*Income Taxes (continued)*

The Organization determines whether its tax positions are "more-likely-than-not" to be sustained upon examination by the applicable taxing authority based on the technical merits of the positions. As of June 30, 2021, the Organization has reviewed its tax positions and has concluded no reserve for uncertain tax positions is required. The Organization's exempt organization information returns are subject to review through three years after the date of filing for federal and four years after the date of filing for state.

*Functional Expense Allocation*

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services. The expenses that are allocated include payroll and payroll related expenses, employee benefits, contract services, technology, professional development and training, and others. These expenses are allocated on the basis of estimates of time and effort.

*Recently Adopted Accounting Pronouncements*

In June 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contribution Received and Contributions Made*, which distinguishes the difference between contributions and exchange transactions. Under the new ASU, an entity will need to evaluate whether the transaction should be accounted for as a contribution (nonreciprocal transaction) which occurs when the resource provider is not itself receiving commensurate value for the resources provided or as an exchange (reciprocal) transaction which occurs when the resource provider is receiving commensurate value in return for the resources transferred. A determination will also need to be made on whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. This ASU is effective for fiscal years beginning after December 15, 2019, with early application permitted. This ASU should not be applied on a retrospective basis. The Organization adopted the provisions of ASU 2018-08 as of July 1, 2020, for the presentation of these financial statements.

*Future Accounting Pronouncements*

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842). This standard requires entities that lease assets to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases. For nonpublic companies the new guidance will be required for annual reporting periods beginning after December 15, 2021, and interim and annual reporting periods after those reporting periods. Nonpublic companies and organizations may elect early application, but no earlier than the effective date for public entities. The Organization is evaluating the impact of this standard on the financial statements.

**Note B. Summary of Significant Accounting Policies (continued)**

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions based on management's knowledge and experience. Those estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue, support, and expenses. The use of management's estimates primarily relates to the collectability of accounts receivable, and depreciable lives of property, equipment, and improvements, and indirect functional expense allocations. Actual results could differ from those estimates.

**Note C. Property, Equipment, and Improvements**

Property, equipment, and improvements consist of the following as of June 30:

	2021	2020
IT hardware	\$ 187,988	\$ 178,013
Furniture and fixtures	114,038	163,450
Office equipment	58,311	58,311
Leasehold improvements	45,387	45,387
Software	17,216	17,216
	422,940	462,377
Accumulated depreciation	(358,148)	(406,781)
	\$ 64,792	\$ 55,596

Depreciation expense for the years ended June 30, 2021 and 2020 amounted to \$30,159 and \$46,226, respectively.

**Note D. Accumulated Vacation**

Accumulated unpaid employee vacation benefits are recognized as liabilities of the Organization. The carrying value of accumulated vacation at June 30, 2021 and 2020 was \$89,870 and \$68,176, respectively, and is reported within accrued expenses on the statements of financial position.

**Note E. Paycheck Protection Program Loan**

In February 2021, the Organization obtained a loan through the U.S. Small Business Association's Paycheck Protection Program ("PPP") totaling \$446,459. The loan bears interest at 1.0% per annum and will mature in February 2026. Under the stipulations of the PPP, the loan may be forgiven if the funds are used for certain qualifying expenses.

**Note F. Net Asset Classification**

*Net Assets Without Donor Restrictions*

All general operating revenues and expenses related to the program activities of the Organization are included in the change in net assets without donor restrictions. From time-to-time net assets donations are designated by the Organization's board of directors as board designated net assets. The board designated funds consist of funds with no legal restrictions, but through board resolutions have been set aside for specific purposes. A vote of the board is required to make use of the board designated net assets.

Board designated net assets consisted of the following as of June 30:

	2021	2020
Strategic	\$ 2,189,823	\$ 2,189,823
Catastrophic	1,729,124	1,728,965
IT, furniture and equipment	108,646	108,646
Targeted promotions	83,802	83,802
30 60 90 day plan	76,252	76,252
Brand launch	60,000	60,000
Airline attraction	58,843	58,843
Research	25,000	25,000
<b>Total board designated net assets</b>	<b>\$ 4,331,490</b>	<b>\$ 4,331,331</b>

The Organization had no net assets with donor restrictions as of June 30, 2021 or 2020.

**Note G. Operating Leases**

The Organization is party to a lease agreement as lessee for office space which ends December 31, 2021. Base rent for the space totaled \$208,293 for the year ended June 30, 2021. Under the agreement, the Organization is responsible for utilities expense and disposal costs of any leasehold improvements

The Organization is a lessor in a sub-lease agreement with a similar not-for-profit organization which expires December 2022. The Organization requests reimbursements from the sub-lessee for utilities and other common area maintenance expenses.

Future minimum rent payment commitments total \$209,333 and \$112,718 for the years ending June 30, 2022 and 2023, respectively. Future minimum rental income payments from the sub-lessee are \$68,833 the year ending June 30, 2022.

**Note H. Defined Contribution Retirement Plan**

The Organization provides a 401(k) defined contribution plan for all employees meeting certain age and service requirements. The Organization contributes a safe harbor match of 100% of the first 3% of compensation and 50% of compensation between 3% and 5%. Additional amounts may be contributed at the option of the Organization. The Organization’s contributions to the plan for the years ended June 30, 2021 and 2020 were \$52,454 and \$63,401, respectively.

**Note I. Concentration of Credit Risk**

The Organization maintains cash balances in several financial institutions. Funds are insured by the Federal Deposit Insurance Corporation up to \$250,000 per financial institution. From time to time throughout the year, the Organization had cash balances in excess of these limits.

**Note J. Concentration of Income**

The Organization is funded by an ordinance dated November 2, 2004, which created the BIA of Sonoma County. These revenues are a self-assessment of lodging properties within the BIA area. If the ordinance were discontinued the Organization would be significantly impacted.

The Organization also receives funds from the TOT, which is assessed and collected by the County of Sonoma. Each year, the County Board of Supervisors decides how much of the total TOT to allocate to the Organization, for the promotion of tourism within Sonoma County. Should the tax levy cease to exist, the Organization would be significantly impacted.

**Note K. Liquidity**

The following reflects the Organization’s financial assets, reduced by amounts not available for general use within one year. Financial assets are considered unavailable due to donor-imposed restrictions or governing board use-designations. Amounts available include donor-restricted amounts that will meet purpose or time restrictions within the next twelve months from the statement of position date.

June 30,	2021	2020
Cash and cash equivalents	\$ 4,665,636	\$ 3,527,845
Accounts receivable	1,982,105	1,195,094
	6,647,741	4,722,939
Less funds unavailable to management without Board's approval	(4,331,490)	(4,331,331)
Funds available to meet expenditures within one year	\$ 2,316,251	\$ 391,608



**Note L. Risks and Uncertainties**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the Organization, the outbreak has negatively affected the Organization's operations for the year presented as well as the period subsequent to year end through the issuance date of this report. The future impact of the outbreak is highly uncertain and cannot be predicted and therefore the Organization cannot estimate the ultimate impact on future financial results.

**Note M. Subsequent Events**

The Organization has evaluated subsequent events through March 23, 2022, the date the financial statements were available to be issued.

**Sonoma County Tourism Bureau, Inc.**  
**Statement of Activities by Source**

**For the Year Ended June 30, 2021**

	Transient Occupancy Tax	Business Improvement Area and Other Sources	Total
<b>Unrestricted revenue and support</b>			
Contracts			
BIA contract	\$ -	\$ 3,643,836	\$ 3,643,836
TOT contract	2,263,883	-	2,263,883
Rental income and reimbursements	-	105,803	105,803
Cooperative income	-	16,000	16,000
CTA fees	-	6,153	6,153
Investment income	-	2,397	2,397
<b>Total revenue and support</b>	<b>2,263,883</b>	<b>3,774,189</b>	<b>6,038,072</b>
<b>Expenses</b>			
Salaries and benefits	502,516	1,426,697	1,929,213
Advertising	-	1,285,291	1,285,291
Digital engagement	43,150	394,859	438,009
Facilities	253,784	-	253,784
Research and development	7,000	139,060	146,060
Technology	134,879	22	134,901
Contract services	25,541	98,262	123,803
Fees and licenses	117,391	-	117,391
Destination programming	-	113,764	113,764
Office supplies and equipment	14,047	90,550	104,597
Organization tools	30,000	64,178	94,178
Client events and entertainment	1,195	89,458	90,653
Memberships	34,387	14,916	49,303
Travel and tradeshow	-	41,066	41,066
Depreciation	30,159	-	30,159
Professional development and training	18,282	6,787	25,069
Event and organization sponsorship	-	16,757	16,757
<b>Total expenses</b>	<b>1,212,331</b>	<b>3,781,667</b>	<b>4,993,998</b>
<b>Change in net assets</b>	<b>\$ 1,051,552</b>	<b>\$ (7,478)</b>	<b>\$ 1,044,074</b>

See accompanying Notes to Supplementary Information

**Sonoma County Tourism Bureau, Inc.**  
**Statement of Activities by Source**

**For the Year Ended June 30, 2020**

	Transient Occupancy Tax	Business Improvement Area and Other Sources	Total
<b>Unrestricted revenue and support</b>			
Contracts			
BIA contract	\$ -	\$ 4,207,935	\$ 4,207,935
TOT contract	1,677,202	-	1,677,202
Rental income and reimbursements	-	226,559	226,559
Investment income	-	31,354	31,354
CTA Fees	-	19,713	19,713
<b>Total revenue and support</b>	<b>1,677,202</b>	<b>4,485,561</b>	<b>6,162,763</b>
<b>Expenses</b>			
Salaries and benefits	614,173	1,781,054	2,395,227
Advertising	-	763,051	763,051
Contract services	24,310	578,728	603,038
Facilities	379,260	-	379,260
Digital engagement	612	339,383	339,995
Research and development	-	211,847	211,847
Client events and entertainment	1,897	185,552	187,449
Fees and licenses	178,234	-	178,234
Event and organization sponsorship	-	175,200	175,200
Travel and tradeshow	306	155,029	155,335
Other expense	-	154,116	154,116
Technology	113,275	18,913	132,188
Professional development and training	59,129	57,397	116,526
Destination programming	-	105,670	105,670
Office supplies and equipment	17,269	77,516	94,785
Organization tools	42,331	36,037	78,368
Depreciation	46,226	-	46,226
Memberships	9,028	18,708	27,736
<b>Total expenses</b>	<b>1,486,050</b>	<b>4,658,201</b>	<b>6,144,251</b>
<b>Change in net assets</b>	<b>\$ 191,152</b>	<b>\$ (172,640)</b>	<b>\$ 18,512</b>

See accompanying Notes to Supplementary Information

**Note A. Basis of Presentation**

The schedules included in the Supplementary Information have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

**Note B. Expenses Reported Under Transient Occupancy Tax**

Sonoma County Tourism Bureau receives Transient Occupancy Tax (TOT) revenues from the County of Sonoma. Such contract revenues are used to provide and fund projects, programs and activities to promote tourism in Sonoma County. Expenses reported under TOT activities on the Statements of Activities by Source reflect only direct expenses incurred. The excess of these direct expenses over the TOT revenue are funded by other revenue sources received by the Organization. All indirect expenses have been absorbed by the activities funded by Business Improvement Area contract revenue and other support.