

Board Meeting Agenda

Chair, Kyle Luther

Chair, Kyle Luther

Shannon Green

Chair, Kyle Luther

Shannon Green

Theresa Harrington

- Miss TN USA – March 9-11
- King Kat – Tournament April 29
- Duck's Unlimited Shooting – May 10-14
- TMSSA Track & Field – May 19 & 20
- HP Pro Tour – Horseshoes – May 20 & 21

Buck Dellinger

Chair, Kyle Luther

Chair, Kyle Luther

Meeting Dates:

Wednesday, March 22, 8:30am
Wednesday, May 24, 8:30am

Adjourn

**Clarksville-Montgomery County Convention & Visitors Bureau
Board Meeting
November 30, 2022**

VOTING MEMBERS PRESENT: ©Kyle Luther, Matt Cunningham, Ginna Holleman, Charlie Koon, Jerry Allbert, Luci Armitstead, Allen Moser

VOTING MEMBERS NOT PRESENT: Tony Zaver, Maria Jimenez

STAFF PRESENT: Theresa Harrington, Shannon Green, Karyl Kirkland, Michelle Dickerson & Buck Dellinger

Meeting called to order by Kyle Luther at 8:30 A.M.

WELCOME GUEST: Mayor Golden

Meeting Minutes The minutes of the July meeting were reviewed. Ginna Holleman made a motion to accept the minutes. Jerry Allbert seconded. Motion carried.

Financial Report

Shannon shared that Group tour activity has spiked in the first four months of the year has increased Group Tour Income and Historic Collinsville Income. These areas have already surpassed annual budgets. This year's Welcome Home event, budgeted as a \$15,000 loss finished with a net income of over the numbers are almost unprecedented. Shannon stated the Hotel/Motel tax collections as compared to last year shows a 18.8% increase over FY22 numbers. Kyle Luther asked a question about the CD renewals. Shannon shared that we are looking at the best rates moving forward. Jerry Allbert made a motion to accept the financial report. Matt Cunningham seconded. The motion carried.

Resolution for Grant Funding Approval TDTD Shannon stated that the Grant had already been awarded and approved by the County Commission at the November Commission meeting. Allan Moser made a motion to ratify the resolution. Matt Cunningham seconded. The resolution was approved.

Resolution for ARPA Grant Funding Approval Theresa Harrington explained the ARPA Guidelines. She shared that the funds will be distributed each year ending in 2027, the use of the funds must be transformational or they will be taken away. The total award was \$595,000. The first distribution is \$188,000 thru June 2023. It is a reimbursement grant. Jerry Allbert made a motion to ratify the resolution. Ginna Holleman seconded. The resolution was approved.

Executive Director Report

Theresa Harrington gave an update about the Economic Impact for 2021/22.

STS Connect Conference- Best Marketing Award Theresa stated Michelle Dickerson and her team received the best marketing award from the Southeast Tourism Conference, held in September.

Welcome Home the Welcome Home Event was our best, there were two military reunions that met this year which helped with our numbers.

TMSAA Cross Country & Tennis Theresa shared that that we hosted both middle school sporting events with over 1000 participants from September 30- October 1, 2022.

State Child Care Conference the Child Care Conference was held here in October 21 & 22 with over 100 attendees.

ARP Grant Funding TDTD State grant we received with a total funding of \$595,707.38, distributed over 5 years and funds must be used for new marketing projects.

Sports Conference Blake Monroe attended with Theresa, he did a great job with the one to one, 7-minute appointments. One of the appointments talked about a couple of ice events anticipating the completion of the F&M Bank Arena.

NTA Conference Frances Manzitto and Theresa attended the NTA conference. We sponsored a breakfast for the convention and took Mark Cash, Johnny Cash's nephew as entertainment. While there we sold 3-4 motor coach companies on a Johnny Cash packages to come for 4-5 days.

TACA Football December 9th will be the game held at Fortera Stadium. There will be about 100 players arriving on Wednesday with about 25 coaches.

Historic Collinsville Historic Collinsville will have a Christmas Event on 12/4 from 4:00-6:00PM.

Growth Summitt The state tourism Commissioner Mark Ezell will be one of the speakers on January 31, Growth Summitt.

Marketing

Michelle Dickerson gave the Marketing report She stated her report reflected interest and engagement on the marketing side. We are still getting interest with the Challenge Trails. We have some new destination videos that we have added. We have added Cincinnati as a new market. We also plan to add Atlanta and St. Louis as a new market(s) in the Spring. We have also hosted some travel influencers which have had some significant returns. We have also had stories that have ran on MSN and USA Today.

EDC Update Buck Dellinger emphasized the Growth Summitt on 31 January. He encouraged attendance. Buck said the Red-Carpet Tour will be held the 1st week of June in 2023. We plan to not just showcase Industry, but Tourism all aspects of the Clarksville community. The EDC has landed an enormous project, a \$990 Million Dollar development. We are leading the state in the recruitment of companies.

Next Meeting:

Wednesday January 25, 2023 8:30AM

Wednesday March 22, 2023 8:30AM

Wednesday May 24, 2023 8:30AM

Draft

Meeting adjourned at 9:05AM

Theresa Harrington, Executive Director

Clarksville-Montgomery County Convention & Visitors Bureau

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
AUDITED FINANCIAL STATEMENTS AND OTHER INFORMATION
JUNE 30, 2021

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CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
DIRECTORY OF BOARD OF COMMISSIONERS AND MANAGEMENT (UNAUDITED)
JUNE 30, 2021

BOARD OF COMMISSIONERS

	<u>Term Expires</u>
Ms. Ginna Holleman, Chairwoman	June 30, 2022
Mr. Matt Cunningham, Chair-elect	June 30, 2021
Ms. Luci Armistead	June 30, 2023
The Honorable Jerry Allbert	June 30, 2022
Ms. Louisa Cooke	June 30, 2021
Mr. Kyle Luther	June 30, 2021
Mr. John Rudolph	June 30, 2023
Mr. Kunal Shah	June 30, 2021
Mr. Joel Wallace	June 30, 2022

MANAGEMENT

Ms. Theresa Harrington, Vice President
Mr. Shannon Green, Director of Finance and Administration



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RUDOLPH
& HENRY, PLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Clarksville-Montgomery County Tourism Commission
Clarksville, Tennessee

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of the Clarksville-Montgomery County Tourism Commission (the Commission), a component unit of Montgomery County, Tennessee, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

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.

Auditor's Responsibility

Our responsibility is to express opinions 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

Opinions

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Commission as of June 30, 2021, the respective changes in financial position thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section and other information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditures of federal awards and state financial assistance is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

The directory of board of commissioners and management has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2021, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Stone Rudolph & Henry, PLC

Clarksville, Tennessee

November 30, 2021

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2021

Our discussion and analysis of the financial performance of the Clarksville-Montgomery County Tourism Commission (the Commission) provides an overview of the Commission's financial activity for the year ended June 30, 2021. Please read it in conjunction with the financial statements, which follow this section.

Financial Highlights

- The Commission's total net position only decreased \$10,500 as a result of this year's operations.
- Income from the Hotel/Motel Tax decreased by over \$40,000. This represents a 3.5% decrease from last year which was down 17% from the previous year due to the onset of the COVID-19 pandemic.
- The Commission's efforts generated an estimated \$15.6 million in economic benefit for Clarksville and Montgomery County this year.
- The COVID-19 pandemic significantly impacted the Board's recruitment and development efforts throughout the year. Strong 4th quarter hotel/motel tax collections (up 73% from 4th Quarter, fiscal year (FY) 2020) suggests a significant easing of pandemic impacts.

Required Financial Statements

The financial statements of the Commission report information about the Commission using generally accepted accounting principles. These statements offer financial information about its activities. The Governmental Fund Balance Sheet/Statement of Net Position includes all of the Commission's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations (liabilities). All of the current year's revenues and expenses are accounted for in the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities. This statement measures the success of the Commission's operations over the past year and can be used to determine if the Commission recovered all its cost through the funding provided by the Montgomery County Government along with the other revenue generated.

Financial Analysis of the Commission

The financial statements of the Commission include only activities of the Commission. In addition to the actual cash received and expended, the Commission received the benefit of private dollars through the marketing efforts of Aspire Clarksville (the Foundation). For FY 2021, the Foundation spent approximately \$565,000 for economic development, with nearly \$130,000 representing direct tourism development efforts benefiting the Commission's operations. Over time, increases or decreases in net position can show whether the business is improving or deteriorating. However, other non-financial factors such as economic conditions, troop deployments, the focus of the Foundation agenda and changes in legislation and the local legislative agenda should also be considered.

Fund Balance/Net Position

One of the most important questions asked about the Commission's finances is, "Is the Commission as a whole better off or worse off as a result of the year's activities?" The Governmental Fund Balance Sheet/Statement of Net Position and the Statement of Governmental Fund Revenues, Expenditures and Changes in Fund Balances/Statement of Activities report information about the Commission's activities in a way that will help answer this question. An increase in net position is generally an indicator that an entity is improving.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D)
JUNE 30, 2021

To begin our analysis, summaries of the Commission's Statements of Net Position are presented in Table A-1. As can be seen from the table below, total net position decreased by \$10,528. This decline appears in the Commission's financial position as a 1% decrease in total assets and is largely due to depreciation expense. There is also a significant shift in FY 2021 from cash balances to less liquid short-term receivables; none of which have any risk of loss.

The Commission no longer has resources restricted for the support of a conference center project.

COMPARATIVE STATEMENT OF NET POSITION (CONDENSED)
JUNE 30, 2021 AND 2020
TABLE A-1

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<u>ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES</u>				
Cash and other deposits	\$ 904,834	\$ 1,169,692	\$ (264,858)	-23%
Accounts receivable	146,839	81,952	64,887	79%
Due from related parties	218,100	54,580	163,520	300%
Inventories	6,465	6,245	220	4%
Prepaid expenses	2,575	1,565	1,010	65%
Investment in capital assets	<u>169,149</u>	<u>196,008</u>	<u>(26,859)</u>	-14%
Total assets	1,447,962	1,510,042	(62,080)	-4%
<u>DEFERRED OUTFLOWS</u>				
<u>OF RESOURCES</u>	-	-	-	-%
<u>TOTAL ASSETS AND DEFERRED</u>				
<u>OUTFLOWS OF RESOURCES</u>	<u>\$ 1,447,962</u>	<u>\$ 1,510,042</u>	<u>\$ (62,080)</u>	-4%
<u>LIABILITIES, DEFERRED INFLOWS</u>				
<u>OF RESOURCES AND NET POSITION</u>				
Accounts payable	\$ 29,693	\$ 41,659	\$ (11,966)	-29%
Due to related parties	-	39,586	(39,586)	-100%
Total liabilities	<u>29,693</u>	<u>81,245</u>	<u>(51,552)</u>	-63%
<u>DEFERRED INFLOWS</u>				
<u>OF RESOURCES</u>	-	-	-	-%
<u>NET POSITION</u>				
Investment in capital assets	169,149	196,008	(26,859)	-14%
Restricted net position	-	21,177	(21,177)	-100%
Unrestricted net position	<u>1,249,120</u>	<u>1,211,612</u>	<u>37,508</u>	3%
Total net position	<u>1,418,269</u>	<u>1,428,797</u>	<u>(10,528)</u>	-1%
<u>TOTAL LIABILITIES, DEFERRED</u>				
<u>INFLOWS OF RESOURCES</u>				
<u>AND NET POSITION</u>	<u>\$ 1,447,962</u>	<u>\$ 1,510,042</u>	<u>\$ (62,080)</u>	-4%

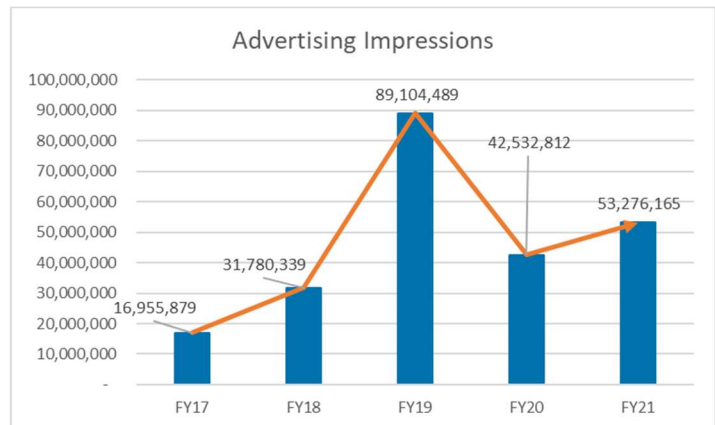
CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D)
JUNE 30, 2021

Revenues, Expenditures, and Changes of Fund Balance/Activities

While the Governmental Fund Balance Sheet/Statement of Net Position shows the change in financial position, the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities details the nature and source of these changes. In Table A-2 below, you will note that the Commission's net position decreased by \$10,528 in FY 2021. The most considerable factors in a comparison of FY 2019 and FY 2020 financial activities are as follows:

EDC Shared Expenses – The Commission contracts with the Clarksville-Montgomery County Economic Development Council (EDC) to provide all overhead services (including staffing, office space, information technology, etc.). In FY 2021 these costs increased 2%.

Advertising Expenses – The Commission realized a 25% increase in advertising impressions in FY 2021 by investing its advertising budget strategically to reach deeper into the travel sales funnel and less on general brand awareness. Overall, this targeted approach cost 5% more than FY 2020 and resulted in the first step toward the pre-COVID-19 volumes of FY 2019 when the Commission's shift to digital advertising strategies first began in a substantial way. The cost increase accounts for most of the offsetting increase in Aspire grant income shown in the Program Revenues section.



Tourism Recovery Campaign / Federal

Grants – In FY 2021, the State of Tennessee designated Coronavirus Relief Funds to the Commission as the community's Destination Marketing Organization. These funds offset entirely the cost of the Commission's Tourism Recovery Campaign which consisted of necessary costs incurred to respond to the COVID-19 public health emergency. Such costs included COVID-19-related facility costs, event improvement, and supplies.

Other Operating Expenses – There are several minor variations of these expenses between FY 2020 and FY 2021. Most of these are due to the pandemic (travel, printing, supplies, etc.).

Bid Fees/Recruitment Expenses – Opportunities to recruit and bid for events were considerably impaired in FY 2021 due to the uncertainties surrounding the COVID-19 pandemic.

Historic Collinsville – Montgomery County purchased Historic Collinsville in FY 2019 and charged the Commission with its operation. Historic Collinsville operations were shuttered for most of FY 2021 resulting in a 47% decrease in related program expenses.

Website Design – The Commission's website redesign was completed in FY 2020, resulting in a 50% decrease as compared to FY 2021.

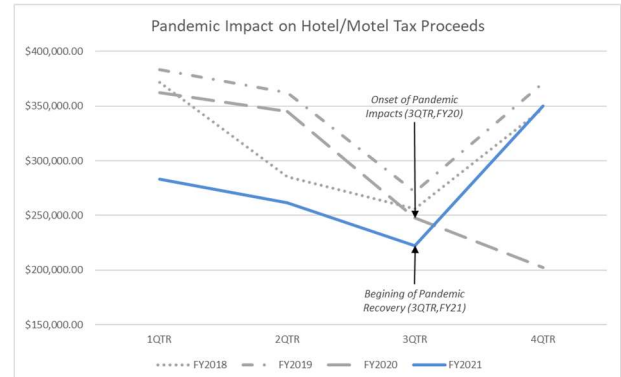
Event Expenses/Group Tour Revenues – The annual Welcome Home Event in FY 2021 was cancelled due to COVID-19. This resulted in the offsetting changes in Event Expenses and Group Tour Revenues versus 2020.

Project Expenses – In FY 2020, the Commission participated in a partnership with the City of Clarksville to update the community's wayfinding signage. No such projects were undertaken in FY 2021.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D)
JUNE 30, 2021

Hotel/Motel Tax Proceeds – Beginning in the fourth quarter of FY 2020, the Commission experienced unprecedented declines in tourist traffic and the related Hotel/Motel Tax proceeds because of COVID-19 (17% vs. FY 2019). The declines continued for most of FY 2021 with a steep rebound realized in the last quarter resulting in an overall decrease of 3.5% vs. FY 2020 (19.5% vs. FY 2019). This decrease represents the first consecutive decline in annual hotel/motel tax proceeds in the last 40 years.

The overall unfavorable financial performance of the Commission's FY 2021 activities were due entirely to the COVID-19 pandemic and its impact on Hotel/Motel Tax proceeds for the year.



A rebound of Hotel/Motel tax proceeds in the 4th quarter of FY 2021 helped offset unprecedented declines the previous four quarters.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
COMPARATIVE STATEMENT OF ACTIVITIES (CONDENSED)
YEARS ENDED JUNE 30, 2021 AND 2020

TABLE A-2

	2021	2020	Change
Program expenses			
EDC shared expenses	\$ 924,011	\$ 651,228	\$ 272,783
Advertising	224,087	213,065	11,022
Tourism recovery campaign	180,395	-	180,395
Other operating expenses	110,436	427,323	(316,887)
Bid fees/recruitment exp.	42,198	52,046	(9,848)
Historic Collinsville	36,715	69,274	(32,559)
Website design	31,484	62,491	(31,007)
Event expenses	28,590	135,870	(107,280)
Travel & entertainment	24,793	-	24,793
Project expenses	-	124,700	(124,700)
Total program expenses	1,602,709	1,735,997	(133,288)
Program revenues			
Aspire grant income	205,158	189,101	16,057
Federal grants	186,848	-	186,848
Other program revenues	53,258	52,977	281
Group tour events	18,705	122,048	(103,343)
Total program revenues	463,969	364,126	99,843
Net program expenses	1,138,740	1,371,871	(233,131)
General revenues			
Hotel/motel tax	1,117,391	1,157,338	(39,947)
Other	10,821	12,567	(1,746)
Total general revenues	1,128,212	1,169,905	(41,693)
Change in net position	(10,528)	(201,966)	191,438
Net position:			
Beginning of year	1,428,797	1,630,763	(201,966)
End of year	\$ 1,418,269	\$ 1,428,797	\$ (10,528)

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D)
JUNE 30, 2021

Budgetary Highlights

The Commission adopts an Operating and Capital Expenses Budget to assist in planning and forecasting for the fiscal year. The Budget is approved first by the Commission and then by Montgomery County. It is in effect for the entire fiscal year. Management uses the budget as a planning tool for the coming year. The Commission's Board of Commissioners must approve significant variances from the approved budget. A 2021 Budget Comparison and Analysis is shown on the following page in Table A-3. The Commission adopted a deficit budget of \$191,000 for FY21. However, \$654,000 in expense budget savings during the year offset by a revenue shortfall of only \$442,000 resulted in the Commission outperforming the adopted budget overall. This was the result of a combination of noteworthy factors:

Hotel/Motel Tax Proceeds – The Commission budgeted for a 16% increase in Hotel/Motel Tax proceeds for FY 2021 but experienced a 3.5% decrease due to the COVID-19 pandemic.

Grant from Aspire Clarksville – This shortfall is budget-neutral since it represents dollar-for-dollar reimbursements of budgeted expenses. Such expenses were not incurred in large part due to COVID-19 and were therefore not funded by the Foundation.

Vacation Guide/Printing & Stationery – The publication of a printed vacation guide, including advertising revenue, was budgeted in FY 2021 but not executed due to the pandemic in favor of an ad-free digital version. These budget variances largely offset each other.

COVID-Impacted Budget Items – With the pandemic affecting almost all of FY 2021, management was able to cancel a considerable amount of the expenses that were planned for in the budget. Such cancellations were the largest contributing factor for the savings below:

Budgeted Expense	Actual	Budget	Savings
Advertising	\$ 224,087.45	\$ 278,358.00	\$ 54,270.55
Bid Fees	42,198.46	101,500.00	59,301.54
Entertainment	3,238.65	20,700.00	17,461.35
Historic Collinsville	37,963.29	106,245.00	68,281.71
Travel	21,553.57	112,159.00	90,605.43
Total	<u>\$ 329,041.42</u>	<u>\$ 618,962.00</u>	<u>\$ 289,920.58</u>

Group Tour Event Effort – This represents the annual Welcome Home event that was cancelled due to the COVID-19 pandemic. It explains most of the offsetting budget variances in Group Tour Event Income and Event Expenses.

Group Tour Recruitment – Income from Group Tour Recruitment efforts are almost always offset by the related expenses (found in "Events" Expense) as they represent dollar-for-dollar reimbursements by the group tour operators.

EDC Shared Expenses – Support services contracted to be provided by the Economic Development Council came over \$84,000 short of budget due to staff vacancies during the year.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D)
JUNE 30, 2021

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
BUDGET COMPARISON
YEAR ENDED JUNE 30, 2021
TABLE A-3

	Original Budget	Final Budget	Actual	Dollar Change
Revenues:				
Hotel/motel tax revenue	\$ 1,345,243	\$ 1,345,243	\$ 1,117,391	\$ (227,852)
Group tour event income	121,000	121,000	6,875	(114,125)
Group tour recruitment	25,000	25,000	11,830	(13,170)
Grant from Aspire Clarksville	-	217,833	205,158	(12,675)
Historic Collinsville	20,000	20,000	16,814	(3,186)
Vacation Guide	60,000	60,000	-	(60,000)
Federal Grants	217,833	191,842	186,848	(4,994)
All other income	53,825	53,825	47,265	(6,560)
Total revenues	<u>1,842,901</u>	<u>2,034,743</u>	<u>1,592,181</u>	<u>(442,562)</u>
Expenses:				
Advertising	278,358	278,358	224,087	(54,271)
Bid fees	101,500	101,500	42,198	(59,302)
Contracted services	13,541	13,541	10,551	(2,990)
Dues and membership	6,878	6,878	4,010	(2,868)
Employee benefits	109,705	-	-	-
EDC shared expenses	311,416	1,007,804	924,011	(83,793)
Entertainment	20,700	20,700	3,239	(17,461)
Events	188,000	188,000	28,590	(159,410)
Historic Collinsville	106,245	106,245	37,963	(68,282)
Office supplies and equipment	14,170	14,170	2,234	(11,936)
Other	39,400	39,400	36,715	(2,685)
Payroll taxes	42,350	-	-	-
Personnel	558,130	-	-	-
Postage	9,500	9,500	7,843	(1,657)
Printing and stationery	70,200	70,200	1,400	(68,800)
Tourism Recovery Campaign	-	191,842	180,395	(11,447)
Rent	21,216	21,216	20,868	(348)
Repair and maintenance	16,337	16,337	8,650	(7,687)
Supplies	13,986	13,986	7,159	(6,827)
Travel	112,159	112,159	21,554	(90,605)
Utilities	14,400	14,400	10,730	(3,670)
Total expenses	<u>2,048,191</u>	<u>2,226,236</u>	<u>1,572,197</u>	<u>(654,039)</u>
Revenues in excess of expenses	<u>\$ (205,290)</u>	<u>\$ (191,493)</u>	<u>\$ (19,984)</u>	<u>\$ (211,477)</u>

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) (CONT'D)
JUNE 30, 2021

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Most companies structure strategic planning with the intent to increase sales to existing customers and to increase the overall customer base thereby producing a higher profit margin and a greater posture for sustained growth. A more appropriate goal for an entity such as the Commission is to encourage tourism through the successful recruitment/management of an increasing number of events that promote greater tourist traffic/spending. External factors that can impact the financial condition of the Commission include the finances of the City of Clarksville and Montgomery County governments, tourism related economic trends, and corporate/Fort Campbell activities.

The community is postured for the continued growth of hotel/motel tax proceeds. The last quarter of FY 2021 returned to pre-pandemic levels indicating the capacity for a robust rebound at the end of the COVID-19 pandemic. This is especially the case with the community's recent increase in room inventory and event venue development progress. However, responses to the ongoing pandemic by tourists, event management, governing entities, and others seem to be adapting as to an endemic phase, at worst, or a conclusion of the COVID-19 pandemic. This should normalize tax proceeds in FY 2022. We anticipate negative impacts on tax proceeds over time and resumed growth of the community's tourism industry barring any unexpected changes in other such external factors.

The Private Act, which entitles the Commission to be the recipient of Hotel/Motel Tax Proceeds, was amended in FY 2022 in such a way that it will no longer directly receive tax proceeds. Instead, the EDC will be the recipient and will execute the related tourism development initiatives. In the long run, this should have a financially neutral impact on the Commission since both the revenues and expenses are offsetting, but it will change the Commission's role to more of an advisory one.

CONTACTING THE COMMISSION'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Commission's finances. If you have any questions about this report or need any additional information contact the EDC Director of Finance and Administration, Clarksville-Montgomery County Economic Development Council, P. O. Box 883, Clarksville, Tennessee 37041-0883.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Fund</u>	<u>Adjustments (Note 4)</u>	<u>Statement of Net Position</u>
<u>ASSETS</u>			
Cash and other deposits	\$ 631,579		\$ 631,579
Certificates of deposit	273,255		273,255
Accounts receivable	146,839		146,839
Inventories	6,465		6,465
Prepaid expenses	2,575		2,575
Due from related parties	218,100		218,100
Capital assets:			
Land	-	\$ 21,000	21,000
Other capital assets, net of accumulated depreciation	-	148,149	148,149
Total assets	1,278,813	169,149	1,447,962
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,278,813</u>	<u>\$ 169,149</u>	<u>\$ 1,447,962</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 29,693		\$ 29,693
Total liabilities	29,693	-	29,693
<u>DEFERRED INFLOWS OF RESOURCES</u>	-	-	-
<u>FUND BALANCE/NET POSITION</u>			
Fund balance:			
Nonspendable	9,040	\$ (9,040)	-
Unassigned	1,240,080	(1,240,080)	-
Total fund balance	1,249,120	(1,249,120)	-
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 1,278,813</u>		
Net position:			
Investment in capital assets		169,149	169,149
Unrestricted		1,249,120	1,249,120
Total net position		<u>\$ 169,149</u>	<u>\$ 1,418,269</u>

The accompanying notes are an integral part of the financial statements.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

	<u>Governmental</u> <u>Fund</u>	<u>Adjustments</u> <u>(Note 4)</u>	<u>Statement of</u> <u>Activities</u>
<u>EXPENDITURES/EXPENSES</u>			
Operating expenses:			
Advertising	\$ 224,087		\$ 224,087
Bid fees	42,198		42,198
Contracted services	10,551		10,551
Depreciation	-	\$ 30,512	30,512
Dues and membership	4,010		4,010
EDC shared expenses	924,011		924,011
Entertainment	3,239		3,239
Events	28,590		28,590
Historic Collinsville	37,963		37,963
Office supplies	2,234		2,234
Other	36,715		36,715
Postage	7,843		7,843
Printing and stationery	1,400		1,400
Tourism recovery campaign	180,395		180,395
Rent	20,868		20,868
Repair and maintenance	8,650		8,650
Supplies	7,159		7,159
Travel	21,554		21,554
Utilities	10,730		10,730
Total operating expenses	<u>1,572,197</u>	<u>30,512</u>	<u>1,602,709</u>
Net capital outlays	3,653	(3,653)	-
Total expenditures/expenses	<u>1,575,850</u>	<u>26,859</u>	<u>1,602,709</u>
<u>PROGRAM REVENUES</u>			
Federal grants	186,848		186,848
Grant from Aspire Clarksville	205,158		205,158
Group tour	18,705		18,705
Historic Collinsville	16,814		16,814
Other	4,635		4,635
State grants	31,809		31,809
Total program revenues	<u>463,969</u>	<u>-</u>	<u>463,969</u>
Net program expenses	<u>1,111,881</u>	<u>26,859</u>	<u>1,138,740</u>

(Continued)

The accompanying notes are an integral part of the financial statements.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
STATEMENT OF GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES (CONT'D)
YEAR ENDED JUNE 30, 2021

	<u>Governmental Fund</u>	<u>Adjustments (Note 4)</u>	<u>Statement of Activities</u>
<u>GENERAL REVENUES</u>			
Hotel/motel tax	1,117,391		1,117,391
Interest income	4,521		4,521
Rental income	6,300		6,300
Total general revenues	<u>1,128,212</u>	<u>-</u>	<u>1,128,212</u>
Excess of expenditures over revenues/change in net position	16,331	(26,859)	(10,528)
Fund balance/net position:			
Balance, beginning of year	<u>1,232,789</u>	<u>196,008</u>	<u>1,428,797</u>
Balance, end of year	<u>\$ 1,249,120</u>	<u>\$ 169,149</u>	<u>\$ 1,418,269</u>

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
BUDGETARY COMPARISON STATEMENT
YEAR ENDED JUNE 30, 2021

	Original Budgeted Amounts (Note 12)	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
Budgetary fund balance, July 1	\$ 1,232,789	\$ 1,232,789	\$ 1,232,789	\$ -
Resources (inflows):				
Federal grants	-	191,842	186,848	(4,994)
Grant from Aspire Clarksville	217,833	217,833	205,158	(12,675)
Group tour	146,000	146,000	18,705	(127,295)
Historic Collinsville	20,000	20,000	16,814	(3,186)
Other	10,025	10,025	4,635	(5,390)
Hotel/motel tax	1,345,243	1,345,243	1,117,391	(227,852)
Interest income	7,500	7,500	4,521	(2,979)
State grants	30,000	30,000	31,809	1,809
Rental income	6,300	6,300	6,300	-
Vacation guide and web sales	60,000	60,000	-	(60,000)
Total revenues	<u>1,842,901</u>	<u>2,034,743</u>	<u>1,592,181</u>	<u>(442,562)</u>
Expenditures (outflows):				
Advertising	\$ 278,358	\$ 278,358	\$ 224,087	\$ 54,271
Bid fees	101,500	101,500	42,198	59,302
Contracted services	13,541	13,541	10,551	2,990
Dues and membership	6,878	6,878	4,010	2,868
EDC shared expenses	311,416	1,007,804	924,011	83,793
Employee benefits	109,705	-	-	-
Entertainment	20,700	20,700	3,239	17,461
Events	188,000	188,000	28,590	159,410
Historic Collinsville	106,245	106,245	37,963	68,282
Office supplies	14,170	14,170	2,234	11,936
Other	39,400	39,400	36,715	2,685
Payroll taxes	42,350	-	-	-
Personnel	558,130	-	-	-
Postage	9,500	9,500	7,843	1,657
Printing and stationery	70,200	70,200	1,400	68,800
Tourism recovery campaign	-	191,842	180,395	11,447
Rent	21,216	21,216	20,868	348
Repair and maintenance	16,337	16,337	8,650	7,687
Supplies	13,986	13,986	7,159	6,827
Travel	112,159	112,159	21,554	90,605
Utilities	14,400	14,400	10,730	3,670
Total operating expenses	<u>2,048,191</u>	<u>2,226,236</u>	<u>1,572,197</u>	<u>654,039</u>
Capital outlays	-	-	3,653	(3,653)
Total expenditures/expenses	<u>2,048,191</u>	<u>2,226,236</u>	<u>1,575,850</u>	<u>650,386</u>
Budgetary fund balance, June 30	<u>\$ 1,027,499</u>	<u>\$ 1,041,296</u>	<u>\$ 1,249,120</u>	<u>\$ 207,824</u>

The accompanying notes are an integral part of the financial statements.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. Summary of Significant Accounting Policies

Reporting Entity

The Clarksville-Montgomery County Tourism Commission (the Commission) was created by Private Chapter No. 167, Senate Bill No. 1414, by the ninety-first General Assembly, State of Tennessee, on June 4, 1979. On May 22, 2000, Private Chapter No. 140, Senate Bill No. 3303, was passed to amend Chapter No. 167. The purpose of the Commission is to promote tourist and recreational activity in the Clarksville-Montgomery County area. The Commission office is located in Clarksville, Tennessee.

The Commission is a component unit of Montgomery County, Tennessee (the County), which is the principal reporting entity and primary government. The Commission is treated as a discrete component unit of the County since the County may unilaterally control the operations of the Commission. The County provides its primary funding support by way of the hotel/motel tax. The financial reporting entity of the Commission only includes the assets and operations of the Commission and does not include any other fund, organization, institution, agency, department, or office of Montgomery County, the primary government.

The Commission is jointly-governed by the governments of Montgomery County and the City of Clarksville (the City) and is exempt from federal and state income tax. The Commission's operations alone constitute the reporting entity since it has no oversight responsibility for any other agencies and no component units. In fiscal year 1995, the Commission, the Clarksville Area Chamber of Commerce (Chamber), and the Clarksville-Montgomery County Industrial Development Board (IDB) jointly organized the Clarksville-Montgomery County Economic Development Council (EDC) to develop, coordinate, and implement a comprehensive marketing plan relating to the economic prosperity of Clarksville-Montgomery County and the surrounding area. The Commission, Chamber, and IDB evenly share the cost of the EDC staff's salary, payroll taxes, benefits and other operating costs and of expenses related to general administration of the EDC. All other expenses of the EDC are shared based on usage allocations. The shared costs are included in the EDC shared expenses line item. The audited financial statements of the EDC can be obtained from the Director of Finance and Administration, Clarksville-Montgomery County Economic Development Council, P. O. Box 883, Clarksville, Tennessee 37041-0883.

Use of Estimates

The Commission's financial statements are presented in accordance with accounting principles generally accepted in the United States of America which require the use of management's estimates and assumptions. 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 estimates in the near term and variances could have a material effect on the financial statements.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2021

1. Summary of Significant Accounting Policies (Cont'd)

Concentrations of Credit Risk

Financial instruments that potentially subject the Commission to significant concentrations of credit risk consist principally of cash and receivables. Custodial credit risk for the Commission's deposits is the risk that the Commission's deposits may not be returned in the event of a bank failure. As required by state statutes, the Commission's policy is to require that financial institutions holding its deposits be members of the Tennessee Collateral Pool or pledge collateral for deposits in excess of federal depository insurance. The collateral is required to be held by the Commission or its agent in the Commission's name. With respect to receivables, credit risk is limited to amounts owed by Montgomery County for hotel/motel taxes. The Commission does not obtain collateral for receivables.

Uncertainties

In early March 2020, the COVID-19 virus was declared a global pandemic. Business continuity, including supply chains and consumer demand across a broad range of industries and countries, has been severely impacted, as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

Government-wide and Fund Financial Statements

The government-wide financial statements (the governmental fund balance sheet/statement of net position and the statement of governmental fund revenues, expenditures, and changes in fund balance/statement of activities) report information on all of the nonfiduciary activities of the Commission.

The governmental fund financial statements are shown in combination with the government-wide financial statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct operating expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are not properly included among program revenues are reported instead as general revenues.

Measurement Focus, Basis of Accounting, and Basis of Presentation

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2021

1. Summary of Significant Accounting Policies (Cont'd)

Measurement Focus, Basis of Accounting, and Basis of Presentation (Cont'd)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when the related liabilities are incurred, regardless of the timing of the related cash flow.

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collectible within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The Commission's only fund is the general fund. It accounts for all of the financial resources of the Commission.

Cash and Cash Equivalents

The Commission considers all highly liquid debt investments purchased with maturities of 90 days or less to be cash equivalents.

Uncollectible Accounts

Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectible accounts. At June 30, 2021, the allowance for uncollectible accounts was \$-0-.

Inventories

Inventories consist of retail merchandise available for sale and are valued at average cost. The cost is expensed at the time individual items are sold and not at the time purchased.

Capital Assets

Capital assets are valued at cost for assets purchased. All assets with an initial, individual cost of \$500 or more and an estimated useful life in excess of two years are capitalized. Depreciation of capital assets is provided over the estimated useful lives of the respective assets on a straight-line basis. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs are not capitalized.

Accrued Compensated Absences

Employees are required to use earned vacation days within the fiscal year and sick days are not paid upon separation. Therefore, compensated absences are not accrued.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2021

1. Summary of Significant Accounting Policies (Cont'd)

Fund Balance

The Commission has implemented Governmental Accounting Standards Board (GASB) Codification 1800, "Classification and Terminology." This code provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to remain intact.
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance – amounts constrained to specific purposes by the Commission's governing body, using its highest level of decision-making authority (i.e., through a majority vote by the board of commissioners during an official meeting). To be reported as committed, amounts cannot be used for any other purpose unless the board of commissioners takes the same highest level action to remove or change the constraint.
- Assigned fund balance – amounts the Commission intends to use for a specific purpose. Intent can be expressed by management of the Commission.
- Unassigned fund balance – amounts that are available for any purpose.

The details of the fund balances are included in the Governmental Fund Balance Sheet and in Note 7.

It is the Commission's policy to use restricted funds first as appropriate. Assigned funds are reduced to the extent that expenditure authority has been budgeted or the assignment has been changed by management. Decreases to fund balance first reduce unassigned fund balance; in the event that unassigned fund balance becomes zero, then assigned and committed fund balances are used in that order.

Advertising Costs

Advertising costs are expensed as incurred.

Date of Management's Review

Subsequent events have been evaluated through November 30, 2021, which is the date the financial statements were available to be issued.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2021

2. Cash and Other Deposits

Cash and other deposits are restricted to deposits with federally-insured institutions and must be approved by the board of commissioners.

At June 30, 2021, cash and other deposits included bank balances totaling \$931,337, all of which were insured by the Federal Deposit Insurance Corporation (FDIC) or the State of Tennessee Bank Collateral Pool.

Both cash and cash equivalents are carried at cost which approximated fair value at June 30, 2021.

3. Capital Assets

A summary of changes in capital assets and accumulated depreciation follows:

	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Capital assets				
Land	\$ 21,000	\$ -	\$ -	\$ 21,000
Building	128,769	-	-	128,769
Furniture, fixtures and equipment	56,539	3,653	-	60,192
Leasehold improvements	252,147	-	-	252,147
Vehicle	42,482	-	-	42,482
	<u>\$ 500,937</u>	<u>\$ 3,653</u>	<u>\$ -</u>	<u>\$ 504,590</u>
	<u>Balance</u> <u>July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2021</u>
Accumulated depreciation				
Building	\$ 75,942	\$ 3,302	\$ -	\$ 79,244
Furniture, fixtures and equipment	54,500	1,771	-	56,271
Leasehold improvements	153,248	16,943	-	170,191
Vehicle	21,239	8,496	-	29,735
	<u>\$ 304,929</u>	<u>\$ 30,512</u>	<u>\$ -</u>	<u>\$ 335,441</u>

The Commission has no capital assets that are idle or impaired. Land is not depreciated.

4. Adjustments to Governmental Fund Statements

Governmental Fund Balance Sheet to the Statement of Net Position:

When capital assets that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the Commission, net of related accumulated depreciation.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2021

4. Adjustments to Governmental Fund Statements (Cont'd)

Cost of capital assets	\$ 504,590
Less: Accumulated depreciation	<u>(335,441)</u>
	<u>\$ 169,149</u>

Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period. Proceeds and gain or loss from the sale of capital assets are excluded from the statement of activities since the proceeds are not a gain or loss associated with the sale.

Capital outlays	\$ 3,653
Depreciation expense	<u>(30,512)</u>
	<u>\$ (26,859)</u>

5. Gifts in Kind

The Commission received contributed services from volunteers during the fiscal year ended June 30, 2021. The value of those contributed services could not be reasonably determined and, therefore, are not recorded in the financial statements.

6. Related Party Transactions

The Commission paid the EDC \$924,011 for its share of EDC expenses during the year ended June 30, 2021, which included \$488,646 for salaries, \$88,854 for employee benefits, and \$35,055 for payroll taxes of Commission personnel. The Commission had related party receivables of \$218,100 at June 30, 2021.

7. Fund Balance/Net Position

The Commission had unassigned fund balance of \$1,240,080 and nonspendable fund balance of \$9,040 at June 30, 2021. Nonspendable fund balance consisted of the following:

Inventories	\$ 6,465
Prepaid expenses	<u>2,575</u>
Total nonspendable fund balance	<u>\$ 9,040</u>

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2021

8. Leases

The Commission leases office space in the First Horizon Bank building under a five-year agreement ending in November 2026. The Commission leases parking space from a corporation under a 16-year lease agreement ending in March 2028. Rental expense under the operating leases was \$49,400 for the year ended June 30, 2021, \$28,532 of which is included in EDC shared expenses.

Future payments on lease obligations are as follows:

<u>Year Ending June 30,</u>	
2022	\$ 43,499
2023	45,049
2024	45,049
2025	45,049
2026	45,049
Thereafter	<u>32,656</u>
	<u>\$ 256,351</u>

The Commission subleases half of the parking lot space to a third party. The lease commitments above will be offset by annual sublease rental income of \$6,300 through March 2022 and \$6,615 through March 2028.

9. Retirement Plan

The EDC maintains a defined contribution 401(k) plan administered by American Chamber of Commerce Executives (ACCE). All employees who have completed one year of service, reached age 21 and work one thousand hours or more per year are eligible to participate. For each plan year that an employee participates, the Commission will contribute an amount equal to four percent of the participant's total annual earnings as the employer basic contribution. Employees can make pre-tax contributions from one to one hundred percent of total annual earnings (subject to IRS limitations) in which they are immediately vested. The Commission will match one hundred percent of the participant's pre-tax contributions up to a maximum of four percent as the employer matching contribution and the participant is immediately vested.

During the fiscal year ended June 30, 2021, contributions totaling \$33,918 were paid and expensed by the Commission, which is included in EDC shared expenses. Employee contributions to the plan were \$48,911 for the year ended June 30, 2021.

10. Concentrations

The Commission's primary source of funding is hotel/motel taxes collected by Montgomery County businesses. The amount of taxes collected each fiscal year is impacted by fluctuations in spending for tourism and for industrial and military-related travel. A major reduction in hotel/motel tax collections could have a significant effect on the future operations of the Commission.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTES TO FINANCIAL STATEMENTS (CONT'D)
JUNE 30, 2021

11. Contingencies

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and others; and natural disasters. The Commission has elected to obtain various insurance policies to transfer risk to a commercial insurance company either directly or through the EDC or through Montgomery County. Insurance settlements have not been in excess of insurance coverage in any of the prior three fiscal years.

12. Budget

The annual budget is prepared and legally adopted by the board of commissioners and approved by the Montgomery County Commission. The budget is prepared using the modified accrual basis of accounting. The board members review the Commission's needs for the year as well as prior year expenditures to arrive at the current year budget. The "encumbrance" method of budgeting and accounting for expenditures is not used.

The budgetary comparison statement includes the annual budget of the Commission for the year ended June 30, 2021, and is presented on the modified accrual basis of accounting, which is the same basis of accounting used in preparation of the basic financial statements. The Commission prepares and adopts the budget for the next succeeding fiscal year prior to June 30 of each fiscal year. The legal level of budgetary control is at the line-item level. The operating budget includes proposed expenditures and the means of financing them. Budget amendments must be approved by the County, in addition to the board of commissioners. The budgetary comparison statement includes the amounts budgeted for the Commission's sole governmental fund as well as capital outlays for property and equipment. The reconciliations presented in Note 4 to the financial statements are helpful in understanding this budgetary schedule. Following is a reconciliation of the budgetary information prepared on the modified accrual basis of accounting to the government-wide accrual basis of accounting:

	Final Budgeted Amounts	Actual Amounts	Variance Favorable (Unfavorable)
Total revenues	\$ 2,034,743	\$ 1,592,181	\$ (442,562)
GAAP revenues	<u>\$ 2,034,743</u>	<u>\$ 1,592,181</u>	<u>\$ (442,562)</u>
Total expenditures/expenses	\$ 2,226,236	\$ 1,572,197	\$ 654,039
Depreciation	-	30,512	(30,512)
GAAP expenses	<u>\$ 2,226,236</u>	<u>\$ 1,602,709</u>	<u>\$ 623,527</u>

13. Subsequent Event

Effective July 1, 2021, Montgomery County amended the Private Acts of 1979 effectively directing the hotel/motel tax proceeds to the EDC rather than the Commission. The full ramification of this decision has not yet been determined, but it will most likely have a significant impact on the operations of the Commission and the presentation of its financial statements next fiscal year.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2021

<u>Grantor/Program Title</u>	<u>Grant Number or Pass-Through Grantor's Contract Number</u>	<u>Federal CFDA Number</u>	<u>Accrued Receivable July 1, 2020</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Accrued Receivable June 30, 2021</u>
Tennessee Community Cares Program	CARES	21.09	\$ -	\$ 186,848	\$ 186,848	\$ -
Total federal awards			\$ -	\$ 186,848	\$ 186,848	\$ -
<u>State of Tennessee, Department of Tourist Development</u>						
Marketing grant	N/A	N/A	\$ -	\$ 31,809	\$ 31,809	\$ -
Total state financial assistance			\$ -	\$ 31,809	\$ 31,809	\$ -
Total federal awards and state financial assistance			\$ -	\$ 218,657	\$ 218,657	\$ -

See accompanying note to schedule of expenditures of federal awards and state financial assistance.

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
NOTE TO SCHEDULE EXPENDITURES OF FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
JUNE 30, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards and state financial assistance is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the State of Tennessee, Department of Audit, Audit Manual. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Commissioners
Clarksville-Montgomery County Tourism Commission
Clarksville, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and general fund of the Clarksville-Montgomery County Tourism Commission (the Commission) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 30, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The Commission resolved prior year finding 2020-001 by performing the specific tasks outlined in our report dated December 28, 2020.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Commission resolved prior year finding 2020-002 related to compliance by performing the specific tasks outlined in our report dated December 28, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Stone Rudolph & Henry, PLC

Clarksville, Tennessee

November 30, 2021

CLARKSVILLE-MONTGOMERY COUNTY TOURISM COMMISSION
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Financial Statement Findings

Finding Number	Finding Title	Status
2020-001	Expenditures in Excess of Budget (original finding #2020-001)	Corrected

Compliance Findings

Finding Number	Finding Title	Status
2020-002	Expenditures in Excess of Budget (original finding #2020-001)	Corrected

January 25, 2023

EXECUTIVE SUMMARY

To: CVB Board of Directors
From: Theresa Harrington, CVB Executive Director
Subject: Recommended EDC Budget Increase for Unbudgeted Sports Tourism Events

This is to update the budget of the EDC Tourism Funds for unbudgeted items in the Grant/Bid Expense budget line item.

BACKGROUND: Due to the hard work of our Director of Sports Tourism, Blake Monroe, we have recruited 5 new sporting events that were not planned for in this year's budget.

Event	Grant/Bid Expense
King Kat Fishing Tournament	\$1,500
PH Pro Horseshoe Tournament	\$3,000
TN Valley Lineman Rodeo	\$5,000
Cross Creek Clay NightStalker Shoot	\$1,500
Ducks Unlimited Shoot	\$1,500
Total	<u>\$12,500</u>

The community's estimated economic impact from these events is over \$2 million.

RECOMMENDED MOTION: To recommend that the EDC budget an additional \$12,500 of Tourism funding for the addition of five new high economic impact sports tourism events.

January 17, 2023

EXECUTIVE SUMMARY

TO: CVB Board of Directors

FROM: Theresa Harrington, CVB Executive Director
Shannon Green, EDC V/P of Finance and Administration

SUBJECT: CVB Financial Report, December FY23

We provide the following summary to aid you in the review of the attached financial report. The highlights during this reporting period are as follows:

- 1) **Interest Income** - An adjustment for interest retroactive to April was realized in this reporting period. The increasing Federal Funds Rate has resulted in interest income considerably over the adopted budget.
- 2) **Group Tour Activity** – Group tour activity in the first half of the fiscal year continues to increase Group Tour Income and Historic Collinsville Income. Year-to-date Group Tour Income has more than tripled the annual budget. The estimated direct economic impact of these events is \$716,000.
- 3) **Hotel/Motel Tax Collections** – Year-to-date collections represent a 17.7% increase over the same period of FY22.
- 4) There are no other items to highlight for the Board in this reporting period.

(A more detailed summary of less noteworthy or previously noted items begins on page 4.)

CLARKSVILLE/MONTGOMERY COUNTY
CONVENTION & VISITORS BUREAU
STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCE
DECEMBER 31, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 719,883.44	
Certificates of Deposit	275,496.66	
Accounts receivable	7,202.00	
Due from EDC	183.85	
Merchandise Inventory	6,452.09	

TOTAL CURRENT ASSETS		\$ 1,009,218.04

NON-CURRENT ASSETS

Furniture And Equipment	\$ 67,286.30	
Motor Vehicles	42,481.80	
Leasehold Improvements	52,538.00	
Visitors Center	349,377.53	
Accum Deprec: Non-Curr. Assets	(335,441.05)	

TOTAL NON-CURRENT ASSETS		\$ 176,242.58

TOTAL ASSETS		\$ 1,185,460.62
		=====

LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	20,828.51	

TOTAL LIABILITIES		\$ 20,828.51

FUND BALANCE

Fund balance	1,145,785.49	
YTD Earnings/(Loss)	18,846.62	

Total Fund Balance		\$ 1,164,632.11

TOTAL LIAB/FUND BALANCE		\$ 1,185,460.62
		=====

Preliminary & Unaudited

CLARKSVILLE/MONTGOMERY COUNTY
CONVENTION & VISITOR BUREAU
STATEMENT OF REVENUE AND EXPENSES
FOR THE PERIOD ENDED DECEMBER 31, 2022

	Current Month	Year to Date	Yearly Budget	Budget Remaining	
REVENUE					
Interest Income	8,507.64	9,295.87	2,500.00	6,795.87	271.83
Group Tour Income	12,438.00	63,729.00	15,000.00	48,729.00	324.86
Co-op Advertising Income	.00	20,217.80	35,000.00	(14,782.20)	42.23-
Rental Income	.00	3,307.50	6,615.00	(3,307.50)	50.00-
Other income	500.00	500.00	1,000.00	(500.00)	50.00-
TOTAL REVENUE	\$ 21,445.64	\$ 97,050.17	\$ 60,115.00	\$ 36,935.17	61.44
EXPENSES					
Advertising Expenses	.00	60,162.61	70,000.00	9,837.39	14.05
Audit services	.00	5,000.00	12,000.00	7,000.00	58.33
Rent	.00	6,615.00	13,230.00	6,615.00	50.00
Recruitment/Special Event Exp.	7,904.65	47,522.76	15,000.00	(32,522.76)	216.82-
TOTAL OPERATING EXPENSES	\$ 7,904.65	\$ 119,300.37	\$ 110,230.00	\$ (9,070.37)	8.23-
OPERATING NET INCOME/(Loss)	\$ 13,540.99	\$ (22,250.20)	\$ (50,115.00)	\$ 27,864.80	55.60
NON-OPERATING ITEMS					
VISITORS CENTER OPERATIONS					
Merchandise Sales	75.50	315.23	1,000.00	(684.77)	68.48-
Cost of Goods Sold	4.72	88.06	550.00	461.94	83.99
Visitors Center Net Inc/(Loss)	\$ 70.78	\$ 227.17	\$ 450.00	\$ (222.83)	49.52-
GROUP TOUR SPECIAL EVENTS					
Group Tour Event Inc.	.00	53,249.44	80,000.00	(26,750.56)	33.44-
Group Tour Event Exp.	.00	34,921.30	95,100.00	60,178.70	63.28
Group Tour Event Net I/(L)	\$.00	\$ 18,328.14	\$ (15,100.00)	\$ 33,428.14	221.38
HISTORIC COLLINSVILLE					
Historic Collinsville Inc.	171.99	22,763.96	15,000.00	7,763.96	51.76
Historic Collinsville Expenses	.00	222.45	500.00	277.55	55.51
Historic Collinsville N I/(L)	\$ 171.99	\$ 22,541.51	\$ 14,500.00	\$ 8,041.51	55.46
TRANSFORM TOURISM					
ARPA Grant Funding	.00	.00	188,641.00	(188,641.00)	***.**
Transform Tourism Exp.	.00	.00	188,641.00	188,641.00	***.**
Transform Tourism Net I/(L)	\$.00	\$.00	\$.00	\$.00	.00
Total Non-Operating Items	\$ 242.77	\$ 41,096.82	\$ (150.00)	\$ 41,246.82	***.**
NET INCOME AFTER NON-OP. ITEMS	\$ 13,783.76	\$ 18,846.62	\$ (50,265.00)	\$ 69,111.62	137.49

Preliminary & Unaudited

This summary is intended to give additional information regarding noteworthy figures presented in the Bureau's interim financial Statements. Such items include, but are not limited to, non-budgeted and over-budget figures.

(This document is intended to be read alongside those financial statements and is presented in the order that these items appear on it. Items that are changed from the last report are underlined.)

BALANCE SHEET:

- 1) **Certificates of Deposit** – A summary of the Commission's investments are below:

Certificate	Amount	Matures
<u>18-Month C/D</u>	\$ 54,674	11/29/2023
<u>13-Month C/D</u>	\$108,877	2/15/2024
<u>24-Month C/D</u>	\$111,945	11/18/2024
Total Certificates of Deposit	<u>\$275,497</u>	

- 2) **Accounts Receivable** – All receivables are considered collectable. A breakdown follows:

Receivable	Amount
<u>Group Tours</u>	\$ 5,002.00
<u>Historic Collinsville Invoices</u>	\$ 1,200.00
Welcome Home Invoices	\$ 1,000.00
Total Accounts Receivable	<u>\$ 7,202.00</u>

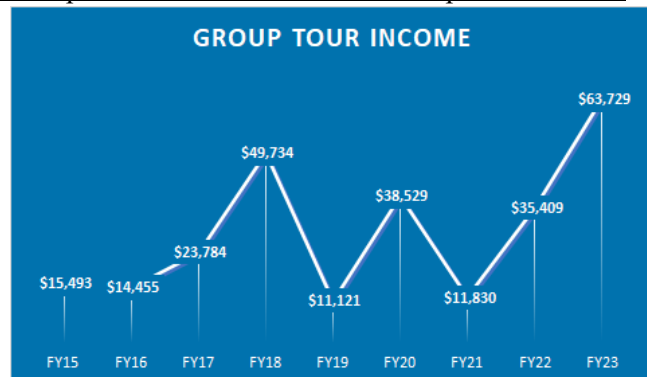
- 3) **Due From EDC** – This represents tourism development activities executed by the Tourist Commission that were actually budgeted to be executed by the EDC (funded by current FY Hotel/Motel Taxes).
- 4) **Merchandise Inventory** – This line represents the inventory of retail merchandise to be sold by the Welcome Center (Opened in May, 2012) and Historic Collinsville (Opened November, 2018).
- 5) **Fund Balance** – Of the Board's Fund Balance, \$15,000 is assigned by management as a contingency toward unbudgeted major repairs to the Visitors' Center complex.

STATEMENT OF REVENUES AND EXPENSES

Operating Items

Revenue –

- 1) **Interest Income** – An adjustment for interest retroactive to April was realized in this reporting period. The increasing Federal Funds Rate has resulted in interest income considerably over the adopted budget.
- 2) **Group Tour Income** – Year-to-date Group Tour Income has more than tripled the annual budget. This income is budgeted to be entirely offset by Group Tour Expenses that appear in the Recruitment/Special Event Expense line. The estimated economic impact for the group tours thus far in the fiscal year is \$716,000.
- 3) **Rental Income** – The Board leases a parking lot for the Visitors Center and subleases it to a neighboring hotel.



Expenses

- 1) **Rent Expense** – This is for rental of multiple storage units for the CVB's event supplies.
- 2) **Recruitment/Special Event Expenses** – Year-to-date, this represents group tour recruitment and hosting expenses that are offset in part by Group Tour Income (See **Group Tour Income**).

Non-Operating Items

- 1) **Visitors Center Operations** – This represents retail activity at the Visitors Center located at 180 Holiday Drive.
- 2) **Group Tour Special Events** – This represents the financial activity for the Welcome Home event held September 14th -17th. It finished with a net income of over \$18,000 (\$33k better than the budgeted loss) due to increased attendance from two military reunions that were hosted during this year's event.
- 3) **Historic Collinsville Operations** – This represents the event sponsorships, admissions, retail sales, and cost of goods sold at Historic Collinsville. Year-to-Date revenues have exceeded the annual budget by over 37%; this is due mostly to tours provided to American Queen riverboat tourists in the first half of the fiscal year. The maintenance of the facility is funded by the Hotel/Motel tax proceeds of the EDC. Historic Collinsville is currently closed to the public for the winter season.

Other Information:

Hotel/Motel Taxes – Hotel/Motel Tax proceeds are the most significant measure of the health of the local tourism industry. Year-to-date collections represent a 17.7% increase over the same period of FY22. [see table and attached

Schedule of Hotel/Motel Tax Revenue History]

Hotel/Motel Tax proceed collections in FY22 in excess of the amount necessary to fulfill the CVB's budget obligations for EDC overhead expenses will be restricted for Tourism Development efforts as budgeted. Any FY22 proceeds collected more than budget will be held by the EDC in Reserves restricted for Tourism Development. The year-to-date balance of those reserves is reported in detail on the EDC's financial report and noted in summary below for the Board's information. The CVB may recommend uses for these restricted funds (See table that follows).



Description	Actual	Budget	Variance
FY23 Hotel/Motel Tax Proceeds	\$ 930,494	\$ 1,499,639	\$ (569,145)
Allocated to EDC Shared Overhead (inc. Reserves)	\$ (147,619)	\$ (301,431)	\$ 153,812
Allocated to EDC Dedicated Overhead Staffing (inc. Reserves)	\$ (372,048)	\$ (761,137)	\$ 389,089
Tourism Development Initiative Expenses (inc. Reserves)	\$ (212,549)	\$ (580,181)	\$ 367,632
Net Hotel/Motel Tax Proceeds Restricted for Tourism	\$ 198,278	\$ (143,111)	\$ 341,389
Beginning Reserve Balance, FY23	\$ 578,730		
Current Balance of Tourism Reserves	\$ 777,008	*	

* \$887K in budgeted expenses remain in FY23

Note: Paragraph #10 of the EDC Budget agreement establishes a rebate of any dedicated overhead staffing budget which remain unused for the fiscal year.

EDC/CVB
Tax Revenue History
As of 1/11/2023

Fiscal Year	1980/1981	1981/1982	1982/1983	1983/1984	1984/1985	1985/1986	1986/1987	1987/1988	1988/1989	1989/1990
July	\$ 5,786.41	\$ 9,642.23	\$ 8,012.49	\$ 10,924.92	\$ 8,307.01	\$ 10,598.50	\$ 11,339.45	\$ 10,085.31	\$ 14,896.72	\$ 11,535.59
August	\$ 6,742.61	\$ 10,593.70	\$ 8,815.25	\$ 9,082.29	\$ 8,269.44	\$ 7,945.59	\$ 10,608.06	\$ 9,593.90	\$ 11,649.36	\$ 11,151.63
September	\$ 5,922.59	\$ 9,751.29	\$ 10,810.41	\$ 7,002.88	\$ 6,521.58	\$ 8,370.87	\$ 8,501.65	\$ 8,674.46	\$ 8,268.17	\$ 9,347.52
October	\$ 5,440.96	\$ 8,932.13	\$ 8,420.66	\$ 9,350.00	\$ 7,532.98	\$ 6,248.35	\$ 8,050.65	\$ 9,384.25	\$ 9,678.30	\$ 9,821.40
November	\$ 5,596.69	\$ 8,361.31	\$ 7,632.37	\$ 8,565.03	\$ 6,345.25	\$ 6,505.43	\$ 6,877.83	\$ 7,494.25	\$ 7,420.82	\$ 8,030.18
December	\$ 5,132.68	\$ 8,191.84	\$ 8,154.00	\$ 9,352.50	\$ 5,438.95	\$ 6,096.86	\$ 6,207.57	\$ 6,596.46	\$ 7,015.87	\$ 7,958.62
January	\$ 4,609.31	\$ 5,007.93	\$ 10,445.70	\$ 9,252.82	\$ 5,542.87	\$ 6,215.62	\$ 6,224.44	\$ 6,281.67	\$ 9,280.24	\$ 7,686.40
February	\$ 6,861.61	\$ 7,854.91	\$ 10,519.81	\$ 12,030.53	\$ 6,140.21	\$ 8,436.60	\$ 7,503.12	\$ 6,805.01	\$ 7,832.08	\$ 7,240.51
March	\$ 7,057.45	\$ 7,913.27	\$ 10,528.61	\$ 12,797.07	\$ 7,968.88	\$ 8,415.96	\$ 7,949.10	\$ 7,617.85	\$ 10,432.93	\$ 9,800.56
April	\$ 7,858.50	\$ 8,513.42	\$ 10,610.51	\$ 12,415.17	\$ 6,281.67	\$ 7,809.32	\$ 8,445.75	\$ 10,170.86	\$ 9,308.99	\$ 9,714.76
May	\$ 8,771.56	\$ 8,367.92	\$ 14,787.33	\$ 6,145.51	\$ 6,808.26	\$ 7,529.70	\$ 9,622.08	\$ 9,031.49	\$ 9,423.33	\$ 10,052.49
June	\$ 10,184.34	\$ 12,181.62	\$ 14,808.57	\$ 7,873.60	\$ 9,857.63	\$ 12,977.34	\$ 10,710.65	\$ 12,155.68	\$ 12,248.53	\$ 12,099.72
Totals	\$79,964.71	\$105,311.57	\$123,545.71	\$114,792.32	\$85,014.73	\$97,150.14	\$102,040.35	\$103,891.19	\$117,455.34	\$114,439.38
		31.7%	17.3%	-7.1%	-25.9%	14.3%	5.0%	1.8%	13.1%	-2.6%

Fiscal Year	1990/1991	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000
July	\$ 13,720.98	\$ 13,835.53	\$ 14,410.51	\$ 17,338.90	\$ 17,752.99	\$ 18,776.01	\$ 20,471.24	\$ 19,893.46	\$ 19,726.19	\$ 22,655.82
August	\$ 13,327.01	\$ 13,591.82	\$ 13,513.34	\$ 16,928.73	\$ 17,105.10	\$ 20,969.90	\$ 21,685.32	\$ 21,883.61	\$ 23,487.42	\$ 28,017.14
September	\$ 10,171.56	\$ 10,681.55	\$ 10,772.07	\$ 13,876.34	\$ 18,414.56	\$ 19,229.18	\$ 18,664.93	\$ 20,378.96	\$ 20,269.65	\$ 20,910.21
October	\$ 10,722.91	\$ 12,216.31	\$ 13,472.59	\$ 12,578.75	\$ 15,668.57	\$ 15,516.09	\$ 14,489.28	\$ 14,303.46	\$ 20,486.31	\$ 20,677.38
November	\$ 7,954.50	\$ 10,560.95	\$ 7,781.24	\$ 15,261.58	\$ 16,589.06	\$ 15,522.61	\$ 15,967.97	\$ 16,281.67	\$ 19,115.31	\$ 20,528.77
December	\$ 7,896.39	\$ 9,063.20	\$ 6,072.76	\$ 12,078.74	\$ 13,935.47	\$ 14,181.78	\$ 14,383.71	\$ 14,820.79	\$ 18,926.25	\$ 16,711.09
January	\$ 9,847.97	\$ 9,120.35	\$ 5,627.35	\$ 11,237.49	\$ 12,818.53	\$ 12,269.00	\$ 13,595.07	\$ 12,244.44	\$ 13,136.23	\$ 14,903.80
February	\$ 7,817.88	\$ 9,995.00	\$ 7,987.96	\$ 12,969.35	\$ 12,182.43	\$ 11,465.48	\$ 11,094.43	\$ 10,956.36	\$ 14,805.04	\$ 16,320.99
March	\$ 11,112.20	\$ 11,050.74	\$ 14,139.39	\$ 13,697.19	\$ 11,555.69	\$ 12,575.05	\$ 14,030.41	\$ 14,851.17	\$ 15,814.66	\$ 21,146.50
April	\$ 12,921.44	\$ 11,859.90	\$ 12,756.40	\$ 15,983.43	\$ 14,918.33	\$ 17,394.99	\$ 17,300.55	\$ 16,516.12	\$ 18,276.17	\$ 20,126.59
May	\$ 13,304.13	\$ 11,867.02	\$ 13,198.52	\$ 15,702.74	\$ 15,948.94	\$ 16,500.95	\$ 18,592.72	\$ 19,331.56	\$ 22,488.44	\$ 20,149.26
June	\$ 13,547.00	\$ 12,762.61	\$ 13,262.95	\$ 15,095.92	\$ 15,910.06	\$ 17,837.35	\$ 18,939.97	\$ 19,724.90	\$ 20,443.94	\$ 20,149.26
Totals	\$132,343.97	\$136,604.98	\$132,995.08	\$172,749.16	\$182,799.73	\$192,238.39	\$199,215.60	\$201,186.50	\$226,975.61	\$242,296.81
	15.6%	3.2%	-2.6%	29.9%	5.8%	5.2%	3.6%	1.0%	12.8%	6.8%

Fiscal Year	2000/2001	2001/2002	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010
July	\$ 21,701.37	\$ 35,273.48	\$ 43,970.36	\$ 43,671.21	\$ 43,673.82	\$ 65,700.54	\$ 56,316.10	\$ 80,834.96	\$ 56,727.55	\$ 82,535.34
August	\$ 40,890.80	\$ 39,958.62	\$ 51,396.32	\$ 55,334.76	\$ 59,233.34	\$ 75,355.38	\$ 58,810.64	\$ 76,442.59	\$ 63,321.89	\$ 82,296.53
September	\$ 38,398.70	\$ 37,584.54	\$ 36,843.66	\$ 44,136.10	\$ 44,113.61	\$ 61,496.02	\$ 55,834.94	\$ 72,632.54	\$ 56,104.77	\$ 65,900.15
October	\$ 38,720.79	\$ 31,888.87	\$ 32,294.38	\$ 35,173.87	\$ 42,609.94	\$ 61,377.50	\$ 71,852.91	\$ 68,488.04	\$ 49,670.67	\$ 61,774.90
November	\$ 33,607.79	\$ 34,704.10	\$ 33,988.75	\$ 38,461.82	\$ 42,246.55	\$ 55,673.45	\$ 56,511.32	\$ 78,700.79	\$ 59,595.73	\$ 69,554.94
December	\$ 27,059.61	\$ 31,923.16	\$ 32,655.54	\$ 35,188.61	\$ 43,107.99	\$ 52,322.57	\$ 55,710.07	\$ 53,081.12	\$ 69,178.70	\$ 64,092.82
January	\$ 23,987.09	\$ 25,160.35	\$ 32,615.06	\$ 36,036.00	\$ 46,851.70	\$ 37,483.18	\$ 44,205.34	\$ 47,878.21	\$ 51,712.67	\$ 58,685.60
February	\$ 23,640.44	\$ 26,616.34	\$ 33,848.14	\$ 45,306.09	\$ 40,169.90	\$ 37,831.53	\$ 42,249.42	\$ 46,523.20	\$ 61,469.72	\$ 72,720.46
March	\$ 26,849.31	\$ 27,129.13	\$ 46,095.00	\$ 51,997.30	\$ 41,611.61	\$ 38,647.47	\$ 46,805.15	\$ 49,776.67	\$ 63,043.48	\$ 57,750.68
April	\$ 32,017.62	\$ 37,570.21	\$ 46,940.38	\$ 45,771.72	\$ 60,791.55	\$ 58,887.40	\$ 66,980.25	\$ 73,027.15	\$ 77,923.00	\$ 87,394.90
May	\$ 33,220.35	\$ 35,581.94	\$ 45,091.48	\$ 47,631.28	\$ 53,900.48	\$ 51,409.15	\$ 61,304.18	\$ 53,529.79	\$ 73,862.42	\$ 83,219.25
June	\$ 33,181.60	\$ 38,774.64	\$ 41,672.20	\$ 45,048.81	\$ 59,450.76	\$ 53,158.17	\$ 80,238.62	\$ 63,323.06	\$ 76,582.48	\$ 93,201.00
Totals	\$373,275.47	\$402,165.38	\$477,411.27	\$523,757.57	\$577,761.25	\$ 649,342.36	\$ 696,818.94	\$ 764,238.12	\$ 759,193.08	\$ 879,126.57
	54.1%	7.7%	18.7%	9.7%	10.3%	12.4%	7.3%	9.7%	-0.66%	15.80%

Fiscal Year	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020
July	\$ 92,071.44	\$ 99,032.51	\$ 84,670.68	\$ 82,640.21	\$ 92,635.12	\$ 97,375.39	\$ 108,306.59	\$ 107,670.20	\$ 127,811.21	\$ 115,990.77
August	\$ 94,682.94	\$ 112,283.55	\$ 86,097.25	\$ 82,274.32	\$ 84,246.07	\$ 108,706.02	\$ 115,198.82	\$ 145,352.06	\$ 131,345.55	\$ 131,208.85
September	\$ 82,611.87	\$ 108,804.55	\$ 81,830.86	\$ 73,357.13	\$ 80,009.26	\$ 80,806.01	\$ 109,026.26	\$ 118,856.35	\$ 124,414.35	\$ 114,899.51
October	\$ 63,470.17	\$ 89,471.86	\$ 81,025.68	\$ 70,261.17	\$ 78,375.69	\$ 81,802.26	\$ 92,724.58	\$ 105,652.30	\$ 116,079.03	\$ 107,855.61
November	\$ 66,472.41	\$ 100,628.13	\$ 83,121.27	\$ 79,322.97	\$ 94,664.03	\$ 96,718.30	\$ 100,355.16	\$ 99,182.30	\$ 133,340.57	\$ 132,040.19
December	\$ 65,736.67	\$ 89,742.32	\$ 67,103.79	\$ 74,184.28	\$ 71,320.27	\$ 88,294.76	\$ 80,560.31	\$ 80,820.86	\$ 112,921.57	\$ 105,493.40
January	\$ 55,579.94	\$ 73,037.98	\$ 60,566.33	\$ 63,503.73	\$ 70,579.54	\$ 67,155.59	\$ 67,875.69	\$ 78,009.84	\$ 92,658.36	\$ 83,432.35
February	\$ 58,579.04	\$ 77,572.06	\$ 50,460.64	\$ 66,168.66	\$ 64,212.59	\$ 62,931.53	\$ 67,828.66	\$ 84,493.98	\$ 87,557.99	\$ 74,194.80
March	\$ 73,451.25	\$ 77,541.01	\$ 53,399.35	\$ 64,026.92	\$ 58,068.47	\$ 72,599.61	\$ 66,367.86	\$ 93,764.21	\$ 91,398.27	\$ 90,058.34
April	\$ 83,882.70	\$ 99,156.84	\$ 75,444.65	\$ 102,219.48	\$ 100,239.86	\$ 91,485.84	\$ 95,299.13	\$ 113,615.32	\$ 121,533.99	\$ 90,098.41
May	\$ 88,004.55	\$ 86,189.58	\$ 68,158.13	\$ 81,559.52	\$ 97,212.22	\$ 94,672.91	\$ 98,282.16	\$ 107,714.74	\$ 121,943.18	\$ 39,730.98
June	\$ 98,268.28	\$ 92,994.43	\$ 89,051.48	\$ 88,958.53	\$ 99,414.56	\$ 103,178.55	\$ 102,158.91	\$ 126,818.44	\$ 127,550.89	\$ 72,334.38
Totals	\$ 922,811.26	\$1,106,454.82	\$880,930.11	\$928,476.92	\$990,977.68	\$ 1,045,726.77	\$ 1,103,984.14	\$ 1,261,950.59	\$ 1,388,554.94	\$ 1,157,337.59
	4.97%	19.90%	-20.4%	5.4%	6.7%	5.5%	5.6%	14.3%	10.0%	-16.7%

Fiscal Year	2020/2021	2021/2022	2022/2023	Chg. % vs. PY
July	\$ 95,041.82	\$ 122,783.84	\$ 177,612.51	44.7%
August	\$ 98,591.79	\$ 157,845.66	\$ 177,909.28	12.7%
September	\$ 89,347.76	\$ 148,176.30	\$ 146,475.18	-1.1%
October	\$ 87,843.78	\$ 108,892.89	\$ 136,846.73	25.7%
November	\$ 97,807.74	\$ 126,498.02	\$ 169,109.90	33.7%
December	\$ 76,129.93	\$ 126,461.10	\$ 122,540.16	-3.1%
January	\$ 70,135.93	\$ 131,787.44		
February	\$ 12,704.55	\$ 93,285.33		
March	\$ 139,570.34	\$ 121,484.51		
April	\$ 106,494.86	\$ 143,782.75		
May	\$ 115,671.34	\$ 156,489.45		
June	\$ 128,051.65	\$ 150,080.69		
Totals	\$ 1,117,391.49	\$ 1,587,567.98	\$ 930,493.76	
	-3.5%	42.1%		

(COVID-19)

(Eclipse / Irma/LG)

(COVID-19)

Rate Changes



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November 30, 2021

To the Board of Commissioners
Clarksville-Montgomery County Tourism Commission
Clarksville, Tennessee

We have audited the financial statements of the governmental activities and general fund of Clarksville-Montgomery County Tourism Commission (the Commission) as of and for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 28, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2021. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of depreciation of property and equipment is based on estimated useful lives. We evaluated the key factors and assumptions used to develop the depreciation and accumulated depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the collectibility of receivables is based on assumptions by management. We evaluated key factors and assumptions used to develop the collectibility of receivables in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure for funding concentration in Note 10 is sensitive due to the relative significance to revenues and the immediate and material financial impact that a significant reduction in hotel/motel taxes collected may have on the Commission's financial statements.

The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Of the three adjusting entries and one reclassifying entry that we proposed, one of these entries was material to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 30, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the schedule of expenditures of federal awards and state financial assistance, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the directory of board of commissioners and management, which accompany the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the board of commissioners, management, the State of Tennessee, and Montgomery County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Stone Rudolph & Henry, PLC