AUSTIN CONVENTION AND VISITORS BUREAU

Consolidated Financial Statements as of and for the Years Ended September 30, 2016 and 2015 and Independent Auditors' Report

MAXWELL & LOCKE & RITTER

AUSTIN CONVENTION AND VISITORS BUREAU

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Austin Convention and Visitors Bureau:

We have audited the accompanying consolidated financial statements of Austin Convention and Visitors Bureau and its affiliate, Austin Sports Commission, (nonprofit organizations) (collectively, "ACVB"), which comprise the consolidated statements of financial position as of September 30, 2016 and 2015, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of ACVB as of September 30, 2016 and 2015, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidated schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Changes in Accounting Principles

As discussed in Note 2 to the financial statements, ACVB changed its method of accounting for inventory in fiscal 2016 as required by the provisions of Financial Accounting Standards Board Accounting Standards Update No. 2015-11. Our opinion is not modified with respect to this matter.

Maxwell Locke + Ritter LLP

Austin, Texas
December 5, 2016

AUSTIN CONVENTION AND VISITORS BUREAU

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2016 AND 2015

	2016	2015
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,645,637	$ 4,065,823
Accounts receivable	2,197,063	1,402,087
Inventory	265,225	257,814
Prepaid expenses	315,341	357,158
Security deposits	58,785	59,585
Total current assets	8,482,051	6,142,467
MARKETABLE INVESTMENTS	411,253	360,005
PROPERTY AND EQUIPMENT, net	1,311,840	1,361,355
TOTAL ASSETS	$ 10,205,144	$ 7,863,827
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	$ 508,072	$ 394,929
Accrued expenses	463,790	482,045
Heritage grants payable	461,140	371,635
Deferred revenue	199,999	-
Current portion of long-term debt	107,182	101,577
Total current liabilities	1,740,183	1,350,186
LONG-TERM DEBT, net of current portion	466,335	573,532
DEFERRED RENT	183,846	145,446
DEFERRED COMPENSATION	411,253	324,603
Total liabilities	2,801,617	2,393,767
NET ASSETS:		
Unrestricted	7,399,152	5,465,685
Temporarily restricted	4,375	4,375
Total net assets	7,403,527	5,470,060
TOTAL LIABILITIES AND NET ASSETS	$ 10,205,144	$ 7,863,827

See notes to consolidated financial statements.

AUSTIN CONVENTION AND VISITORS BUREAU

CONSOLIDATED STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
CHANGE IN UNRESTRICTED NET ASSETS:		
Revenues:		
Revenue from the City of Austin	$ 14,473,733	$ 12,410,510
In-kind contributions and donated services	1,520,902	651,566
Sponsorships	760,568	662,752
Housing and registration services	364,879	292,697
Merchandise sales, net of cost of sales of $890,135 and $873,339, respectively	339,953	301,665
Other revenues	80,135	57,391
Total revenues	17,540,170	14,376,581
Expenses:		
Programs:		
Convention sales	3,853,926	3,513,030
Advertising	3,356,903	2,771,651
Strategic partnership	1,883,489	961,366
Convention services	945,031	1,011,157
Marketing and communications	837,214	673,153
Visitors' center	695,285	668,879
Tourism sales	495,840	467,848
Austin Sports Commission	425,873	343,228
Housing	252,941	231,711
Heritage tourism	199,000	192,250
Music office	194,590	209,850
Film commission	159,440	232,723
Total program expenses	13,299,532	11,276,846
Supporting services-		
Administrative	2,307,171	1,783,371
Total expenses	15,606,703	13,060,217
CHANGE IN UNRESTRICTED NET ASSETS	1,933,467	1,316,364
NET ASSETS, beginning of year	5,470,060	4,153,696
NET ASSETS, end of year	$ 7,403,527	$ 5,470,060

See notes to consolidated financial statements.

AUSTIN CONVENTION AND VISITORS BUREAU

CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,933,467	$ 1,316,364
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	227,535	192,451
(Gain) loss on the disposal of property and equipment	(13,766)	4,004
Unrealized gain on marketable investments	(51,248)	(46,965)
Changes in operating assets and liabilities that provided (used) cash:		
Accounts receivable	(794,976)	(377,822)
Inventory	(7,411)	4,932
Prepaid expenses	41,817	(133,155)
Security deposits	800	(34,165)
Accounts payable	113,143	181,938
Accrued expenses	(18,255)	7,848
Heritage grants payable	89,505	56,339
Deferred revenue	199,999	(9,250)
Deferred rent	38,400	130,170
Deferred compensation	86,650	31,149
Net cash provided by operating activities	1,845,660	1,323,838
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(178,020)	(455,295)
Proceeds from sale of property and equipment	13,766	-
Net cash used in investing activities	(164,254)	(455,295)
CASH FLOWS FROM FINANCING ACTIVITIES-		
Payments on long-term debt	(101,592)	(79,946)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,579,814	788,597
CASH AND CASH EQUIVALENTS, beginning of year	4,065,823	3,277,226
CASH AND CASH EQUIVALENTS, end of year	$ 5,645,637	$ 4,065,823
SUPPLEMENTAL DISCLOSURE-		
Cash paid for interest	$ 34,003	$ 39,472

See notes to consolidated financial statements.

1. ORGANIZATION

The Austin Convention and Visitors Bureau (the "Bureau") is a private, 501(c)(6) corporation. The Bureau is charged with marketing Austin internationally as a premier business and leisure destination, thus enriching the community's overall quality of life. The Bureau's Sales department actively pursues meetings and conventions to choose Austin for their events. This is done by attending trade shows, conducting sales missions and client events, and by direct sales to clients. To support conventions that are in town, Convention Services provides meeting and convention organizers with the services and information that they need to meet successfully in Austin. Additionally, they assist in providing housing services for groups and temporary registration and welcome staff. The Tourism Sales department works with tour companies, both domestically and internationally, to have Austin included on their itineraries. Marketing and Communications coordinates a robust print, online and experiential advertising campaign for Austin, in addition to managing a full suite of interactive tools for visitors. They also work with media to create press coverage of the area. The Film Commission actively works with location scouts to find appropriate filming locations in Austin. Additionally, they act as a liaison between film makers and the local film industry. The Music Office promotes Austin music domestically and internationally, and works as a liaison between Austin musicians and convention planners who book local musicians to provide entertainment for their events. The Austin Visitors' Center provides an "on ground" presence for services to visitors in Austin, in addition to running a robust retail store to showcase Austin merchandise.

The Austin Sports Commission (the "Commission"), an affiliate of the Bureau, was formed on June 26, 2006 for the purpose of promoting, expanding, and retaining professional and amateur sporting events in the Greater Austin Area. The Executive Committee of the Bureau has the power to make, alter, amend, and repeal the bylaws of the Commission and controls the appointment of the Board of Directors of the Commission. Also, the Bureau is responsible for the liabilities of the Commission. Therefore, consolidation of the Commission by the Bureau is required as the Bureau has both control over and an economic interest in the Commission. The consolidated financial statements include the accounts of the Bureau and the Commission (collectively, "ACVB"). All significant inter-company transactions and balances have been eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as defined by the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC"). Under the accrual basis of accounting, revenue is recognized when earned regardless of when collected, and expenses are recognized when the obligation is incurred regardless of when paid.

Net Asset Classification - Net assets, revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ACVB and changes therein are classified and reported as follows:

> **Unrestricted -** These types of net assets are not subject to donor-imposed stipulations. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. All contributions are considered to be available for unrestricted use unless specifically restricted by a donor.
>
> **Temporarily Restricted -** These types of net assets are subject to donor-imposed stipulations, which limit their use by ACVB to a specific purpose and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Donor imposed restrictions that are met within the same reporting period of the contribution are reported as unrestricted support. Temporarily restricted net assets of $4,375 were restricted for the Restore Austin Fund as of September 30, 2016 and 2015.
>
> **Permanently Restricted -** These types of net assets are not currently available for use in operations and their limitations neither expire by passage of time nor can be fulfilled or otherwise removed by actions of ACVB. ACVB has not received any permanently restricted contributions to date as of September 30, 2016.

Use of Estimates - The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and Cash Equivalents - ACVB considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Fair Value Measurements - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows:

> Level 1 **-** Inputs based on quoted prices in active markets for identical assets or liabilities. An active market is a market in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
>
> Level 2 **-** Observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity.
>
> Level 3 **-** Unobservable inputs that reflect the entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

There are three general valuation techniques that may be used to measure fair value: 1) market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities, 2) cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost), and 3) income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations.

Marketable Investments - Marketable investments are recorded in the consolidated statements of financial position at fair value. Changes in fair value are reported in other revenue in the consolidated statements of activities. All marketable investments were measured at fair value using the market approach, and are intended to fund the deferred compensation liability in future years.

Accounts Receivable - Accounts receivable are recorded at the value of the revenue earned and generally require payment within thirty days. Receivable balances over thirty days old are considered delinquent and management begins collection efforts at that time. Delinquent invoices do not accrue interest. ACVB continually monitors the credit worthiness of each account and recognizes allowances for estimated bad debt on accounts that are no longer estimated to be collectible. ACVB regularly adjusts any allowance for subsequent collections and final determination that a balance is no longer collectible. ACVB had no allowance for bad debt as of September 30, 2016 or 2015, as management deemed all outstanding balances to be collectible.

Inventory - Inventory is valued at the lower of cost or net realizable value. Inventory includes purchased promotional items and visitor center merchandise classified as finished goods. Cost includes the acquisition cost of purchased goods determined by the retail inventory method. Net realizable value is the estimated selling price less reasonably predictable costs to sell. Management estimates a reserve for obsolete inventory based on a review of specific inventory items at risk for obsolescence. No obsolescence reserve was considered necessary as of September 30, 2016 or 2015.

Property and Equipment - Property and equipment are recorded at cost if purchased or at fair value if donated. ACVB capitalizes all acquisitions of property and equipment in excess of $1,000 with a useful life of three or more years. Gains and losses on disposals of property and equipment are recognized during the year of disposition in the consolidated statement of activities. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, ranging from 5 to 7 years for office equipment and vehicles, or the lesser of the useful life or term of the lease for leasehold improvements, ranging from 10 - 17 years.

Impairment of Long-Lived Assets - Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the amount recorded may not be recoverable. An impairment loss is recognized by the amount in which the carrying amount of the asset exceeds fair value, if the carrying amount of the asset is not recoverable. No impairment losses have been recognized during the years ended September 30, 2016 and 2015.

Heritage Grants - Heritage grants are provided to assist organizations in preserving historic properties that are proven tourism attractions, or are located in areas that are frequented by tourists. Nonprofits are the only organizations eligible to receive these grant funds.

Deferred Compensation - ACVB has a tax exempt 457(b) deferred compensation plan under which two highly compensated key employees are eligible to participate - one active employee and one former employee. Amounts deferred under the plan by participants are invested by ACVB through the designation of an administrator, but the investments are directed by the participants. All amounts deferred under the plan by participants, all property and rights purchased with these amounts, and all income attributable are the sole property of ACVB and fully subject to claims by ACVB's general creditors. Participants are eligible to receive distributions under the plan upon severance from employment, an unforeseeable emergency, or the election of a small balance distribution.

Revenue from the City of Austin - ACVB receives a substantial portion of its revenue from the City of Austin (the "City") under an agreement to perform certain services related to its stated purpose in exchange for a percentage of hotel occupancy tax revenue that is collected by the City. The payments are subject to annual appropriation by the City and the ability of the City to collect such tax proceeds. The fiscal year 2016 agreement with the City expired on September 30, 2016 and was renewed for an additional five-year term, expiring on September 30, 2021. Revenues are considered earned when the City earns hotel occupancy tax revenues. Revenues earned but not received in cash are recorded as accounts receivable.

In-kind Contributions - Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the consolidated statements of activities as in-kind contributions are offset by equal amounts included in expenses or additions to property and equipment.

Donated Services - Contributions of services are recognized at their estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation. The amounts included in the consolidated statements of activities as donated services are offset by equal amounts included in expenses.

Advertising Costs - ACVB expenses advertising costs as incurred. Advertising expense totaled $3,356,903 and $2,771,651 during the years ended September 30, 2016 and 2015, respectively.

Functional Allocation of Expenses - The majority of expenses can generally be identified with the program or supporting service to which they relate and are charged accordingly. Other expenses are allocated by function to components of these services based on allocation factors determined by management.

Concentration of Credit Risk - Financial instruments that potentially subject ACVB to credit risk consist of cash and cash equivalents, marketable investments, and accounts receivable. ACVB places its cash and cash equivalents with a limited number of high quality financial institutions and may exceed the amount of insurance provided on such deposits. Marketable investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the near-term could materially affect the amounts reported in the consolidated statements of financial position.

The City accounted for 90% and 94% of accounts receivable as of September 30, 2016 and 2015, respectively. The City accounted for 83% and 86% of total revenues during the years ended September 30, 2016 and 2015, respectively. ACVB generally does not maintain collateral for its accounts receivable and management does not believe a significant risk exists.

Income Taxes - The Bureau and the Commission are nonprofit corporations that are exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code, except to the extent of any unrelated business income. The Bureau and the Commission did not incur any significant tax liabilities due to unrelated business income during the years ended September 30, 2016 or 2015. The Bureau and the Commission file Form 990 tax returns in the U.S. federal jurisdiction and are subject to routine examinations of their returns; however, there are no examinations currently in progress.

Recently Issued Accounting Pronouncements - In May 2014 and August 2015, the FASB issued Accounting Standards Updates ("ASU") No. 2014-09 and No. 2015-14, *Revenue from Contracts with Customers*, which supersede the revenue recognition requirements in ASC 605, *Revenue Recognition*, and most industry-specific guidance included in the ASC. The standard requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. The standard is effective retrospectively for fiscal years beginning after December 15, 2018 and early adoption is permitted. ACVB is currently evaluating the impact the new standard will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which requires the recognition of lease assets and lease liabilities by lessees for all leases, including leases previously classified as operating leases, and modifies the classification criteria and accounting for sales-type and direct financing leases by lessors. Leases continue to be classified as finance or operating leases by lessees and both classifications require the recognition of a right-of-use asset and a lease liability, initially measured at the present value of the lease payments in the statement of financial position. Interest on the lease liability and amortization of the right-of-use asset are recognized separately in the statement of activities for finance leases and as a single lease cost recognized on the straight-line basis over the lease term for operating leases. The standard is effective using a modified retrospective approach for fiscal years beginning after December 15, 2019 and early adoption is permitted. ACVB is currently evaluating the impact the standard will have on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which requires presentation on the face of the statement of financial position amounts for two classes of net assets at the end of the period, net assets with donor restrictions and net assets without donor restrictions, rather than the currently required three classes. The standard also requires the presentation on the face of the statement of activities the amount of the change in each of these two classes of net assets. The standard will no longer require the presentation or disclosure of the indirect method of reporting cash flows if an entity elects to use the direct method, however it will be required for an entity to provide enhanced disclosures about liquidity in the footnotes to the financial statements. The standard is effective for fiscal years beginning after December 15, 2017 and early adoption is permitted. ACVB is currently evaluating the impact the standard will have on its consolidated financial statements.

Change in Accounting Principle for Recently Adopted Accounting Pronouncement - As a result of changes in the accounting standards for inventory, inventory is measured at the lower of cost or net realizable value rather than the lower of cost or market for inventory in which cost is determined using first-in, first-out or average cost. The standard was adopted effective October 1, 2015 and the guidance was applied prospectively to inventory existing as of that date and recognized subsequent to that date. There was no effect to net assets as of September 30, 2015.

3. MARKETABLE INVESTMENTS

Marketable investments consisted solely of variable annuity funds as of September 30, 2016, and were measured at fair value using Level 2 inputs.

Marketable investments consisted of the following as of September 30, 2015:

		Fair Value Measurements Using:		
	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Variable annuity funds	$ 324,603	$ -	$ 324,603	$ -
Publicly traded stocks	35,402	35,402	-	-
Total marketable investments	$ 360,005	$ 35,402	$ 324,603	$ -

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following as of September 30:

	2016	2015
Leasehold improvements	$ 1,255,288	$ 1,212,345
Office equipment	619,423	620,981
Vehicle	35,648	35,648
	1,910,359	1,868,974
Accumulated depreciation and amortization	(598,519)	(507,619)
Property and equipment, net	$ 1,311,840	$ 1,361,355

5. LONG-TERM DEBT

In March 2013, ACVB entered into a note payable for the purchase of a vehicle. The note payable is collateralized by the vehicle purchased, with principal and interest payments due monthly accruing interest at 2.9% and matures on March 1, 2018. As of September 30, 2016 and 2015, the outstanding balance was $9,508 and $15,628 respectively.

In December 2013, ACVB borrowed $733,482 under a promissory note payable (the “promissory note”) to finance the construction of leasehold improvements for a new visitors’ center. The promissory note is collateralized by substantially all of ACVB’s assets and accrues interest at 3.5%. Interest only payments were due monthly through September 2014. In October 2014, payments of principal and interest were due through the maturity date in September 2021. The promissory note agreement contains a financial covenant to maintain a debt service coverage ratio, as defined in the promissory note. As of September 30, 2016 and 2015, the outstanding balance was $564,009 and $659,481 respectively.

Required principal payments on long-term debt obligations as of September 30, 2016 were as follows for the years ending September 30:

2017	$	107,182
2018		112,989
2019		112,423
2020		116,409
2021		124,514
Total	$	573,517

6. COMMITMENTS

ACVB leases office facilities and a visitor center under long-term, non-cancelable operating leases. Rental expense, including operating costs, totaled $899,923 and $530,496 during the years ended September 30, 2016 and 2015, respectively. Future minimum lease payments, excluding operating costs, as of September 30, 2016 were as follows for the years ending September 30:

2017	$	440,287
2018		452,186
2019		467,669
2020		483,489
2021		496,480
Thereafter		1,838,946
Total minimum lease payments	$	4,179,057

7. IN-KIND CONTRIBUTIONS AND DONATED SERVICES

ACVB received in-kind contributions and donated services for the following programs and supporting services included in the consolidated statements of activities during the years ended September 30:

	2016		2015	
Programs:				
Strategic partnership	$	1,348,313	$	522,503
Convention sales		163,662		129,063
Visitors' center		8,927		-
Total in-kind contributions and donated services	$	1,520,902	$	651,566

In-kind contributions of tangible assets received totaled $1,330,369 and $539,348 during the years ended September 30, 2016 and 2015, respectively. Donated services received totaled $190,533 and $112,218 during the years ended September 30, 2016 and 2015, respectively. Services rendered were audio-visual labor, production and transportation related.

8. EMPLOYEE BENEFIT PLANS

ACVB has a qualified 401(k) deferred compensation plan (the "Plan") covering all employees that have completed 1,000 hours of qualified employment, reached 21 years of age and have been employed by ACVB for at least one year. Under the Plan, ACVB matches employees' contributions under elective deferral arrangements up to a maximum of 7% of compensation. Employer matching contributions totaled $243,368 and $234,742 during the years ended September 30, 2016 and 2015, respectively.

9. SUBSEQUENT EVENTS

ACVB has evaluated subsequent events through December 5, 2016 (the date the consolidated financial statements were available to be issued), and no events have occurred from the consolidated statement of financial position date through that date that would impact the consolidated financial statements.

SUPPLEMENTAL INFORMATION

AUSTIN CONVENTION AND VISITORS BUREAU

CONSOLIDATED SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

	Programs													Supporting Services	2016
	Convention Sales	Advertising	Strategic Partnership	Convention Services	Marketing and Communications	Visitors' Center	Tourism Sales	Austin Sports Commission	Housing	Heritage Tourism	Music Office	Film Commission	Total	Administrative	Total Expenses
Wages and salaries	$ 1,538,330	-	165,133	423,606	382,028	315,505	207,231	175,275	82,774	-	41,246	68,533	3,399,661	1,161,797	4,561,458
Project costs:															
Trade shows	272,421	-	8,900	67,219	6,058	-	53,769	6,952	-	-	38,836	373	454,528	565	455,093
FAMS and site visits	62,978	-	395	5,108	6,855	-	20,651	3,251	-	-	166	142	99,546	-	99,546
Client development	494,622	3,842	44,275	203,640	6,365	947	39,424	65,735	-	-	78,623	8,669	946,142	870	947,012
Local meetings/transportation	13,579	-	17,548	4,255	3,727	5,630	3,500	2,943	1,593	-	3,962	730	57,467	58,731	116,198
Special projects	204,920	29,789	85,127	1,766	2,636	1,668	995	51,125	-	-	3,500	24,225	405,751	11,067	416,818
Education seminars	46,077	1,917	2,480	5,886	15,919	2,292	644	-	-	-	-	390	75,605	6,732	82,337
Total Project Costs	1,094,597	35,548	158,725	287,874	41,560	10,537	118,983	130,006	1,593	-	125,087	34,529	2,039,039	77,965	2,117,004
Employee benefits	413,273	-	43,223	97,107	117,481	106,590	48,860	42,460	21,433	-	11,139	19,821	921,387	386,616	1,308,003
Media placement	-	2,022,069	-	-	-	-	-	-	-	-	-	-	2,022,069	-	2,022,069
Contracts	38,160	10,375	2,470	3,368	4,131	3,567	1,979	1,756	955	-	543	850	68,154	14,103	82,257
Production costs	-	1,257,738	5,000	28,509	365	-	1,750	350	-	-	981	-	1,294,693	-	1,294,693
Rent and utilities	341,622	-	46,896	66,084	85,911	74,846	37,611	33,754	18,103	-	12,097	16,152	733,076	166,847	899,923
Donated services	163,663	-	1,348,312	8,927	-	-	-	-	-	-	-	-	1,520,902	-	1,520,902
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	227,535	227,535
Heritage grants	-	-	-	-	-	-	-	-	-	199,000	-	-	199,000	-	199,000
Research	97,167	-	-	-	11,459	-	3,471	15,000	-	-	-	-	127,097	-	127,097
Office supplies	9,347	264	939	5,251	3,883	20,368	988	871	423	-	560	358	43,252	38,032	81,284
Information technology	65,993	-	5,842	7,838	18,584	37,001	4,943	4,174	2,818	-	1,305	2,756	151,254	32,793	184,047
Telephone	27,764	-	3,087	4,827	5,263	11,084	3,339	1,044	618	-	477	1,108	58,611	10,485	69,096
Housing costs	-	-	-	-	-	-	-	-	122,652	-	-	-	122,652	-	122,652
Postage	1,341	-	-	883	57,042	857	8	-	-	-	5	5	60,141	1,440	61,581
Delivery	6,794	-	156	1,726	2,671	2,035	65	208	-	-	-	-	13,655	4,026	17,681
Dues and subscriptions	27,083	6,250	1,125	2,914	1,137	443	63,569	1,284	-	-	23	13,949	117,777	18,082	135,859
Contract services	399	24,659	99,000	-	64,858	997	2,544	-	-	-	-	-	192,457	108,000	300,457
Insurance	20,623	-	3,096	4,093	4,866	4,375	499	2,195	1,202	-	768	1,137	42,854	11,229	54,083
Professional fees	4,602	-	485	1,212	1,709	61,371	-	17,496	370	-	359	242	87,846	44,662	132,508
Interest	-	-	-	-	-	33,620	-	-	-	-	-	-	33,620	383	34,003
Collateral	3,150	-	-	812	-	12,109	-	-	-	-	-	-	16,071	-	16,071
Fulfillment costs	-	-	-	-	29,580	-	-	-	-	-	-	-	29,580	-	29,580
Printing and typesetting	-	-	-	-	4,686	-	-	-	-	-	-	-	4,686	-	4,686
Taxes	13	-	-	-	-	-	-	-	-	-	-	-	13	1,662	1,675
Miscellaneous	5	-	-	-	-	(20)	-	-	-	-	-	-	(15)	1,514	1,499
	$ 3,853,926	**3,356,903**	**1,883,489**	**945,031**	**837,214**	**695,285**	**495,840**	**425,873**	**252,941**	**199,000**	**194,590**	**159,440**	**13,299,532**	**2,307,171**	**15,606,703**