

AUDITS

Section 10(b) currently reads:

CPS shall use standard accounting practices and shall keep all books and records up to date and in order. CITY shall have the right, upon reasonable notice, to inspect CPS books and records. CPS shall file quarterly financial statements with CITY showing, at a minimum, receipts, disbursements, and net profit. In addition to other periodic reviews, at least once every three years CPS shall provide to the CITY an audit prepared by an external certified public accountant utilizing generally accepted accounting principles (GAAP) and in such a manner as directed by the City Manager.

Since audits have become exceedingly expensive and since it has become very difficult to even find a company to do an audit, and since our last audit included the opinion of the auditor saying "In our opinion, an audit for an organization of this size is an unreasonable requirement." and since almost all transactions are done by credit cards and most months we handle less than \$100 in cash, and since our books have an average of 50 transactions a month (30 of them are the daily set up fees and 20 misc) since almost all transactions are electronic and through a single bank account; we feel the proper reporting method is a compilation.

Our current bookkeeper already prepares these documents for us and we can send them on to the city monthly, quarterly or yearly. Sticking with yearly audits would impose a large financial and administrative burden on us.

I suggest this section be replaced with something similar to the following:

(b) CPS shall use standard accounting practices and shall keep all books and records up to date and in order. CITY shall have the right, upon reasonable notice, to inspect CPS books and records. CPS shall file yearly financial compilations with CITY utilizing generally accepted accounting principles (GAAP) and in such a manner as directed by the City Manager.

ADVERTISING

CPS has created a sponsorship program which has been successful in helping us pay expenses. We have been given permission by the former city manager but we would like this to be included in our lease agreement. Each night we hang a vinyl banner with our logo and also ads for our sponsors. Our sponsors have included Books & Books, Blue Heaven, Dr Covington and other kind people and organizations. Each night we take down the banner and return the unaltered premises to the city of Key West. We would like this written into our lease.

7(t) During the time of the festival, CPS shall be permitted to place advertisements on temporary signage to thank its sponsors. These signage may include vinyl banners, sandwich boards or other temporary methods requiring no alteration of premises and must be taken down before the end of the daily use period.

PARKING

The City of Key West has granted the Sunset Celebration parking passes which can be used by vendors and performers while working at sunset. We currently do not have enough for each driver. When we have too few, we do a lottery for the passes and the losers must pay for parking or go home. These parking passes have made a huge impact in terms of encouraging artist and performer participation. We ask to build on this success by raising the number of passes to 20, plus one for our on-site pier manager, and including this program in our lease. Thank you for this successful initiative. We suggest something along these lines be added to the lease.

7(s) Each day CPS may issue up to 20 parking passes to their participants, plus 1 for the pier manager, which will allow the user to park in the Mallory Square parking lot, if there is space available, at no charge during the period of daily use. The parking passes must be placed inside the dashboard of the vehicle in a manner that is easily visible.

WEATHER CANCELLATION

7(p) currently reads:

In the event that inclement weather prohibits any set up whatsoever CPS shall have two inclement weather days per month, or 24 per calendar year, and the CITY shall abate the rent at \$200 per day, provided that CPS notifies the CITY of its intent to utilize an inclement weather abatement day and the CITY confirms that no use has taken place. Unused weather days shall not roll over to the next calendar year.

We are requesting that:

1. The number of cancellations be increased to three per month.

OR

2. The cancellations not used each month are allowed to roll over to the next month, however they are still limited to 24 per calendar year.

In addition to this, we request that the amount of rent abated not be a static number, but instead be the prorated amount we would have paid for that day.

SPECIAL EVENTS

Section (4) currently reads:

No more than thirty (30) days per year during the term of this Agreement, CPS shall allow CITY to occupy the Mallory Dock and Mallory Square during the period of daily use for CITY's special purposes, provided that CITY complies with the following

We would like to change it to:

No more than twelve (12) days per year during the term of this Agreement, CPS shall allow CITY to occupy the Mallory Dock and Mallory Square during the period of daily use for CITY's special purposes, provided that CITY complies with the following

And add the following:

(c) CITY shall not allow any political entity or event to occupy the Premise

This is to protect our status as a nonprofit organization.

PLANTERS

We request that the following section be removed.

7(q) CPS is required to re-locate all CPS members/vendors away from the Mallory Square planters to allow enough room for the public to access the areas surrounding them. There will be no use of the planters as part of the vendor set ups which will then provide additional seating for the public to enjoy The Sunset Celebration.

RENT PAYMENT

Section (6) reads as follows:

CPS agrees to pay to CITY equal monthly payments of Six Thousand and Eighty- Three and 33/100 dollars (\$6,083.33) plus applicable sales tax. This amount shall be increased on annually thereafter on the anniversary date of this Agreement for each remaining year by the total percentage increase (if any) in the US Department of Commerce Consumers Price Index (CPI) for All Urban Consumers as reported by the Bureau of Labor Statistics for January of each year. Payments shall be paid to CITY ten (10) days after the close of the preceding month. In the event the funds are not fully paid by the tenth of the month, CPS shall pay a five percent (5%) late fee. In the event any payment is not fully paid within thirty (30) days of the date due, this Agreement may be terminated or renegotiated by CITY upon written notice to CPS.

We would like to change our monthly payments to an amount that reflects our status as a nonprofit cultural event and the amount of money we are currently bringing in. Our annual rent payments currently account for well over 50% of our entire yearly expenditures, which is completely unsustainable for any business let alone a nonprofit. The Sunset Celebration is a vital part of the health of downtown/oldtown, and an inseparable part of Key West's identity. If our occupancy costs were more proportional to our revenue, and more in line with other successful local nonprofits, the Sunset Celebration would be able to do so many things to attract more participants and grow the event significantly. We would be able to: lower setup fees to attract more artists, hire a full/part-time Fundraiser who would be able to apply for grants/secure donors/gain sponsors all much more effectively than our current volunteers can, spend funds on advertising, organize and pay for free special events for the Key West community, and so much more. We would like to change section (6) to read as follows:

CPS agrees to pay to CITY equal monthly payments of Five Hundred dollars (\$500.00) plus applicable sales tax as the base amount. This base amount shall be increased annually thereafter on the anniversary date of this Agreement for each remaining year by the total percentage increase (if any) in the US Department of Commerce Consumers Price Index (CPI) for Ali Urban Consumers as reported by the Bureau of Labor Statistics for January of each year. Payments shall be paid to CITY ten (10) days after the close of the preceding month. In the event the funds are not fully paid by the tenth of the month, CPS shall pay a five percent (5%) late fee. In the event any payment is not fully paid within thirty (30) days of the date due, this Agreement may be terminated or renegotiated by CITY upon written notice to CPS.

TSKW					
	2022	2021	2020	2019	
Total Revenue	\$3,206,245.00	\$3,906,460.00	\$2,059,926.00	\$1,775,720.00	
Occupancy	\$219,526.00	\$139,539.00	\$144,176.00	\$0.00	
Percentage of Revenue	7%	4%	7%	0%	

Red Barn Theatre					
	2022	2021	2020	2019	
Total Revenue	\$466,629.00	\$412,797.00	\$366,227.00	\$467,071.00	
Occupancy	\$50,823.00	\$39,480.00	\$26,226.00	\$30,219.00	
Percentage of Revenue	11%	10%	7%	7%	

Waterfront Playhouse					
	2022	2021	2020	2019	
Total Revenue	\$1,212,329.00	\$427,106.00	\$777,825.00	\$835,762.00	
Occupancy	\$65,628.00	\$70,697.00	\$52,574.00	\$63,107.00	
Percentage of Revenue	6%	17%	7%	8%	

KWAHS					
	2022	2021	2020	2019	
Total Revenue	\$2,563,434.00	\$2,771,144.00	\$1,676,289.00	\$2,056,995.00	
Occupancy	\$191,931.00	\$143,125.00	\$104,826.00	\$118,091.00	
Percentage of Revenue	8%	5%	6%	6%	

Community Sailing Center					
	2023	2021	2019	2018	
Total Revenue	\$208,632.00	\$170,218.00	\$109,801.00	\$109,801.00	
Occupancy	\$0.00	\$0.00	\$15,426.00	\$25,074.00	
Percentage of Revenue	0%	0%	14%	23%	

KW Art Center					
	2023	2022	2021	2020	2019
Total Revenue	\$169,943.00	\$166,496.00	\$134,164.00	\$124,280.00	\$122,817.00
Occupancy	\$44,024.00	\$10,193.00	\$7,490.00	\$6,296.00	\$3,119.00
Percentage of Revenue	26%	6%	6%	5%	3%

Garden Club					
	2022	2021	2020	2019	
Total Revenue	\$301,929.00	\$154,751.00	\$181,131.00	\$210,809.00	
Occupancy	\$0.00	\$0.00	\$0.00	\$0.00	
Percentage of Revenue	0%	0%	0%	0%	

KWCPS					
	2022	2021	2020	2019	
Total Revenue	\$147,524.00	\$148,218.00	\$130,808.00	\$74,799.00	
Occupancy	\$99,281.00	\$86,906.00	\$42,329.00	\$66,387.00	
Percentage of Revenue	67%	59%	32%	89%	