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September 11, 2023

Board of Directors  
Greater Lafayette Convention & Visitors Bureau, Inc.  
d/b/a Visit Lafayette - West Lafayette  
301 Frontage Rd.  
Lafayette, IN 47905

We have reviewed the audit report of Greater Lafayette Convention & Visitors Bureau, Inc. d/b/a Visit Lafayette - West Lafayette, which was opined upon by Reed & Company, PC, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Greater Lafayette Convention & Visitors Bureau, Inc. d/b/a Visit Lafayette - West Lafayette as of December 31, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Reed & Company, PC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**Greater Lafayette Convention  
and Visitors Bureau, Inc.  
d/b/a Visit Lafayette - West Lafayette**  
Audited Financial Statements  
December 31, 2022 and 2021

**Greater Lafayette Convention and Visitors Bureau, Inc.  
d/b/a Visit Lafayette - West Lafayette**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Greater Lafayette Convention and Visitors Bureau, Inc.  
Lafayette, Indiana

### **Opinion**

We have audited the accompanying financial statements of Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Visit Lafayette - West Lafayette (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets – cash basis as of December 31, 2022 and 2021, and the related statements of revenues and expenses – cash basis and changes in net assets – cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Greater Lafayette Convention and Visitors Bureau, Inc. as of December 31, 2022 and 2021, and its revenues, expenses, and changes in net assets for the years then ended in accordance with the modified cash basis of accounting as described in Note 1.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and *Uniform Compliance Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, issued by the Indiana State Board of Accounts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Lafayette Convention and Visitors Bureau, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Greater Lafayette Convention and Visitors Bureau, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Lafayette Convention and Visitors Bureau, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Reed & Company, P.C.*

Lafayette, Indiana  
August 10, 2023

**Greater Lafayette Convention and Visitors Bureau, Inc.**

**d/b/a Visit Lafayette - West Lafayette**

Statements of Assets, Liabilities, and Net Assets - Cash Basis

December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ <u>523,757</u>	\$ <u>377,443</u>
Total Current Assets	523,757	377,443
<b>PROPERTY AND EQUIPMENT</b>		
Land	197,000	197,000
Building and improvements	366,942	341,142
Equipment	<u>16,084</u>	<u>10,126</u>
	580,026	548,268
Less accumulated depreciation	<u>(43,831)</u>	<u>(31,083)</u>
Total Property and Equipment	<u>536,195</u>	<u>517,185</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>1,059,952</u></u></b>	<b>\$ <u><u>894,628</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll and withholding taxes	\$ <u>1,356</u>	\$ <u>1,660</u>
Total Current Liabilities/Total Liabilities	1,356	1,660
<b>NET ASSETS</b>		
Without donor restrictions	<u>1,058,596</u>	<u>892,968</u>
Total Net Assets	<u>1,058,596</u>	<u>892,968</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u><u>1,059,952</u></u></b>	<b>\$ <u><u>894,628</u></u></b>

See Accompanying Notes to Financial Statements

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Statements of Revenues and Expenses - Cash Basis  
For the Years Ended December 31, 2022 and 2021

	2022	2021
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
<b>REVENUES</b>		
Tippecanoe County	\$ 1,150,000	\$ 675,000
Visitor Guide ad revenue	13,475	0
Other revenue - PPP loan forgiveness	0	86,220
Interest	264	63
<b>Total Revenues</b>	<b>1,163,739</b>	<b>761,283</b>
<b>EXPENSES</b>		
Wages	391,133	356,218
Directors' per diem	4,375	4,690
Utilities	8,059	7,727
Building and equipment maintenance	25,479	17,552
Postage	6,167	4,845
Travel	9,629	786
Telephone	7,339	6,439
Professional fees	6,400	6,200
Promotion, advertising, and printing	305,877	158,729
Research and education	17,037	10,634
Office and operating supplies	4,429	4,643
Dues and subscriptions	17,168	21,850
Payroll taxes	29,644	26,857
Retirement	19,451	19,243
Worker's compensation insurance	895	722
Group insurance	80,634	93,580
Small equipment purchases	6,899	5,915
Depreciation	12,748	11,197
Auto expenses	8,513	7,276
Liability insurance	5,355	5,230
Sponsorships and grants	24,900	26,050
Other expense	5,980	0
<b>Total Expenses</b>	<b>998,111</b>	<b>796,383</b>
<b>INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	<b>\$ 165,628</b>	<b>\$ (35,100)</b>

See Accompanying Notes to Financial Statements

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Statements of Changes in Net Assets - Cash Basis  
For the Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Balance, Beginning of Year	\$ 892,968	\$ 928,068
Increase (Decrease) in Net Assets Without Donor Restrictions	<u>165,628</u>	<u>(35,100)</u>
Balance, End of Year	<u>\$ 1,058,596</u>	<u>\$ 892,968</u>

See Accompanying Notes to Financial Statements

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2022 and 2021

**Note 1. Nature of Business and Significant Accounting Policies**

Nature of Business

Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Visit Lafayette - West Lafayette markets and promotes the area as a visitor destination for conventions, meetings, leisure and sports travel, working collaboratively with other entities to enhance local economic development.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis of accounting include accruing for payroll taxes and, beginning in 2018, recording property and equipment and its related depreciation. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation was incurred.

Financial Statement Presentation

The Bureau reports information regarding its assets, liabilities, revenues, and expenses according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Bureau, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other donor-imposed restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2022 and 2021

**Note 1. Nature of Business and Significant Accounting Policies, continued**

Property and Equipment

Prior to 2018, the Bureau recorded purchases of equipment as expense. With the acquisition of the building in 2018, the Bureau adopted a modification to the cash basis of accounting to capitalize certain expenditures for property and equipment and to provide for depreciation on those items.

The Bureau capitalizes all expenditures for property and equipment with an estimated useful life greater than one year and cost in excess of \$1,500. Purchased property and equipment are carried at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives used in computing depreciation are 20 to 40 years for the building and improvements and 3 to 10 years for equipment. Depreciation expense was \$12,748 and \$11,197 for the years ended December 31, 2022 and 2021, respectively.

Concentrations of Risk

The Bureau is funded primarily by the Tippecanoe County Innkeeper's Tax, which may be impacted by the area's economic conditions and by changes in legislation.

The Bureau maintains its cash balance in a demand deposit account with a federally insured bank. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2022 and 2021, the Bureau's uninsured cash balance totaled \$353,282 and \$129,577, respectively.

Income Taxes

Greater Lafayette Convention and Visitors Bureau, Inc. is a not-for-profit organization incorporated under the laws of the State of Indiana and is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

As of December 31, 2022, Greater Lafayette Convention and Visitors Bureau, Inc.'s exempt returns for the years ended December 31, 2019, December 31, 2020, and December 31, 2021 remain subject to examination by the Federal and Indiana tax authorities.

Date of Management Review

Management has evaluated subsequent events through August 10, 2023, the date on which the financial statements were available to be issued.

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2022 and 2021

**Note 2. Leases**

The Bureau leases office equipment under a 60-month office equipment lease that began in August 2019, requiring monthly base payments of \$227 through July 2024.

The Bureau had a 60-month lease for a telephone system, requiring monthly payments of \$242 through August 2021. In August 2022, the Bureau entered into a 36-month agreement for telephone equipment and service, requiring monthly payments of \$280.

The Bureau leases a vehicle under a 36-month operating lease at a rate of \$472 per month through August 2023.

Lease payments are charged to expense when paid. Total rental expense under these leases for the years ended December 31, 2022 and 2021 was \$9,272 and \$10,342, respectively.

The minimum future lease payments under these leases are as follows:

Years Ending December 31,	
2023	\$ 9,912
2024	4,976
2025	2,515
	<u>\$ 17,403</u>

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2022 and 2021

**Note 3. Functional Allocation of Expenses**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time or space allocation. Management and general expenses include those expenses not directly identifiable with any other specific function but provide for the overall support and direction of the Bureau.

A summary of expenses by function for the year ended December 31, 2022 follows:

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
Wages	\$ 391,133	\$ 355,489	\$ 35,644
Directors' per diem	4,375	0	4,375
Utilities	8,059	7,253	806
Building and equipment maintenance	25,479	21,657	3,822
Postage	6,167	5,551	616
Travel	9,629	7,703	1,926
Telephone	7,339	6,605	734
Professional fees	6,400	0	6,400
Promotion, advertising, and printing	305,877	295,171	10,706
Research and education	17,037	12,778	4,259
Office and operating supplies	4,429	0	4,429
Dues and subscriptions	17,168	12,876	4,292
Payroll taxes	29,644	26,943	2,701
Retirement	19,451	18,245	1,206
Worker's compensation insurance	895	671	224
Group insurance	80,634	75,316	5,318
Equipment purchases	6,899	5,519	1,380
Depreciation	12,748	11,473	1,275
Auto expenses	8,513	8,088	425
Liability insurance	5,355	3,787	1,568
Sponsorships	24,900	24,900	0
Other expense	5,980	0	5,980
	<u>\$ 998,111</u>	<u>\$ 900,025</u>	<u>\$ 98,086</u>

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2022 and 2021

**Note 3. Functional Allocation of Expenses, continued**

A summary of expenses by function for the year ended December 31, 2021 follows:

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
Wages	\$ 356,218	\$ 323,231	\$ 32,987
Directors' per diem	4,690	0	4,690
Utilities	7,727	6,954	773
Building and equipment maintenance	17,552	14,919	2,633
Postage	4,845	4,361	484
Travel	786	629	157
Telephone	6,439	5,795	644
Professional fees	6,200	0	6,200
Promotion, advertising, and printing	158,729	153,174	5,555
Research and education	10,634	7,976	2,658
Office and operating supplies	4,643	0	4,643
Dues and subscriptions	21,850	16,387	5,463
Payroll taxes	26,857	24,370	2,487
Retirement	19,243	17,370	1,873
Worker's compensation insurance	722	541	181
Group insurance	93,580	84,455	9,125
Equipment purchases	5,915	4,732	1,183
Depreciation	11,197	10,077	1,120
Auto expenses	7,276	6,912	364
Liability insurance	5,230	3,296	1,934
Grants	26,050	26,050	0
	<u>\$ 796,383</u>	<u>\$ 711,229</u>	<u>\$ 85,154</u>

**Note 4. Pension Plan**

The Bureau maintains a simplified employee pension (SEP-IRA) plan covering all employees who are at least age 21 and have performed services for the Bureau during at least three of the immediately preceding five years. The Bureau contributes 6% of gross salaries to the plan for eligible employees. Total expense for 2022 and 2021 was \$19,451 and \$19,243, respectively.

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2022 and 2021

**Note 5. State and Local Funding**

The Bureau is funded by the Tippecanoe County Innkeeper's Tax under Indiana Code §6-9-7. The funding amount is based on an annual budget approved by the county council, and the funds are disbursed to the Bureau as requested. Funding for the years ended December 31, 2022 and 2021 was \$1,150,000 and \$675,000, respectively.

**Note 6. Liquidity and Availability**

The Bureau's financial assets as of the date of the statement of assets, liabilities, and net assets – cash basis total \$523,757 and \$377,443 as of December 31, 2022 and 2021, respectively. These amounts are available to meet cash needs for general expenditure within one year.

As part of the Bureau's liquidity management, it maintains cash in an interest-bearing account with a local financial institution.

**Note 7. Paycheck Protection Program**

In February 2021, the Bureau received \$86,220 from the United States Small Business Administration (SBA) under the Paycheck Protection Program (PPP). Under the CARES Act subject to limitations, as defined, the loan may be partially or fully forgiven, depending on specified actual payroll and other qualified costs for the covered period following receipt of the advance. The Bureau applied for and received full forgiveness of the loan and related interest in July 2021 and, accordingly, has recognized revenue of \$86,220 for the year ended December 31, 2021.