



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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January 12, 2024

Board of Directors
Visit Indy, Inc.
200 S. Capitol Ave., Suite 300
Indianapolis, IN 46225

We have reviewed the audit report of Visit Indy, Inc., which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Visit Indy, Inc., 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, Greenwalt CPAs, Inc. 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 black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

VISIT INDY, INC. AND SUBSIDIARY
(TOURISM TOMORROW, INC.
D/B/A TOURISM TOMORROW INDY)
CONSOLIDATING FINANCIAL STATEMENTS
Together with Independent Auditors' Report
DECEMBER 31, 2022 AND 2021



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Visit Indy, Inc. and Subsidiary:

Opinion

We have audited the accompanying consolidating financial statements of Visit Indy, Inc. and Subsidiary, Tourism Tomorrow, Inc. d/b/a Tourism Tomorrow Indy, (collectively, the Organization), which comprise the consolidating statement of financial position as of December 31, 2022, and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the consolidating financial position of the Organization as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Guidelines for Examination of Entities Receiving Financial Assistance from Government Sources* established by the Indiana State Board of Accounts. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidating Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidating Financial Statements

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

In preparing the consolidating financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidating financial statements are available to be issued.

Auditors' Responsibility for the Audit of the Consolidating Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidating financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidating financial statements.

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

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidating 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 consolidating 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 the Organization'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 consolidating financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise a substantial doubt about the Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidating financial statements, and we expressed an unmodified audit opinion on those audited consolidating financial statements in our report dated April 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidating financial statements from which it has been derived.

Greenwalt CPAs, Inc.

April 11, 2023

VISIT INDY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022
WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 31, 2021

	VISIT INDY	TOURISM TOMORROW INDY	ELIMINATIONS	CONSOLIDATED TOTALS	
				2022	2021
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 8,918,285	\$ 885,542	\$ -	\$ 9,803,827	\$ 10,354,827
Accounts receivable					
Partnership dues	6,976	-	-	6,976	5,814
Intercompany, net	-	37,267	(37,267)	-	-
Convention and event, less allowance for doubtful accounts of \$1,500 for 2022 and 2021	540,777	-	-	540,777	351,723
Other, less allowance for doubtful accounts of \$5,000 and \$10,000 for 2022 and 2021, respectively	302,584	66,709	-	369,293	362,758
Grants receivable	-	-	-	-	751,287
Prepayments and other	141,642	-	-	141,642	283,198
<i>Total current assets</i>	9,910,264	989,518	(37,267)	10,862,515	12,109,607
PROPERTY AND EQUIPMENT, NET	336,476	-	-	336,476	134,900
FINANCE LEASE RIGHT-OF-USE (ROU) ASSET, NET	112,905	-	-	112,905	-
INVESTMENTS	7,646,182	-	-	7,646,182	9,427,271
<i>Total assets</i>	<u>\$ 18,005,827</u>	<u>\$ 989,518</u>	<u>\$ (37,267)</u>	<u>\$ 18,958,078</u>	<u>\$ 21,671,778</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable					
Trade	\$ 530,000	\$ 45,416	\$ -	\$ 575,416	\$ 700,742
Related parties	69,667	520	-	70,187	134,674
Intercompany, net	37,267	-	(37,267)	-	-
Short-term finance lease liability	29,004	-	-	29,004	-
Other accruals	2,971,483	50,850	-	3,022,333	3,579,503
Deferred revenue					
Partnership dues	151,495	-	-	151,495	126,924
Other	1,250	-	-	1,250	113,150
Refundable advance of PPP funds	-	-	-	-	2,304,785
Funds held on behalf of others	-	28,794	-	28,794	-
<i>Total current liabilities</i>	3,790,166	125,580	(37,267)	3,878,479	6,959,778
LONG TERM LIABILITIES					
Long-term finance lease liability	84,310	-	-	84,310	-
<i>Total liabilities</i>	3,874,476	125,580	(37,267)	3,962,789	6,959,778
COMMITMENTS (NOTE 11)					
NET ASSETS					
Without donor restrictions	14,131,351	563,563	-	14,694,914	14,712,000
With donor restriction	-	300,375	-	300,375	-
<i>Total net assets</i>	14,131,351	863,938	-	14,995,289	14,712,000
<i>Total liabilities and net assets</i>	<u>\$ 18,005,827</u>	<u>\$ 989,518</u>	<u>\$ (37,267)</u>	<u>\$ 18,958,078</u>	<u>\$ 21,671,778</u>

VISIT INDY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

	VISIT INDY		TOURISM TOMORROW INDY		CONSOLIDATED TOTALS		
	WITHOUT DONOR RESTRICTIONS	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL	ELIMINATIONS	2022	2021
REVENUE							
Promotional service fees	\$ 10,759,865	\$ -	\$ -	\$ -	\$ -	\$ 10,759,865	\$ 10,759,865
Marketing campaign	60,000	-	-	-	-	60,000	115,000
Partnership dues	680,269	-	-	-	-	680,269	657,924
Subscription and advertising	76,981	-	-	-	-	76,981	42,008
Housing delegate	559,951	-	-	-	-	559,951	402,965
Convention and event	25,000	-	-	-	-	25,000	60,000
Programs	104,239	-	-	-	-	104,239	38,888
State research	-	93,284	-	93,284	-	93,284	149,021
Sponsorships and other grants	2,581,285	-	-	-	-	2,581,285	1,277,500
Special programs	-	139,625	300,375	440,000	-	440,000	40,000
Intercompany grants	-	540,719	-	540,719	(540,719)	-	-
Investment income (loss), net	(1,574,843)	-	-	-	-	(1,574,843)	871,467
Other	547,065	136,050	-	136,050	-	683,115	314,290
Contributed goods and facilities	965,546	-	-	-	-	965,546	958,851
<i>Total revenue</i>	<u>14,785,358</u>	<u>909,678</u>	<u>300,375</u>	<u>1,210,053</u>	<u>(540,719)</u>	<u>15,454,692</u>	<u>15,687,779</u>
EXPENSES							
Convention sales	5,929,037	-	-	-	-	5,929,037	5,519,925
Tourism development	40,569	-	-	-	-	40,569	44,107
Destination experience	1,462,707	-	-	-	-	1,462,707	1,335,046
Partnership development	601,722	-	-	-	-	601,722	479,825
Administration	2,418,657	-	-	-	(540,719)	1,877,938	1,728,461
Housing	518,614	-	-	-	-	518,614	465,484
Marketing and communications	3,843,085	-	-	-	-	3,843,085	4,181,715
Destination development	-	850,065	-	850,065	-	850,065	832,345
Music Crossroads	-	47,666	-	47,666	-	47,666	36,925
<i>Total expenses</i>	<u>14,814,391</u>	<u>897,731</u>	<u>-</u>	<u>897,731</u>	<u>(540,719)</u>	<u>15,171,403</u>	<u>14,623,833</u>
CHANGE IN NET ASSETS	(29,033)	11,947	300,375	312,322	-	283,289	1,063,946
NET ASSETS, BEGINNING OF YEAR	14,160,384	551,616	-	551,616	-	14,712,000	13,648,054
NET ASSETS, END OF YEAR	<u>\$ 14,131,351</u>	<u>\$ 563,563</u>	<u>\$ 300,375</u>	<u>\$ 863,938</u>	<u>\$ -</u>	<u>\$ 14,995,289</u>	<u>\$ 14,712,000</u>

See notes to consolidating financial statements.

VISIT INDY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

	VISIT INDY										TOURISM TOMORROW INDY			CONSOLIDATED TOTALS	
	CONVENTION SALES	TOURISM DEVELOPMENT	DESTINATION EXPERIENCE	PARTNERSHIP DEVELOPMENT	ADMINISTRATION	HOUSING	MARKETING & COMMUNICATIONS	TOTAL	DESTINATION DEVELOPMENT	MUSIC CROSSROADS	TOTAL	ELIMINATIONS	2022	2021	
DIRECT PROMOTIONAL EXPENSES															
Advertising production	\$ 183,958	-	\$ -	\$ 1,166	\$ 18,874	-	\$ 36,973	\$ 36,973	\$ 78,000	\$ -	\$ 78,000	\$ -	\$ 114,973	\$ 391,146	
Market research	-	-	-	-	-	-	119,388	333,386	194,915	-	194,915	-	528,301	550,288	
Advertising placement	15,000	-	-	388	-	-	1,242,666	1,257,666	-	-	-	-	1,257,666	1,895,578	
Collateral and promotional materials	-	-	71,824	-	-	-	546,872	619,024	-	-	-	-	619,024	555,880	
Marketing contracts	120,000	-	57,234	-	-	-	13,659	190,893	-	-	-	-	190,893	188,027	
Sales rips and bid presentations	106,783	-	-	-	-	-	2,307	109,090	-	3,510	3,510	-	112,600	77,225	
Client development	743,667	-	39,403	221,734	-	-	73,247	1,078,051	-	10,870	10,870	-	1,088,921	860,333	
Site visits	176,108	-	48,941	-	-	-	23,354	248,403	-	-	-	-	248,403	184,213	
Trade shows	336,941	-	30,949	-	-	-	-	367,890	-	-	-	-	367,890	231,552	
Convention and event requirements	248,465	-	-	-	-	206,920	-	457,405	-	-	-	-	457,405	342,405	
Special programs	1,940,942	-	248,351	223,286	18,974	206,920	2,056,406	4,688,781	102,565	14,380	102,565	-	5,085,641	62,861	
<i>Total direct promotional expenses</i>															
PERSONNEL EXPENSES															
Salaries and incentives	2,819,226	33,064	794,571	321,123	814,530	154,965	1,223,715	6,161,194	366,518	25,970	392,488	-	6,553,682	6,101,352	
Part-time wages	177,878	1,924	50,171	20,750	49,205	2,030	14,048	16,078	9,147	-	9,147	-	25,225	9,538	
Payroll taxes	334,742	3,578	148,939	13,423	115,703	70,398	175,789	863,102	22,065	1,519	23,584	-	407,589	411,813	
Employee group insurance	234,106	70	64,326	4,319	63,334	15,588	84,905	466,848	35,640	1,685	30,794	-	893,896	829,552	
Retirement plan contributions	3,586,952	38,636	1,958,027	359,615	1,042,972	253,137	1,572,788	7,891,207	462,479	2,597	38,237	-	505,085	598,746	
<i>Total personnel expenses</i>															
OFFICE EXPENSES															
Telephone	45,882	222	17,921	2,157	19,647	6,483	24,288	116,600	-	-	-	-	116,600	91,478	
Postage	2,731	13	1,067	128	1,169	396	1,446	6,940	-	-	-	-	6,940	4,845	
Office supplies	14,522	70	5,672	693	6,218	2,052	7,697	36,904	-	-	-	-	36,904	36,765	
Repairs and maintenance	3,327	16	1,264	152	1,387	457	1,714	8,227	-	-	-	-	8,227	6,706	
Office and equipment rent	34,236	165	13,373	1,610	14,660	4,837	18,123	87,004	-	-	-	-	87,004	112,280	
Insurance - office coverage	21,525	106	8,369	1,031	9,397	3,088	11,606	55,717	-	-	-	-	55,717	51,883	
<i>Total office expenses</i>															
OTHER EXPENSES															
Professional fees	76,922	371	30,046	3,616	32,639	10,869	40,719	195,482	3,229	-	3,229	-	198,711	189,585	
Civic involvement	48,790	236	19,057	2,294	20,891	6,894	25,827	123,989	-	464	464	-	124,453	121,793	
Mileage	25,163	121	9,879	1,183	10,775	3,555	13,320	63,946	126	7	133	-	64,079	57,704	
Membership dues and subscriptions	23,186	112	9,056	1,090	9,929	3,276	58,922	3,286	-	1,044	-	-	63,232	77,262	
Human resource development	62,579	197	15,943	1,919	17,479	5,767	21,607	125,491	5,275	-	5,275	-	130,766	86,886	
Depreciation and amortization	56,440	273	22,045	2,653	24,169	7,975	29,877	143,432	-	-	-	-	143,432	245,935	
Interest	335	2	131	16	143	47	177	851	-	-	-	-	851	-	
Miscellaneous	6,095	29	2,381	287	3,929	861	3,227	16,869	210	-	210	-	17,079	19,367	
Noncash rent and parking	-	-	-	-	643,719	-	-	643,719	-	-	-	-	643,370	553,056	
Intercompany grants	-	-	-	-	540,719	-	-	540,719	-	-	-	(540,719)	-	-	
<i>Total other expenses</i>															
Total expenses	\$ 5,929,037	\$ 40,569	\$ 1,462,777	\$ 601,722	\$ 2,418,657	\$ 516,614	\$ 3,843,085	\$ 14,814,391	\$ 850,065	\$ 47,665	\$ 897,731	\$ (540,719)	\$ 15,171,403	\$ 14,623,833	

See notes to consolidating financial statements.

VISIT INDY, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2022

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

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INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	VISIT INDY	TOURISM TOMORROW INDY	ELIMINATIONS	CONSOLIDATED TOTALS	
				2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from organizations and others	\$ 13,119,403	\$ 962,278	\$ (540,719)	\$ 13,540,962	\$ 12,219,485
Cash received from PPP	-	-	-	-	2,304,785
Cash paid to suppliers and employees	(14,293,622)	(875,586)	540,719	(14,628,489)	(10,833,598)
Investment income received	294,400	-	-	294,400	273,767
Interest paid	(851)	-	-	(851)	-
Other income received	547,065	136,050	-	683,115	314,290
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net cash and cash equivalents provided by (used in) operating activities</i>	<u>(333,605)</u>	<u>222,742</u>	<u>-</u>	<u>(110,863)</u>	<u>4,278,729</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property and equipment	(344,865)	-	-	(344,865)	(38,253)
Purchases of investments	(527,745)	-	-	(527,745)	(2,189,778)
Proceeds from investments	439,591	-	-	439,591	1,475,643
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<i>Net cash and cash equivalents used in investing activities</i>	<u>(433,019)</u>	<u>-</u>	<u>-</u>	<u>(433,019)</u>	<u>(752,388)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Principal payments on finance lease arrangement	<u>(7,118)</u>	<u>-</u>	<u>-</u>	<u>(7,118)</u>	<u>-</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(773,742)</u>	<u>222,742</u>	<u>-</u>	<u>(551,000)</u>	<u>3,526,341</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>9,692,027</u>	<u>662,800</u>	<u>-</u>	<u>10,354,827</u>	<u>6,828,486</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 8,918,285</u>	<u>\$ 885,542</u>	<u>\$ -</u>	<u>\$ 9,803,827</u>	<u>\$ 10,354,827</u>
NON-CASH INVESTMENT ACTIVITY					
Equipment purchased via finance lease arrangement	<u>\$ 120,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 120,432</u>	<u>\$ -</u>

VISIT INDY, INC. AND SUBSIDIARY

CONSOLIDATING STATEMENTS OF CASH FLOWS, CONTINUED

FOR THE YEAR ENDED DECEMBER 31, 2022

WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2021

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**RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH
AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	TOURISM			CONSOLIDATED TOTALS	
	VISIT INDY	TOMORROW INDY	ELIMINATIONS	2022	2021
CHANGE IN NET ASSETS	\$ (29,033)	\$ 312,322	\$ -	\$ 283,289	\$ 1,063,946
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Depreciation and amortization	143,432	-	-	143,432	245,935
Loss on disposal of property and equipment	7,384	-	-	7,384	-
Unrealized (gain) loss on investments	1,926,251	-	-	1,926,251	(298,215)
Realized gain on investments	(57,008)	-	-	(57,008)	(299,485)
<i>(Increase) decrease in operating assets</i>					
Accounts receivable					
Partnership dues	(1,162)	-	-	(1,162)	19,053
Intercompany, net	-	(31,128)	31,128	-	-
Convention and event, net	(189,054)	-	-	(189,054)	(338,968)
Other, net	34,706	(41,241)	-	(6,535)	(302,982)
Grants receivable	751,287	-	-	751,287	(719,382)
Prepayments and other	139,936	1,620	-	141,556	(38,782)
<i>Increase (decrease) in operating liabilities</i>					
Accounts payable					
Trade	(139,168)	13,842	-	(125,326)	430,350
Related parties	(64,648)	161	-	(64,487)	89,689
Intercompany, net	31,128	-	(31,128)	-	-
Other accruals	(563,692)	6,522	-	(557,170)	2,101,911
Deferred revenue					
Partnership dues	24,571	-	-	24,571	5,391
Other	(43,750)	(68,150)	-	(111,900)	46,281
Refundable advance of PPP funds	(2,304,785)	-	-	(2,304,785)	2,276,085
Funds held on behalf of others	-	28,794	-	28,794	(2,098)
<i>Total adjustments</i>	(304,572)	(89,580)	-	(394,152)	3,214,783
NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (333,605)</u>	<u>\$ 222,742</u>	<u>\$ -</u>	<u>\$ (110,863)</u>	<u>\$ 4,278,729</u>

VISIT INDY, INC. AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Visit Indy, Inc. (Visit Indy) was formed in 1923. Today, its mission is to drive destination economic development, job creation, community sustainability, and quality of life through visitor travel to Indianapolis. Visit Indy assists visitors by providing services and information. Visit Indy also assists the Capital Improvement Board of Marion County and hospitality industry businesses by marketing their facilities, products, and services to visiting groups and individuals.

Visit Indy is the sole member and parent of Tourism Tomorrow, Inc. d/b/a Tourism Tomorrow Indy (TTI). TTI was formed to educate the public regarding recreational and tourism opportunities available in central Indiana, conduct social science research in the public interest, continually plan for the enhancement of the tourism product, provide research conclusions about the feasibility and viability of tourism related infrastructure, and to lessen the burdens of government, promote the social welfare and combat community deterioration by improving the economic conditions in central Indiana. Additionally, TTI has a program under the name of Music Crossroads, which focuses on advancing the quality of life in Indianapolis through the attraction, support, and collaboration of leading performing art entrepreneurs. TTI, in conjunction with Visit Indy, is a key partner and contributor to the Indianapolis arts community in addition to playing a major role in the city's efforts to attract and stage sporting events.

Routes America 2020 Indianapolis, LLC (Routes) was formed in late 2018 to manage and host the Routes America trade show in 2020 and the related events leading up to the trade show. Routes is a single member LLC and subsidiary of TTI. Routes was dissolved in 2021.

BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying consolidating financial statements have been prepared on the accrual basis of accounting. The preparation of consolidating financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidating financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

SUMMARIZED COMPARATIVE INFORMATION

The consolidating financial statements include certain prior year summarized comparative information in total, but not by consolidating entity, functional classification, eliminations, and net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the consolidating financial statements for the year ended December 31, 2021, from which the summarized information was derived.

PRINCIPLES OF CONSOLIDATION

Visit Indy and TTI, collectively referred to as the Organization, follow Financial Accounting Standards Board (FASB) Accounting Standards in the preparation of their financial statements. Accordingly, the accounts of Visit Indy's wholly owned subsidiary, TTI and its subsidiary, Routes, are included in Visit Indy's consolidating financial statements. Intercompany transactions include shared expenses and grants between the organizations. All significant intercompany transactions have been eliminated in consolidation.

VISIT INDY, INC. AND SUBSIDIARY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS

Accounting Standards for Fair Value Measurement define fair value as the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. These standards also establish a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, giving highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and lowest priority to unobservable inputs (level 3 measurements).

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability.

Fair values measured on a recurring basis at December 31, 2022 are as follows:

	<u>Fair Value</u>	Quoted Prices in Active Markets for Identical Assets [Level 1]
Equities		
S&P index fund	\$ 782,273	\$ 782,273
Emerging markets index fund	346,022	346,022
Mutual funds		
Value fund	1,094,893	1,094,893
Blend fund	527,385	527,385
Growth fund	939,931	939,931
Fixed income mutual funds		
Intermediate-term bond	3,273,266	3,273,266
Bank loan	241,364	241,364
Large growth fund	441,048	441,048
Total	<u>\$ 7,646,182</u>	<u>\$ 7,646,182</u>

VISIT INDY, INC. AND SUBSIDIARY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

Fair values measured on a recurring basis at December 31, 2021 are as follows:

	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>
Equities		
S&P index fund	\$ 1,168,135	\$ 1,168,135
Emerging markets index fund	219,239	219,239
Mutual funds		
Value fund	794,932	794,932
Blend fund	862,809	862,809
Growth fund	1,885,403	1,885,403
Fixed income mutual funds		
Intermediate-term bond	3,345,642	3,345,642
Bank loan	254,857	254,857
Large growth fund	461,083	461,083
Nontraditional bond	435,171	435,171
Total	<u>\$ 9,427,271</u>	<u>\$ 9,427,271</u>

The Organization had no Level 2 or Level 3 investments at December 31, 2022 and 2021. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. These valuation methods have not changed from prior year. See Note 4.

CASH AND CASH EQUIVALENTS

The Organization considers most highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents. The Organization had cash equivalents held in its investment portfolio of \$765,265 and \$474,023 at December 31, 2022 and 2021, respectively.

VISIT INDY, INC. AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ACCOUNTS RECEIVABLE AND CREDIT POLICIES

Accounts receivable are uncollateralized obligations due from partners and others under normal trade terms requiring payment within 30 days from the invoice date. Accounts receivable are stated at the amount billed to the partner. Partner account balances with invoices dated over 90 days old are considered delinquent and are turned over to collection agencies. Payments of accounts receivable are allocated to the specific invoices identified on the partner's remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of the amounts that will not be collected. Management individually reviews all accounts receivable balances that exceed 90 days from invoice date and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected.

GRANTS RECEIVABLE

Contributions are recognized when the donor makes an unconditional promise to give to the Organization and are recorded at their fair values as revenues and assets in the period promised.

There were no grants receivable at December 31, 2022. Grants receivable of \$751,287 at December 31, 2021 were due within one year.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost if purchased, or fair market value, if donated. Depreciation is provided on the straight-line method over the estimated useful lives of the depreciable assets (3–10 years). The Organization's capitalization policy is \$1,500. Maintenance and repairs are expensed as incurred. Property and equipment are comprised of the following at December 31:

	<u>2022</u>	<u>2021</u>
Leasehold improvements, office furniture, and equipment	\$ 1,803,758	\$ 1,856,222
Computer equipment, software, and web design	<u>1,292,202</u>	<u>2,066,609</u>
	3,095,960	3,922,831
Accumulated depreciation and amortization	<u>(2,759,484)</u>	<u>(3,787,931)</u>
	<u>\$ 336,476</u>	<u>\$ 134,900</u>

LEASES

The Organization leases office equipment. Management determines if an arrangement is a lease at inception. The finance lease is included as a finance lease right-of-use (ROU) asset and finance lease liability on the statement of financial position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

LEASES, CONTINUED

The ROU asset represents the Organization's right to use an underlying asset for the lease term and the lease liability represents its obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As the Organization's lease does not provide an implicit rate, the Organization used a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option.

The Organization's lease agreement does not contain any material residual value guarantees or material restrictive covenants.

INVESTMENTS

Consistent with Accounting Standards for Investments Held by Not-for-Profits, investments in equity securities, mutual funds, and bonds with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

DEFERRED REVENUE

Partnership dues, advertising, and sponsorship revenue are recognized as revenue in the month in which they are earned. Deferred revenue represents amounts received prior to December 31 of each year, which are applicable to the subsequent year.

NET ASSETS

The Organization utilizes the following classes of net assets:

Without Donor Restrictions

These include revenue and expenses from the regular operations of the Organization, which are at the discretion of management and the Boards of Directors. At December 31, 2022 and 2021, the Boards have designated net assets of \$328,000 to be used for future industry shows.

With Donor Restrictions

These include donations and grant revenues with restrictions specified by the donors or grantors related to a specific purpose or the passage of time. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Net assets with donor restrictions can also include assets of the Organization for which the donor has stipulated that the contribution remain in perpetuity. Net assets with donor restrictions of \$300,375 as of December 31, 2022 were for the Belmont beach and master planning for Haughville's riverfront. There were no net assets with donor restrictions as of December 31, 2021. Donor restrictions released within the same year of donation receipt are recorded as revenue and net assets without donor restrictions.

VISIT INDY, INC. AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

RECOGNITION OF SUPPORT AND REVENUE

The Organization's revenues consist primarily of promotional service fees, partnership dues, subscriptions and advertising income, housing delegate income, and various convention and event service fees. Revenue is recognized as follows:

Promotional service fees are considered to be distinct performance obligations and are accounted for separately from other sources of revenue. Revenue is recorded as services are performed over time.

The partnership dues cycle is a calendar year. These partnership dues are recognized ratably over the applicable membership period as the access to partnership benefits is deemed to be ongoing. Any partnerships that do not receive direct partnership benefits or are considered courtesy members are considered to be contributions and revenue is recognized when dues are paid.

Subscription and advertising revenue is earned on a per subscriber or per advertisement publication basis.

Housing delegate income is earned on a per actual room night basis when an event has ended.

Convention and event service fees are earned upon the completion of the convention or event.

The following table disaggregates the Organization's earned revenue based on the timing of satisfaction of performance obligations for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Over time	\$ 680,269	\$ 657,924
Point in time	<u>12,362,435</u>	<u>11,882,037</u>
Total	<u>\$ 13,042,704</u>	<u>\$ 12,539,961</u>

Contributions are recognized when the donor makes an unconditional promise to give to the Organization and are recorded at their fair values as revenues and assets in that same period.

EXPENSE ALLOCATION

Expenses have been classified as convention sales, tourism development, destination experience, partnership development, administration, housing, marketing and communications, destination development, and music crossroads, based on the actual direct expenditures as well as cost allocations based upon estimates of time spent by Organization personnel.

ADVERTISING

The Organization incurred \$1,372,639 and \$1,934,724 in advertising production and advertising placement expense for 2022 and 2021, respectively. These costs are expensed as incurred.

INCOME TAXES

Visit Indy is a not-for-profit organization partially exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Contributions to Visit Indy are not tax deductible.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INCOME TAXES, CONTINUED

TTI is a not-for-profit organization exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a). Routes is a single member LLC treated as a disregarded entity for tax purposes.

NEW ACCOUNTING PRONOUNCEMENTS

In 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance requires nonprofit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard also increases the disclosure requirements around contributed nonfinancial assets, including disaggregating by category the types of contributed nonfinancial assets a nonprofit entity has received. See Note 8.

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, *Leases*) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effected January 1, 2022 and recognized and measured leases existing at, or entered into after, January 1, 2022 through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended December 31, 2021 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing operating and capital leases as operating and financing leases under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

In addition, the Organization elected the hindsight practical expedient to determine the lease term for existing leases. The Organization's election of the hindsight practical expedient resulted in no changes to the existing lease terms or lives.

The standard did not have a material impact on the Organization. See Note 10.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through April 11, 2023, which is the date the financial statements were available to be issued.

VISIT INDY, INC. AND SUBSIDIARY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022 AND 2021

2. AVAILABLE RESOURCES AND LIQUIDITY

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash and shows positive cash generated by operations for fiscal years 2022 and 2021. At December 31, 2022, the Organization had approximately 345 days of operations in its unrestricted, undesignated reserves.

As discussed in Note 6 the Organization's promotional service fees were reduced in 2020 to 2022 due to the pandemic. These revenues have been returned to original 2020 levels for 2023. However, as costs have increased due to inflation, the Organization expects to spend down its reserves to return marketing sales efforts to prior levels, market the expansion of the convention center, and to host a major industry show. By the end of 2024, the Organization estimates it will have 120 days in reserves.

Board designated funds can be spent upon Board approval.

	<u>2022</u>	<u>2021</u>
Financial assets at year end		
Cash and cash equivalents	\$ 9,803,827	\$ 10,354,827
Accounts receivable	917,046	720,295
Grants receivable	-	751,287
Investments	<u>7,646,182</u>	<u>9,427,271</u>
Total financial assets	<u>18,367,055</u>	<u>21,253,680</u>
Less amounts not available to be used within one year		
Executive deferred compensation plans	(469,306)	(469,110)
Funds held on behalf of others	(28,794)	-
Board designated funds	<u>(328,000)</u>	<u>(328,000)</u>
Total amounts not available to be used in one year	<u>(826,100)</u>	<u>(797,110)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 17,540,955</u>	<u>\$ 20,456,570</u>

3. UNINSURED CASH BALANCES

The Organization's cash and cash equivalents are comprised of cash accounts at a commercial bank and a money market account with a national investment company. Accounts at the bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. The money market account, which is considered a cash equivalent, is insured by Securities Investor Protection Corporation (SIPC) up to \$250,000. At December 31, 2022 and 2021, the Organization had balances in excess of federally insured limits of approximately \$8,825,000 and \$9,192,000, respectively.

VISIT INDY, INC. AND SUBSIDIARY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022 AND 2021

4. INVESTMENTS

Cost and fair values at December 31, 2022 are as follows:

	<u>Cost</u>	<u>Cumulative Unrealized Gain/(loss)</u>	<u>Market Value</u>
Equities	\$ 951,898	\$ 176,397	\$ 1,128,295
Mutual funds	2,401,468	160,741	2,562,209
Fixed income	4,490,132	(534,454)	3,955,678
	<u>\$ 7,843,498</u>	<u>\$ (197,316)</u>	<u>\$ 7,646,182</u>

Cost and fair values at December 31, 2021 are as follows:

	<u>Cost</u>	<u>Cumulative Unrealized Gain</u>	<u>Market Value</u>
Equities	\$ 952,262	\$ 435,112	\$ 1,387,374
Mutual funds	2,333,008	1,210,136	3,543,144
Fixed income	4,413,066	83,687	4,496,753
	<u>\$ 7,698,336</u>	<u>\$ 1,728,935</u>	<u>\$ 9,427,271</u>

The net investment income for the years ended December 31 is comprised of the following:

	<u>2022</u>	<u>2021</u>
Interest income	\$ 2,391	\$ 2,242
Dividend income	373,694	353,865
Realized gain	57,008	299,485
Investment consulting fees	(81,685)	(82,340)
Unrealized gain / (loss)	(1,926,251)	298,215
	<u>\$ (1,574,843)</u>	<u>\$ 871,467</u>

5. FUNDS HELD ON BEHALF OF OTHERS

During 2018, TTI became the fiscal agent for the Central Indiana White River Regional Strategic Plan (the Project). TTI receives and deposits contributions and disburses legitimate expenses of the Project in compliance with any reasonable and legal requirements. TTI received \$943,000 in contributions in 2018. Prior to 2021, TTI had expended \$885,000 on behalf of the project. TTI fully expended \$58,000 on behalf of the Project during 2021. These funds were kept in a separate bank account.

VISIT INDY, INC. AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

5. FUNDS HELD ON BEHALF OF OTHERS, CONTINUED

During 2022, TTI became the fiscal agent for the Belmont Beach Project (Belmont Beach). TTI receives and deposits contributions and disburses legitimate expenses of Belmont Beach in compliance with any reasonable and legal requirements. TTI received \$33,283 in contributions in 2022 and expended \$4,489 in compliance with reasonable and legal requirements. TTI will continue to hold funds until which time Belmont Beach receives their 501(c)(3) tax exempt status.

6. CAPITAL IMPROVEMENTS BOARD CONTRACT

Visit Indy has contracted with the Capital Improvement Board of Managers of Marion County, Indiana (CIB) to solicit and book conventions, expositions, trade shows, and other meetings and to work in conjunction with the staff of the Indiana Convention Center & Lucas Oil Stadium (ICCLoS) on all conventions involving ICCLoS facilities.

The CIB payments represent 69.6% and 68.6% of Visit Indy's total revenue in 2022 and 2021, respectively, and have been presented in the statement of activities as promotional service fees. Due to the pandemic, the CIB reduced Visit Indy's 2020 contract from \$13,449,831 down to \$11,656,519 in 2021 and then to \$10,759,865 through 2022. Visit Indy's contract with the CIB extends through December 31, 2023; however, and the contract was increased to \$13,450,000 of promotional service fees in 2023. Visit Indy expects to renew the contract annually.

7. RETIREMENT PLANS

The Organization has a 401(k) plan for all full-time employees. After one year of service, the Organization contributes a maximum of 10% of the employee's W-2 wages to the plan. This is comprised of a 4% safe harbor contribution utilizing a matching formula and a discretionary contribution of an additional 1% match and 5% contribution. The plan provides that forfeitures will be applied as a reduction to the current year employer contribution. Safe harbor contributions are 100% vested on the date of contribution. For all other contributions, vesting begins with 20% at two years of service and increases by 20% each year thereafter until the employee becomes fully vested after six years of service. In 2022 and 2021, the Organization contributed \$505,085 and \$598,746, respectively, to the plan.

In addition, Visit Indy has a liability totaling \$601,777 and \$607,191 at December 31, 2022 and 2021, respectively, included in other accruals on the consolidating statements of financial position for post employment benefits for current and retired key employees.

During 2020, certain employees elected early retirement. At December 31, 2022 and 2021, the Organization had an accrued liability relating to these early retirements of \$17,250 and \$63,114, respectively.

8. CONTRIBUTED GOODS AND USE OF FACILITIES

During 2022 and 2021, the Organization received contributed goods and use of facilities. The fair market value of these goods and facilities of \$965,546 and \$958,851 for 2022 and 2021, respectively, has been reflected in the accompanying consolidating financial statements.

VISIT INDY, INC. AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

8. CONTRIBUTED GOODS AND USE OF FACILITIES, CONTINUED

It is the policy of the Organization to record the estimated fair market value of certain nonfinancial donations as an expense in its statements of activities or as assets in the statements of financial position and similarly increase contributions by like amount. These amounts have been treated as non-cash transactions and excluded from the accompanying statements of cash flows. All donated services and goods were utilized by the Organization's program and supporting services. There were no donor-imposed restrictions associated with the donated services and goods.

Donated rent is valued at the fair value of similar properties available in commercial real estate listings. Donated parking is valued at the fair value of similar parking spaces. Donated services are valued at the standard hourly rates charged for those services. Gift cards are valued at face value. Comped hotel rooms are based on similar room rates in similar geographic areas. Comped meals are valued at actual cost, if known, or an estimated value based on the type of restaurant and meal type (breakfast, lunch or dinner).

The donations consisted of the following types of expenses:

	<u>2022</u>	<u>2021</u>
Rent and parking	\$ 643,370	\$ 553,056
Business development	14,377	42,445
Education and training	21,762	20,622
Client and industry relations	189,141	247,415
Site visits	66,486	40,877
Advertising placement	21,345	42,050
Collateral and promotional material	9,065	12,386
	<u>\$ 965,546</u>	<u>\$ 958,851</u>

9. RELATED PARTY TRANSACTIONS

At December 31, 2022 and 2021, the Organization had \$70,187 and \$134,674 owed to companies related to members of the Board of Directors. The Organization paid companies related to members of the Board of Directors \$248,607 and \$188,889 for insurance, legal, and other services during 2022 and 2021, respectively. The Board members affected did not vote to approve these transactions.

10. LEASES

The Organization leases office equipment under the terms of a finance lease through September 2026. As of December 31, 2022, a Right of Use (ROU) asset recorded under this finance lease was \$120,432 and accumulated amortization associated with this finance lease was \$7,527.

VISIT INDY, INC. AND SUBSIDIARY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

10. LEASES, CONTINUED

The components of lease expense for the year ended December 31, 2022 are as follows:

Finance lease cost:	
Amortization of ROU assets	\$ 7,527
Interest on lease liabilities	<u>851</u>
Total finance lease cost	<u>\$ 8,378</u>

Weighted average lease term and discount rate as of December 31, 2022 were as follows:

Weighted average remaining lease term - finance leases	3.75 years
Weighted average discount rate – finance leases	2.95%

Future minimum lease payments under the non-cancellable finance lease as of December 31, 2022 were as follows:

2023	\$ 31,878
2024	31,878
2025	31,878
2026	<u>23,909</u>
Total lease payments	119,543
Less: Interest	<u>6,229</u>
Present value of future lease payments	113,314
Less: current liabilities	<u>29,004</u>
Long term lease liabilities	<u>\$ 84,310</u>

In 2021, Visit Indy had an office equipment operating lease which was payable on a month-to-month basis. This lease was terminated in May 2021. Total equipment rent was \$7,555 for 2022.

VISIT INDY, INC. AND SUBSIDIARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

11. COMMITMENTS

As of December 31, 2022, Visit Indy has committed to spend \$1,842,826 on future conventions to be held from 2023 through 2029. The expense is recognized in the year the convention event takes place.

Minimum commitments for future conventions are as follows:

	<u>Future Convention Commitments</u>	<u>Projected Income</u>	<u>Net Future Commitment</u>
2023	\$ 430,848	\$ (60,000)	\$ 370,848
2024	460,323	-	460,323
2025	139,368	-	139,368
2026	283,154	-	283,154
2027	310,043	-	310,043
2028	119,090	-	119,090
2029	100,000	-	100,000
	<u>\$ 1,842,826</u>	<u>\$ (60,000)</u>	<u>\$ 1,782,826</u>

In addition, Visit Indy has a cancellable contract with the Indiana Sports Corporation (ISC) that provides for an annual payment up to \$150,000 to ISC to promote sporting events in the City of Indianapolis. Visit Indy paid ISC \$225,683 and \$120,000 in 2022 and 2021, respectively.

VISIT INDY, INC. AND SUBSIDIARY
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2022 AND 2021

12. FEDERAL, STATE AND LOCAL FUNDING

In accordance with guidelines established by the Indiana State Board of accounts, this federal, state, and local funding information was included to aid in the verification of Indiana financial assistance on the Entity Annual Report (E-1). The Organization files the E-1 on an accrual basis.

Program Name	Grantor Name	Assistance Listing Number	Revenue	Expense	Funding Type
Film Indy	City of Indianapolis	N/A	\$ 40,000	\$ 40,000	State and Local Government
State Market Research	Indiana Office of Tourism Development	N/A	93,284	93,284	State and Local Government
Services	Capital Improvement Board of Managers of Marion County	N/A	10,759,865	10,759,865	State and Local Government
Total funding			\$ 10,893,149	\$ 10,893,149	

13. CARES ACT FUNDING

In response to the COVID-19 pandemic, the United States federal government adopted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which included an Employee Retention Credit (ERC) of up to \$10,000 of each employees' wages each quarter between March 12, 2020 and December 31, 2020 taken against the employer's share of FICA. Visit Indy received approximately \$356,000 and \$152,000 in payroll tax credits from the CARES Act in 2022 and 2021, respectively, which were recorded as other revenue on the statement of activities.

14. RECLASSIFICATIONS

Certain items in 2021 have been reclassified to conform to the fiscal year ended December 31, 2022 presentation. These reclassifications had no effect on net assets at December 31, 2021.