



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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January 18, 2024

Board of Directors  
The Convention and Visitors Bureau of Monroe County, Inc.  
Monroe County, Indiana

We have reviewed the audit report of The Convention and Visitors Bureau of Monroe County, Inc. which was opined upon by Blue & Co., LLC, Independent Public Accountants, for the period January 1, 2022 to December 31, 2022. Per the *Report of Independent Auditors* the financial statements included in the report present fairly the financial condition of The Convention and Visitors Bureau of Monroe County, 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, Blue & Co., LLC prepared the audit report in accordance with the guidelines established by the Indiana 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

# **THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.**

**FINANCIAL STATEMENTS**

**(MODIFIED CASH BASIS)**

**DECEMBER 31, 2022 AND 2021**

*CPAs / ADVISORS*



**THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.**

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DECEMBER 31, 2022 AND 2021

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## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
The Convention and Visitors Bureau of Monroe County, Inc.  
Bloomington, Indiana

### Opinion

We have audited the accompanying financial statements of The Convention and Visitors Bureau of Monroe County, Inc. (the "Organization"), which comprise the statement of financial position – modified cash basis as of December 31, 2022 and 2021, and the related statements of activities – modified cash basis, functional expenses – modified cash basis, and cash flows – modified 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 financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flow for the years then ended in accordance with the modified cash basis of accounting described in Note 1.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 the Organization, 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 that 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; this includes 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

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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 substantial likelihood that, individually or in the aggregate, they would influence the judgement 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 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise 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.

*Blue & Co., LLC*

Seymour, Indiana

March 7, 2023

**THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.**

STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS  
DECEMBER 31, 2022 AND 2021

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**ASSETS**

	<u>2022</u>	<u>2021</u>
Cash	\$ 900,404	\$ 977,833
Inventory	<u>13,941</u>	<u>9,347</u>
	<u>\$ 914,345</u>	<u>\$ 987,180</u>

**LIABILITIES AND NET ASSETS**

**Liabilities**

Withheld sales and payroll taxes	\$ 410	\$ 1,655
Total liabilities	410	1,655

**Net assets**

Without donor restrictions	913,935	963,525
With donor restrictions	<u>-0-</u>	<u>22,000</u>
Total net assets	<u>913,935</u>	<u>985,525</u>
	<u>\$ 914,345</u>	<u>\$ 987,180</u>

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*See accompanying notes to financial statements.*

**THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.**

STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2022

(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>Revenues and support</b>				
Commission	\$ 1,704,979	\$ -0-	\$ 1,704,979	\$ 1,420,816
Event income	-0-	23,300	23,300	-0-
Grant revenue	19,987	-0-	19,987	173,829
Retail sales	8,251	-0-	8,251	5,863
Visitors guide ad sales	99,262	-0-	99,262	61,329
Hotel rebate income	4,465	-0-	4,465	290
Sporting event fees	11,229	-0-	11,229	-0-
Music event fees	780	-0-	780	660
Miscellaneous	5,403	-0-	5,403	9,233
Net assets released from restrictions	45,300	(45,300)	-0-	-0-
Total revenues and support	1,899,656	(22,000)	1,877,656	1,672,020
<b>Expenses</b>				
Convention and promotion	531,478	-0-	531,478	286,455
Tourism development	989,625	-0-	989,625	608,790
Management and general	428,143	-0-	428,143	394,728
Total expenses	1,949,246	-0-	1,949,246	1,289,973
Change in net assets	(49,590)	(22,000)	(71,590)	382,047
<b>Net assets, beginning of year</b>	963,525	22,000	985,525	603,478
<b>Net assets, end of year</b>	\$ 913,935	\$ -0-	\$ 913,935	\$ 985,525

*See accompanying notes to financial statements.*

**THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.**

STATEMENT OF ACTIVITIES – MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenues and support</b>			
Commission	\$ 1,420,816	\$ -0-	\$ 1,420,816
Contributions	140,005	33,824	173,829
Retail sales	5,863	-0-	5,863
Visitors guide ad sales	61,329	-0-	61,329
Hotel rebate income	290	-0-	290
Sporting event fees	-0-	-0-	-0-
Music event fees	660	-0-	660
Miscellaneous	9,233	-0-	9,233
Net assets released from restrictions	<u>11,824</u>	<u>(11,824)</u>	<u>-0-</u>
Total revenues and support	1,650,020	22,000	1,672,020
<b>Expenses</b>			
Convention and promotion	286,455	-0-	286,455
Tourism development	608,790	-0-	608,790
Management and general	<u>394,728</u>	<u>-0-</u>	<u>394,728</u>
Total expenses	<u>1,289,973</u>	<u>-0-</u>	<u>1,289,973</u>
Change in net assets	360,047	22,000	382,047
<b>Net assets, beginning of year</b>	<u>603,478</u>	<u>-0-</u>	<u>603,478</u>
<b>Net assets, end of year</b>	<u><u>\$ 963,525</u></u>	<u><u>\$ 22,000</u></u>	<u><u>\$ 985,525</u></u>

*See accompanying notes to financial statements.*

**THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.**

STATEMENTS OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS  
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Convention and Promotion	Tourism Development	Management and General	Total	Convention and Promotion	Tourism Development	Management and General	Total
Salaries, wages, and payroll taxes	\$ 162,012	\$ 156,011	\$ 282,021	\$ 600,044	\$ 103,467	\$ 150,027	\$ 263,840	\$ 517,334
Employee benefits	36,495	35,143	63,528	135,166	23,766	34,460	60,603	118,829
Programs and activities	104,334	104,334	-0-	208,668	37,483	37,483	-0-	74,966
Supplies	4,329	4,329	8,658	17,316	3,038	3,038	6,076	12,152
Travel and training	20,835	7,039	282	28,156	10,865	3,671	147	14,683
Maintenance	-0-	-0-	18,657	18,657	-0-	-0-	22,986	22,986
Utilities	-0-	-0-	10,628	10,628	-0-	-0-	9,002	9,002
Advertising	130,645	391,933	-0-	522,578	52,335	157,004	-0-	209,339
Insurance	5,256	5,256	5,415	15,927	4,077	4,077	4,200	12,354
Professional services	-0-	-0-	16,231	16,231	-0-	-0-	15,985	15,985
Printing and publications	10,926	53,358	8,819	73,103	13,679	43,342	988	58,009
Public relations	14,443	43,328	-0-	57,771	2,115	6,346	-0-	8,461
Office equipment	-0-	-0-	-0-	-0-	396	396	198	990
Telephone	1,193	3,579	1,193	5,965	1,567	4,701	1,567	7,835
Retail store cost of sales	-0-	4,052	-0-	4,052	-0-	4,405	-0-	4,405
Visitors guide ad cost of sales	-0-	56,092	-0-	56,092	-0-	53,157	-0-	53,157
Web development	21,123	84,491	-0-	105,614	16,801	67,205	-0-	84,006
Marketing research	5,850	23,402	-0-	29,252	6,825	27,299	-0-	34,124
Technology supplies and services	11,454	11,454	9,818	32,726	8,569	8,569	7,345	24,483
Professional development	1,984	1,984	1,700	5,668	1,006	1,006	862	2,874
Miscellaneous	599	600	1,193	2,392	466	466	929	1,861
Community Wayfinder program	-0-	3,240	-0-	3,240	-0-	2,138	-0-	2,138
	<u>\$ 531,478</u>	<u>\$ 989,625</u>	<u>\$ 428,143</u>	<u>\$ 1,949,246</u>	<u>\$ 286,455</u>	<u>\$ 608,790</u>	<u>\$ 394,728</u>	<u>\$ 1,289,973</u>

*See accompanying notes to financial statements.*

# THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.

## STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS YEARS ENDED DECEMBER 31, 2022 AND 2021

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	<u>2022</u>	<u>2021</u>
<b>Operating activities</b>		
Change in net assets	\$ (71,590)	\$ 382,047
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Changes in operating assets and liabilities:		
Inventory	(4,594)	(7,947)
Withheld sales and payroll taxes	(1,245)	1,131
Assets held for others	<u>-0-</u>	<u>(11,864)</u>
Net change in cash	(77,429)	363,367
<b>Cash, beginning of year</b>	<u>977,833</u>	<u>614,466</u>
<b>Cash, end of year</b>	<u>\$ 900,404</u>	<u>\$ 977,833</u>

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*See accompanying notes to financial statements.*

# THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### 1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Operations

The Convention and Visitors Bureau of Monroe County, Inc. ("the Organization") is a not-for-profit organization whose principal activities are to promote conventions, trade shows, tourism and special events principally in Monroe County. The Organization's revenues and other support are derived principally from an annual renewable contract with the Monroe County Convention and Visitors Commission (the "Commission"), a governmental body. Under the terms of the contract, the Commission pays a portion of the funds collected from the Monroe County Innkeeper's tax to the Organization. The funds must be used by the Organization for administration and to fulfill its principal activities.

#### Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. The basis differs from accounting principles generally accepted in the United States of America primarily because revenues are recognized when received rather than when earned, expenses are recognized when cash is disbursed rather than when the obligation is incurred, purchases of property and equipment are expensed versus being capitalized, and right-of-use assets and liabilities related to leases are not recognized; however, the recording of inventory and assets held for others is included.

#### Management's Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with their basis of accounting. Those estimates and assumptions affect the reported amounts of assets and liabilities and the reported revenues and expenses. Actual results could vary from the estimates that were used.

#### Inventory

Inventory consists of retail merchandise that pertains to Monroe County, Indiana. Inventory is stated at the lower of cost or net realizable value. Cost of retail merchandise is determined using the first-in, first-out (FIFO) method.

#### Property and Equipment

The Commission advances funds to the Organization for the purchase of property and equipment. These funds are recorded as revenue. The Organization's purchases of property and equipment are expensed in the period of purchase. Ownership of the purchased assets is ultimately retained by the Commission.

# THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### Basis of Presentation

The accompanying financial statements have been prepared on the modified cash basis, and have been prepared with a focus on the entity as a whole. Net assets, support, revenues, gains, and losses are classified based on the existence or absence of donor restrictions. Accordingly, the net assets of the Organization are classified and reported as follows:

*Net assets without donor restrictions:* Net assets that are currently available for operating purposes under the direction of the board.

*Net assets with donor restrictions:* Net assets subject to donor stipulations for specific operating purposes or time restrictions.

### Advertising Costs

Advertising costs are charged to operations when the cash is disbursed and totaled \$522,578 and \$209,339 for the years ended December 31, 2022 and 2021, respectively.

### Revenue Recognition

Due to the modified cash basis of accounting, Monroe County Innkeeper's tax is allocated on an annual basis and recognized when received by the Organization. Sporting and music events fees are also recognized when received by the Organization. Additionally, visitors guide ad sales and retail revenue is recognized at a point in time when cash payment is received by the customer rather than when visitors guide ads are disbursed or goods are sold and transferred to customers. Visitor guide ad sales and hotel rebate income are the only revenue from contracts with customers.

### Functional Allocation of Expenses

The costs of providing the Organization's various programs and activities have been summarized on a functional basis in the Statements of Activities and Statements of Functional Expenses. Accordingly, certain expenses have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, wages, and payroll taxes, employee benefits, programs and activities, travel and training, professional development, and various office and marketing expenses are allocated on the basis of estimates of time, effort, and usage. While the methods of allocation are considered appropriate, other methods could produce different results.

# THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### Income Taxes

The Organization is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to income tax on any unrelated business taxable income.

The Organization is required to file Federal Form 990 – Return of Organization Exempt from Income Tax which is an informational return only. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

### Reclassifications

Certain prior year amounts have been reclassified herein to conform to the current method of presentation.

### Paycheck Protection Program

In February 2021, the Organization received a low interest loan in the amount of \$134,418 under the Paycheck Protection Program (PPP) administered by the Small Business Administration. The PPP loan was unsecured and bore interest at 1%. Funds advanced under the program were subject to forgiveness if certain criteria were met with the remaining balance repayable within two years of disbursement. The PPP loan was forgivable to the extent that employers incur and spend the funds on qualified expenditures, which include payroll, employee health insurance, rent, utilities and interest costs during the covered period (the 24-week period beginning on loan origination). In addition, employers must maintain specified employment and wage levels during the pandemic and submit adequate documentation of such expenditures to qualify for loan forgiveness.

The Organization elected to recognize the PPP proceeds under the grant model. The Organization received full forgiveness on June 30, 2021, and as such, the entire amount was recognized as grant revenue on the 2021 Statement of Activities.

### Going Concern Evaluation

Management evaluates whether there are conditions or events that raise substantial doubt about the Organization's ability to continue as a going concern for a period of one year from the date the financial statements are available to be issued.

### Subsequent Events

The Organization has evaluated events or transactions occurring subsequent to the Statement of Financial Position date for recognition and disclosure in the accompanying financial statements through the date the financial statements were available to be issued, which is March 7, 2023.

# THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### 2. OPERATING LEASES

The Organization has operating leases for various items of equipment with remaining terms of 1 to 4 years. The weighted average remaining lease term is 2.74 years. Leasing arrangements require fixed payments and also include an amount that is probable will be owed under residual value guarantee, if applicable. The Organization's lease agreements do not contain material restrictive covenants. Lease cost for all operating leases for the years ended December 31, 2022 and 2021 was \$28,555 and \$25,130, respectively. Future minimum lease payments subsequent to December 31, 2022 are as follows:

Year	Amount
2023	\$ 12,687
2024	6,083
2025	6,083
2026	<u>2,670</u>
	<u>\$ 27,523</u>

The building is leased from the Commission for \$1, however, no in-kind contribution or expense is recognized for the below market rate due to the modified cash basis of accounting being used. The lease requires the Organization to pay generally all executory costs (property taxes, maintenance, and insurance).

### 3. RETIREMENT PLAN

The Organization has a defined contribution 401(k) plan covering substantially all employees. The Organization's contributions to the plan consist of a discretionary contribution and a matching contribution of twenty-five percent of employee contributions up to four percent of eligible employee compensation. Retirement plan expense was \$24,567 and \$26,499 for the years ended December 31, 2022 and 2021, respectively.

### 4. NET ASSETS WITH DONOR RESTRICTIONS AND NET ASSETS RELEASED FROM RESTRICTIONS

Net assets with donor restrictions consisted of \$0 and \$22,000 related to the Freezefest event for the years ended December 31, 2022 and 2021, respectively.

Net assets were released from donor restrictions of \$45,300 and \$11,824 for the years ended December 31, 2022 and 2021, respectively, which were restricted under the purpose of the Freezefest event.

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# THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### 5. STATE, COUNTY, AND LOCAL FUNDING

In compliance with the Indiana State Board of Accountant's Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources, state, local, and county funding must be disclosed for the current year. During 2022, the Organization received and disbursed the following:

Grantor	
County	
Awards received	
Innskeeper Tax	\$ 1,704,979
Total county awards received	<u>\$ 1,704,979</u>
Awards disbursed	
Innskeeper Tax	\$ 1,885,372
Total county awards disbursed	<u>\$ 1,885,372</u>

### 6. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures within one year of the Statements of Financial Position date comprise the following:

	2022	2021
Cash	\$ 900,404	\$ 977,833
Less donor restricted	<u>-0-</u>	<u>22,000</u>
Financial assets available for general expenditures within one year	<u>\$ 900,404</u>	<u>\$ 955,833</u>

The Organization has a goal to maintain cash on hand to meet 90 days of normal operating expenses, which, on average, is approximately \$300,000. The Organization also maintains a contract with the Convention and Visitors Commission of Monroe County which provides the Organization an allocation of funds from the Monroe County Innskeeper's Tax to Indiana not-for-profit corporations for the purpose of promotion and encouragement in Monroe County of conventions, trade shows, visitors and special events. In 2022, this agreed upon allocation is \$1,790,228, which was contracted prior to December 31, 2022.

# THE CONVENTION AND VISITORS BUREAU OF MONROE COUNTY, INC.

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

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### **7. COMMITMENT**

In October 2022, the Organization entered into a contract with a vendor to provide talent, ice, and associated materials for the Freezefest event occurring in January 2023 for the amount of \$45,000, which will be paid at that time.

### **8. CONCENTRATIONS**

The Organization maintains its cash in bank accounts insured by the Federal Deposit Insurance Corporation at its current coverage levels. The Organization has not experienced any losses in such accounts. Management does not believe a significant credit risk on cash exists.

During 2022 and 2021, the Organization received 91 percent and 85 percent, respectively of its revenues and support from the Indiana Uniform County Innkeeper Tax.