

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

FINANCIAL STATEMENTS EXAMINATION REPORT  
OF  
LAKE COUNTY CONVENTION AND VISITORS BUREAU  
LAKE COUNTY, INDIANA  
January 1, 2011 to December 31, 2014



**FILED**  
04/08/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President/CEO	Speros A. Batistatos	01-01-11 to 12-31-15
Treasurer	Robert Forster Steve Teibel Robert Forster Matthew Schuffert	01-01-11 to 12-31-11 01-01-12 to 05-17-12 05-18-12 to 12-31-14 01-01-15 to 12-31-15
Chief Financial Officer	Janis Flutka Cathy Svetanoff	01-01-11 to 08-31-15 09-01-15 to 12-31-15
Chairman of the Board of Directors	Victor DeMeyer	01-01-11 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAKE COUNTY CONVENTION  
AND VISITORS BUREAU, LAKE COUNTY, INDIANA

We have examined the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lake County Convention and Visitors Bureau (Bureau), as of and for the years ended December 31, 2011, 2012, 2013, and 2014, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements as listed in the Table of Contents. The Bureau's management is responsible for the financial statements. Our responsibility is to express opinions based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Bureau, as of December 31, 2011, 2012, 2013, and 2014, and the respective changes in financial position thereof and for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Management has omitted the Management's Discussion and Analysis, Budgetary Comparison Schedules, and Budget of GAAP Reconciliations, that accounting principles generally accepted in the United States of America, requires to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Government Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

December 17, 2015

## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

The financial statements and accompanying notes were approved by management of the Bureau. The financial statements and notes are presented as intended by the Bureau.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF NET POSITION**  
DECEMBER 31, 2011

	Governmental Activities
<b>Assets</b>	
<b>Cash and cash equivalents</b>	\$ 2,473,553.82
<b>Receivables:</b>	
Taxes	374,418.76
Accounts	18,922.14
Other	33,076.77
<b>Inventories</b>	29,853.22
<b>Prepaid Items</b>	1,086.45
<b>Restricted assets:</b>	
Cash and cash equivalents	303,464.06
Investments	608,975.43
Interest receivable	1,486.57
<b>Capital Assets:</b>	
Land	1,059,250.00
Improvements not depreciated	1,142,224.57
Buildings, net of depreciation	5,293,766.67
Improvements other than buildings, net of depreciation	35,095.30
Machinery and equipment, net of depreciation	353,336.84
<b>Total Assets</b>	\$ 11,728,510.60
<b>Liabilities</b>	
<b>Accounts payable</b>	\$ 44,655.87
<b>Accrued payroll and withholding payable</b>	96,065.49
<b>Payable from restricted assets:</b>	
Accrued bond interest	3,031.91
Revenue bonds - due within one year	570,000.00
<b>Noncurrent liabilities:</b>	
Due in more than one year:	
Revenue bonds payable	595,000.00
Compensated absences	153,718.70
<b>Total liabilities</b>	\$ 1,462,471.97
<b>Net Position</b>	
<b>Investment in capital assets, net of related debt</b>	\$ 6,718,673.38
<b>Restricted:</b>	
Debt Service	910,894.15
<b>Unrestricted</b>	2,636,471.10
<b>Total Net Position</b>	\$ 10,266,038.63

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF ACTIVITIES**  
 FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General government	\$ 3,309,851.00	\$ 82,081.56	\$ 69,754.77	\$ (3,158,014.67)
Interest on long-term debt	47,625.76	-	-	(47,625.76)
<b>Total Governmental Activities</b>	<b><u>\$ 3,357,476.76</u></b>	<b><u>\$ 82,081.56</u></b>	<b><u>\$ 69,754.77</u></b>	<b><u>(3,205,640.43)</u></b>
General Revenues:				
Innkeepers taxes				1,584,360.40
Casino taxes				1,527,496.33
Unrestricted investment earnings				12,025.35
Other				<u>581,419.82</u>
			Total general revenues	<u>3,705,301.90</u>
Change in Net Position				499,661.47
Net Position - beginning				<u>9,766,377.16</u>
Net Position - ending				<u><u>\$ 10,266,038.63</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**BALANCE SHEET**  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2011

	Promotion	Revenue Bond	Debt Service Reserve	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
<b>Cash and cash equivalents</b>	\$ 1,895,108.40	\$ -	\$ -	\$ 578,445.42	\$ 2,473,553.82
<b>Receivables (net of allowance for uncollectibles):</b>					
Taxes	374,418.76	-	-	-	374,418.76
Accounts	-	-	-	18,922.14	18,922.14
Other	-	-	-	33,076.77	33,076.77
<b>Inventories</b>	-	-	-	29,853.22	29,853.22
<b>Prepaid Items</b>	1,086.45	-	-	-	1,086.45
<b>Restricted assets:</b>					
Cash and cash equivalents	-	303,464.06	-	-	303,464.06
Investments	-	-	608,975.43	-	608,975.43
Interest receivable	-	-	1,486.57	-	1,486.57
<b>Total Assets</b>	<b>\$ 2,270,613.61</b>	<b>\$ 303,464.06</b>	<b>\$ 610,462.00</b>	<b>\$ 660,297.55</b>	<b>\$ 3,844,837.22</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 15,300.74	\$ -	\$ -	\$ 29,355.13	\$ 44,655.87
Accrued payroll, withholding, and benefits payable	91,407.64	-	-	4,657.85	96,065.49
Payable from restricted assets:					
Accrued interest payable	-	3,031.91	-	-	3,031.91
<b>Total liabilities</b>	<b>106,708.38</b>	<b>3,031.91</b>	<b>-</b>	<b>34,012.98</b>	<b>143,753.27</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid	1,086.45	-	-	-	1,086.45
Inventories	-	-	-	29,853.22	29,853.22
Bonds payable	1,318,718.70	-	-	-	1,318,718.70
Trade Outs	-	-	-	33,076.77	33,076.77
<b>Restricted for:</b>					
Debt Service	-	300,432.15	610,462.00	-	910,894.15
<b>Assigned:</b>					
Payables	106,708.38	-	-	34,012.98	140,721.36
Special revenue funds	-	-	-	529,341.60	529,341.60
<b>Unassigned:</b>					
Promotion	737,391.70	-	-	-	737,391.70
<b>Total Fund Balances</b>	<b>2,163,905.23</b>	<b>300,432.15</b>	<b>610,462.00</b>	<b>626,284.57</b>	<b>3,701,083.95</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,270,613.61</b>	<b>\$ 303,464.06</b>	<b>\$ 610,462.00</b>	<b>\$ 660,297.55</b>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					7,883,673.38
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.					(1,318,718.70)
Net position of governmental activities					<b>\$ 10,266,038.63</b>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2011

	Promotion	Revenue Bond	Debt Service Reserve	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 3,111,856.73	\$ -	\$ -	\$ -	\$ 3,111,856.73
Intergovernmental	70,286.75	-	-	-	70,286.75
Charges for services	-	-	-	82,081.56	82,081.56
Interest	6,309.79	1,375.98	2,155.28	2,184.30	12,025.35
Other Generated	<u>15,560.83</u>	<u>-</u>	<u>-</u>	<u>565,858.99</u>	<u>581,419.82</u>
Total revenues	<u>\$ 3,204,014.10</u>	<u>\$ 1,375.98</u>	<u>\$ 2,155.28</u>	<u>\$ 650,124.85</u>	<u>\$ 3,857,670.21</u>
<b>Expenditures:</b>					
Current:					
General government	\$ 2,211,058.61	\$ -	\$ -	\$ 861,122.36	\$ 3,072,180.97
Debt service:					
Principal	-	540,000.00	-	-	540,000.00
Interest	-	47,625.76	-	-	47,625.76
Capital Outlays	<u>94,515.88</u>	<u>-</u>	<u>-</u>	<u>7,950.00</u>	<u>102,465.88</u>
Total expenditures	<u>\$ 2,305,574.49</u>	<u>\$ 587,625.76</u>	<u>\$ -</u>	<u>\$ 869,072.36</u>	<u>\$ 3,762,272.61</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 898,439.61</u>	<u>\$ (586,249.78)</u>	<u>\$ 2,155.28</u>	<u>\$ (218,947.51)</u>	<u>\$ 95,397.60</u>
<b>Other financing sources (uses):</b>					
Transfers in	\$ 220,890.52	\$ 588,728.77	\$ -	\$ 178,000.00	\$ 987,619.29
Transfers out	<u>(766,000.00)</u>	<u>-</u>	<u>(728.77)</u>	<u>(220,890.52)</u>	<u>(987,619.29)</u>
Total other financing sources (uses)	<u>\$ (545,109.48)</u>	<u>\$ 588,728.77</u>	<u>\$ (728.77)</u>	<u>\$ (42,890.52)</u>	<u>\$ -</u>
<b>Net change in fund balances</b>	<b>\$ 353,330.13</b>	<b>\$ 2,478.99</b>	<b>\$ 1,426.51</b>	<b>\$ (261,838.03)</b>	<b>\$ 95,397.60</b>
<b>Fund balances - beginning</b>	<u>1,810,575.10</u>	<u>297,953.16</u>	<u>609,035.49</u>	<u>888,122.60</u>	<u>3,605,686.35</u>
<b>Fund balances - ending</b>	<u><u>\$ 2,163,905.23</u></u>	<u><u>\$ 300,432.15</u></u>	<u><u>\$ 610,462.00</u></u>	<u><u>\$ 626,284.57</u></u>	<u><u>\$ 3,701,083.95</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2011**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total government funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 95,397.60
Governmental funds report capital outlays expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	(110,368.49)
The issuance of long-term debt (e.g. bond, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is net effect of these differences in the treatment of long-term debt and related items. Bond Redemption	540,000.00
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(25,367.64)</u>
Change in net position of governmental activities (Statement of Activities)	<u>\$ 499,661.47</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF FIDUCIARY NET POSITION**  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2011

	Sales Tax Fund	Payroll W/h Fund	Totals
Assets:			
Cash and cash equivalents	\$ 2,178.71	\$ -	\$ 2,178.71
Total Assets	\$ 2,178.71	\$ -	\$ 2,178.71
Liabilities:			
Accrued Sales Tax and Payroll Withholding	\$ 2,178.71	\$ -	\$ 2,178.71
Total liabilities	\$ 2,178.71	\$ -	\$ 2,178.71

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF NET POSITION**  
DECEMBER 31, 2012

	Governmental Activities
<b>Assets</b>	
<b>Cash and cash equivalents</b>	\$ 2,687,461.12
<b>Receivables:</b>	
Interest	69.91
Taxes	357,427.18
Accounts	41,027.36
Other	36,688.96
<b>Inventories</b>	31,815.77
<b>Prepaid Items</b>	4,436.28
<b>Restricted assets:</b>	
Cash and cash equivalents	1,277,741.79
<b>Capital Assets:</b>	
Land	1,059,250.00
Improvements not depreciated	1,142,224.57
Buildings, net of depreciation	5,463,841.32
Improvements other than buildings, net of depreciation	34,176.86
Machinery and equipment, net of depreciation	318,151.64
<b>Total Assets</b>	\$ 12,454,312.76
<b>Liabilities</b>	
<b>Accounts payable</b>	\$ 96,346.03
<b>Accrued payroll and withholding payable</b>	62,806.67
<b>Payable from restricted assets:</b>	
Accrued bond interest	1,020.00
Revenue bonds - due within one year	150,000.00
<b>Noncurrent liabilities:</b>	
Due in more than one year:	
Revenue bonds payable	1,550,000.00
Compensated absences	199,625.88
<b>Total liabilities</b>	\$ 2,059,798.58
<b>Net Position</b>	
<b>Investment in capital assets, net of related debt</b>	\$ 6,317,644.39
<b>Restricted:</b>	
Debt Service	1,277,741.79
<b>Unrestricted</b>	2,799,128.00
<b>Total Net Position</b>	\$ 10,394,514.18

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF ACTIVITIES**  
 FOR THE YEAR ENDED DECEMBER 31, 2012

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General government	\$ 3,792,733.55	\$ 85,424.63	\$ -	\$ (3,707,308.92)
Interest on long-term debt	30,901.48	-	-	(30,901.48)
<b>Total Governmental Activities</b>	<b><u>\$ 3,823,635.03</u></b>	<b><u>\$ 85,424.63</u></b>	<b><u>\$ -</u></b>	<b><u>(3,738,210.40)</u></b>
General Revenues:				
Innkeepers taxes				1,803,834.74
Casino taxes				1,554,432.40
Unrestricted investment earnings				7,351.63
Other				<u>501,067.18</u>
			Total general revenues	<u>3,866,685.95</u>
			Change in Net Position	128,475.55
			Net Position - beginning	<u>10,266,038.63</u>
			Net Position - ending	<u><u>\$ 10,394,514.18</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**BALANCE SHEET**  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2012

	Promotion	Revenue Bond	Debt Service Reserve	Bond Proceeds	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
<b>Cash and cash equivalents</b>	\$ 2,120,087.45	\$ -	\$ -	\$ -	\$ 567,373.67	\$ 2,687,461.12
<b>Receivables (net of allowance for uncollectibles):</b>						
Interest	69.91	-	-	-	-	69.91
Taxes	357,177.18	-	-	-	-	357,177.18
Accounts	-	-	-	-	41,277.36	41,277.36
Other	-	-	-	-	36,688.96	36,688.96
<b>Inventories</b>	-	-	-	-	31,815.77	31,815.77
<b>Prepaid Items</b>	4,436.28	-	-	-	-	4,436.28
<b>Restricted assets:</b>						
Cash and cash equivalents	-	-	-	1,277,741.79	-	1,277,741.79
<b>Total Assets</b>	<b>\$ 2,481,770.82</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,277,741.79</b>	<b>\$ 677,155.76</b>	<b>\$ 4,436,668.37</b>
<b>Liabilities and Fund Balances:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 72,097.84	\$ -	\$ -	\$ 69.91	\$ 24,178.28	\$ 96,346.03
Accrued payroll, withholding, and benefits payable	59,029.16	-	-	-	3,777.51	62,806.67
Payable from restricted assets:						
Accrued interest payable	1,020.00	-	-	-	-	1,020.00
<b>Total liabilities</b>	<b>132,147.00</b>	<b>-</b>	<b>-</b>	<b>69.91</b>	<b>27,955.79</b>	<b>160,172.70</b>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaid	4,436.28	-	-	-	-	4,436.28
Inventories	-	-	-	-	31,815.77	31,815.77
Bonds payable	1,550,000.00	-	-	-	-	1,550,000.00
Trade Outs	-	-	-	-	36,471.99	36,471.99
Restricted for:						
Debt Service	-	-	-	1,277,671.88	-	1,277,671.88
Assigned:						
Payables	132,147.00	-	-	-	27,955.79	160,102.79
Special revenue funds	-	-	-	-	552,956.42	552,956.42
Unassigned:						
Promotion	663,040.54	-	-	-	-	663,040.54
<b>Total Fund Balances</b>	<b>2,349,623.82</b>	<b>-</b>	<b>-</b>	<b>1,277,671.88</b>	<b>649,199.97</b>	<b>4,276,495.67</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,481,770.82</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,277,741.79</b>	<b>\$ 677,155.76</b>	
Amounts reported for governmental activities in the statement of net position are different because:						
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.						8,017,644.39
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.						(1,899,625.88)
Net position of governmental activities						<b>\$ 10,394,514.18</b>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2012

	Promotion	Revenue Bond	Debt Service Reserve	Bond Proceeds	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Taxes	\$ 3,358,267.14	\$ -	\$ -	\$ -	\$ -	\$ 3,358,267.14
Charges for services	-	-	-	-	85,424.63	85,424.63
Interest	3,877.99	804.51	1,471.34	-	1,197.79	7,351.63
Other Generated	9,523.90	-	-	-	491,543.28	501,067.18
	<u>3,371,669.03</u>	<u>804.51</u>	<u>1,471.34</u>	<u>-</u>	<u>578,165.70</u>	<u>3,952,110.58</u>
Total revenues	<u>\$ 3,371,669.03</u>	<u>\$ 804.51</u>	<u>\$ 1,471.34</u>	<u>\$ -</u>	<u>\$ 578,165.70</u>	<u>\$ 3,952,110.58</u>
<b>Expenditures:</b>						
Current:						
General government	\$ 2,568,792.06	\$ -	\$ 40.00	\$ 60,125.00	\$ 827,385.30	\$ 3,456,342.36
Debt service:						
Principal	-	1,165,000.00	-	-	-	1,165,000.00
Interest	1,020.00	29,881.48	-	-	-	30,901.48
Capital Outlays	<u>380,590.02</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,865.00</u>	<u>424,455.02</u>
Total expenditures	<u>\$ 2,950,402.08</u>	<u>\$ 1,194,881.48</u>	<u>\$ 40.00</u>	<u>\$ 60,125.00</u>	<u>\$ 871,250.30</u>	<u>\$ 5,076,698.86</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 421,266.95</u>	<u>\$ (1,194,076.97)</u>	<u>\$ 1,431.34</u>	<u>\$ (60,125.00)</u>	<u>\$ (293,084.60)</u>	<u>\$ (1,124,588.28)</u>
<b>Other financing sources (uses):</b>						
Transfers in	\$ 368,544.69	\$ 896,859.37	\$ -	\$ -	\$ 316,000.00	\$ 1,581,404.06
Transfers out	(604,093.05)	(3,214.55)	(611,893.34)	(362,203.12)	-	(1,581,404.06)
Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,700,000.00</u>	<u>-</u>	<u>1,700,000.00</u>
Total other financing sources (uses)	<u>\$ (235,548.36)</u>	<u>\$ 893,644.82</u>	<u>\$ (611,893.34)</u>	<u>\$ 1,337,796.88</u>	<u>\$ 316,000.00</u>	<u>\$ 1,700,000.00</u>
<b>Net change in fund balances</b>	<u>\$ 185,718.59</u>	<u>\$ (300,432.15)</u>	<u>\$ (610,462.00)</u>	<u>\$ 1,277,671.88</u>	<u>\$ 22,915.40</u>	<u>\$ 575,411.72</u>
<b>Fund balances - beginning</b>	<u>2,163,905.23</u>	<u>300,432.15</u>	<u>610,462.00</u>	<u>-</u>	<u>626,284.57</u>	<u>3,701,083.95</u>
<b>Fund balances - ending</b>	<u>\$ 2,349,623.82</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,277,671.88</u>	<u>\$ 649,199.97</u>	<u>\$ 4,276,495.67</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2012**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total government funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ 575,411.72
Governmental funds report capital outlays expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	208,824.84
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(74,853.83)
The issuance of long-term debt (e.g. bond, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is net effect of these differences in the treatment of long-term debt and related items.	
Bond Issued	(1,700,000.00)
Bond Redemption	1,165,000.00
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(45,907.18)</u>
Change in net position of governmental activities (Statement of Activities)	<u>\$ 128,475.55</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF FIDUCIARY NET POSITION**  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2012

	Sales Tax Fund	Payroll W/h Fund	County Innkeeper Trust Fund	Totals
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,927.85	\$ 142.95	\$ 208,635.13	\$ 210,705.93
<b>Total Assets</b>	<u>\$ 1,927.85</u>	<u>\$ 142.95</u>	<u>\$ 208,635.13</u>	<u>\$ 210,705.93</u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ 208,635.13	\$ 208,635.13
Accrued Sales Tax and Payroll Withholding	<u>1,927.85</u>	<u>142.95</u>	<u>-</u>	<u>2,070.80</u>
<b>Total liabilities</b>	<u>\$ 1,927.85</u>	<u>\$ 142.95</u>	<u>\$ 208,635.13</u>	<u>\$ 210,705.93</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF NET POSITION**  
 DECEMBER 31, 2013

	Governmental Activities
<b>Assets</b>	
<b>Cash and cash equivalents</b>	\$ 2,779,772.75
<b>Receivables:</b>	
Taxes	339,915.17
Accounts	53,354.02
Other	45,166.30
<b>Inventories</b>	37,791.90
<b>Prepaid items</b>	3,820.07
<b>Restricted assets:</b>	
Cash and cash equivalents	614,710.78
<b>Capital Assets:</b>	
Land	1,059,250.00
Improvements not depreciated	1,142,224.57
Buildings, net of depreciation	5,587,728.11
Improvements other than buildings, net of depreciation	78,451.48
Machinery and equipment, net of depreciation	521,739.08
<b>Total Assets</b>	\$ 12,263,924.23
<b>Liabilities</b>	
<b>Accounts payable</b>	\$ 210,642.72
<b>Accrued payroll and withholding payable</b>	99,631.18
<b>Payable from restricted assets:</b>	
Accrued bond interest	2,790.00
Revenue bonds - due within one year	150,000.00
<b>Noncurrent liabilities:</b>	
Due in more than one year:	
Revenue bonds payable	1,400,000.00
Compensated absences	211,759.34
<b>Total liabilities</b>	\$ 2,074,823.24
<b>Net Position</b>	
<b>Investment in capital assets, net of related debt</b>	\$ 6,839,393.24
<b>Restricted:</b>	
Debt Service	34,000.00
Capital Improvements	580,710.78
<b>Unrestricted</b>	2,734,996.97
<b>Total Net Position</b>	\$ 10,189,100.99

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF ACTIVITIES**  
 FOR THE YEAR ENDED DECEMBER 31, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General government	\$ 3,833,211.87	\$ 93,290.10	\$ -	\$ (3,739,921.77)
Interest on long-term debt	<u>35,640.00</u>	<u>-</u>	<u>-</u>	<u>(35,640.00)</u>
Total Governmental Activities	<u>\$ 3,868,851.87</u>	<u>\$ 93,290.10</u>	<u>\$ -</u>	<u>(3,775,561.77)</u>
General Revenues:				
Innkeepers taxes				1,852,677.28
Casino taxes				1,491,528.67
Unrestricted investment earnings				5,937.90
Other				<u>220,004.73</u>
			Total general revenues	<u>3,570,148.58</u>
			Change in Net Position	(205,413.19)
			Net Position - beginning	<u>10,394,514.18</u>
			Net Position - ending	<u>\$ 10,189,100.99</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**BALANCE SHEET**  
 GOVERNMENTAL FUNDS  
 DECEMBER 31, 2013

	Promotion	Debt Service Reserve	Bond Proceeds	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
<b>Cash and cash equivalents</b>	\$ 2,219,662.92	\$ -	\$ -	\$ 560,109.83	\$ 2,779,772.75
<b>Receivables (net of allowance for uncollectibles):</b>					
Taxes	339,915.17	-	-	-	339,915.17
Accounts	8,147.50	-	-	45,206.52	53,354.02
Other	-	-	-	45,166.30	45,166.30
<b>Inventories</b>	-	-	-	37,791.90	37,791.90
<b>Prepaid Items</b>	3,820.07	-	-	-	3,820.07
<b>Restricted assets:</b>					
Cash and cash equivalents	-	<u>34,000.00</u>	<u>580,710.78</u>	-	<u>614,710.78</u>
<b>Total Assets</b>	<u>\$ 2,571,545.66</u>	<u>\$ 34,000.00</u>	<u>\$ 580,710.78</u>	<u>\$ 688,274.55</u>	<u>\$ 3,874,530.99</u>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 157,940.09	\$ -	\$ -	\$ 52,702.63	\$ 210,642.72
Accrued payroll, withholding, and benefits payable	62,868.26	-	-	36,762.92	99,631.18
Payable from restricted assets:					
Accrued interest payable	<u>2,790.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,790.00</u>
Total liabilities	<u>223,598.35</u>	<u>-</u>	<u>-</u>	<u>89,465.55</u>	<u>313,063.90</u>
<b>Fund Balances:</b>					
Nonspendable:					
Prepaid	3,820.07	-	-	-	3,820.07
Inventories	-	-	-	37,791.90	37,791.90
Bonds payable	1,400,000.00	-	-	-	1,400,000.00
Trade Outs	-	-	-	45,166.30	45,166.30
Restricted for:					
Debt Service	-	34,000.00	580,710.78	-	614,710.78
Assigned:					
Payables	223,598.35	-	-	89,465.55	313,063.90
Special revenue funds	-	-	-	426,385.25	426,385.25
Unassigned:					
Promotion	<u>720,528.89</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,528.89</u>
Total Fund Balances	<u>2,347,947.31</u>	<u>34,000.00</u>	<u>580,710.78</u>	<u>598,809.00</u>	<u>3,561,467.09</u>
<b>Total liabilities and fund balances</b>	<u>\$ 2,571,545.66</u>	<u>\$ 34,000.00</u>	<u>\$ 580,710.78</u>	<u>\$ 688,274.55</u>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					8,389,393.24
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.					<u>(1,761,759.34)</u>
Net position of governmental activities					<u>\$ 10,189,100.99</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Promotion	Debt Service Reserve	Bond Proceeds	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 3,344,205.95	\$ -	\$ -	\$ -	\$ 3,344,205.95
Charges for services	-	-	-	93,290.10	93,290.10
Interest	5,050.95	-	-	886.95	5,937.90
Other Generated	<u>26,406.73</u>	-	<u>69.91</u>	<u>193,598.00</u>	<u>220,074.64</u>
 Total revenues	 <u>\$ 3,375,663.63</u>	 <u>\$ -</u>	 <u>\$ 69.91</u>	 <u>\$ 287,775.05</u>	 <u>\$ 3,663,508.59</u>
<b>Expenditures:</b>					
Current:					
General government	\$ 3,050,188.77	\$ -	\$ -	\$ 362,166.02	\$ 3,412,354.79
Debt service:					
Principal	150,000.00	-	-	-	150,000.00
Interest	35,640.00	-	-	-	35,640.00
Capital Outlays	<u>754,542.38</u>	-	-	<u>26,000.00</u>	<u>780,542.38</u>
 Total expenditures	 <u>\$ 3,990,371.15</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 388,166.02</u>	 <u>\$ 4,378,537.17</u>
 Excess (deficiency) of revenues over (under) expenditures	 <u>\$ (614,707.52)</u>	 <u>\$ -</u>	 <u>\$ 69.91</u>	 <u>\$ (100,390.97)</u>	 <u>\$ (715,028.58)</u>
<b>Other financing sources (uses):</b>					
Transfers in	\$ 710,465.69	\$ 34,000.00	\$ 13,434.68	\$ 50,000.00	\$ 807,900.37
Transfers out	<u>(97,434.68)</u>	-	<u>(710,465.69)</u>	-	<u>(807,900.37)</u>
 Total other financing sources (uses)	 <u>\$ 613,031.01</u>	 <u>\$ 34,000.00</u>	 <u>\$ (697,031.01)</u>	 <u>\$ 50,000.00</u>	 <u>\$ -</u>
 <b>Net change in fund balances</b>	 <u>\$ (1,676.51)</u>	 <u>\$ 34,000.00</u>	 <u>\$ (696,961.10)</u>	 <u>\$ (50,390.97)</u>	 <u>\$ (715,028.58)</u>
 <b>Fund balances - beginning</b>	 <u>2,349,623.82</u>	 <u>-</u>	 <u>1,277,671.88</u>	 <u>649,199.97</u>	 <u>4,276,495.67</u>
 <b>Fund balances - ending</b>	 <u>\$ 2,347,947.31</u>	 <u>\$ 34,000.00</u>	 <u>\$ 580,710.78</u>	 <u>\$ 598,809.00</u>	 <u>\$ 3,561,467.09</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2013**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total government funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ (715,028.58)
Governmental funds report capital outlays expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	515,144.12
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	(143,395.27)
The issuance of long-term debt (e.g. bond, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is net effect of these differences in the treatment of long-term debt and related items. Bond Redemption	150,000.00
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(12,133.46)</u>
Change in net position of governmental activities (Statement of Activities)	<u><u>\$ (205,413.19)</u></u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF FIDUCIARY NET POSITION**  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2013

	Sales Tax Fund	Payroll W/h Fund	County Innkeeper Trust Fund	Totals
Assets:				
Cash and cash equivalents	\$ 1,844.23	\$ -	\$ 213,883.53	\$ 215,727.76
Total Assets	\$ 1,844.23	\$ -	\$ 213,883.53	\$ 215,727.76
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ 213,883.53	\$ 213,883.53
Accrued Sales Tax and Payroll Withholding	1,844.23	-	-	1,844.23
Total liabilities	\$ 1,844.23	\$ -	\$ 213,883.53	\$ 215,727.76

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF NET POSITION**  
DECEMBER 31, 2014

	Governmental Activities
<b>Assets</b>	
<b>Cash and cash equivalents</b>	\$ 2,440,157.48
<b>Receivables:</b>	
Taxes	356,635.55
Accounts	46,193.63
Other	22,350.37
<b>Inventories</b>	26,597.44
<b>Prepaid Items</b>	29,647.78
<b>Restricted assets:</b>	
Cash and cash equivalents	328,617.73
<b>Capital Assets:</b>	
Land	1,059,250.00
Improvements not depreciated	1,220,344.57
Buildings, net of depreciation	5,554,586.91
Improvements other than buildings, net of depreciation	196,363.66
Machinery and equipment, net of depreciation	513,949.91
<b>Total Assets</b>	<b>\$ 11,794,695.03</b>
<b>Liabilities</b>	
<b>Accounts payable</b>	\$ 186,079.69
<b>Accrued payroll and withholding payable</b>	72,242.32
<b>Payable from restricted assets:</b>	
Accrued bond interest	2,520.00
Revenue bonds - due within one year	160,000.00
<b>Noncurrent liabilities:</b>	
Due in more than one year:	
Revenue bonds payable	1,240,000.00
Compensated absences	165,630.41
<b>Total liabilities</b>	<b>\$ 1,826,472.42</b>
<b>Net Position</b>	
<b>Investment in capital assets, net of related debt</b>	\$ 7,144,495.05
<b>Restricted:</b>	
Debt Service	68,000.00
Capital Improvements	260,617.73
<b>Unrestricted</b>	2,495,109.83
<b>Total Net Position</b>	<b>\$ 9,968,222.61</b>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF ACTIVITIES**  
 FOR THE YEAR ENDED DECEMBER 31, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General government	\$ 3,896,903.82	\$ 122,044.86	\$ -	\$ (3,774,858.96)
Interest on long-term debt	<u>33,600.00</u>	<u>-</u>	<u>-</u>	<u>(33,600.00)</u>
Total Governmental Activities	<u>\$ 3,930,503.82</u>	<u>\$ 122,044.86</u>	<u>\$ -</u>	<u>(3,808,458.96)</u>
General Revenues:				
Innkeepers taxes				1,894,415.34
Casino taxes				1,473,427.66
Unrestricted investment earnings				5,672.33
Other				<u>214,065.25</u>
			Total general revenues	<u>3,587,580.58</u>
			Change in Net Position	(220,878.38)
			Net Position - beginning	<u>10,189,100.99</u>
			Net Position - ending	<u>\$ 9,968,222.61</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU

**BALANCE SHEET**  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2014

	Promotion	Debt Service Reserve	Bond Proceeds	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 1,838,445.03	\$ -	\$ -	\$ 601,712.45	\$ 2,440,157.48
Receivables (net of allowance for uncollectibles):					
Taxes	356,635.55	-	-	-	356,635.55
Accounts	10,390.00	-	-	35,803.63	46,193.63
Other	-	-	-	22,350.37	22,350.37
Interfund receivable	8,700.00	-	-	-	8,700.00
Inventories	-	-	-	26,597.44	26,597.44
Prepaid Items	20,899.78	-	-	8,748.00	29,647.78
Restricted assets:					
Cash and cash equivalents	-	68,000.00	260,617.73	-	328,617.73
<b>Total Assets</b>	<b>\$ 2,235,070.36</b>	<b>\$ 68,000.00</b>	<b>\$ 260,617.73</b>	<b>\$ 695,211.89</b>	<b>\$ 3,258,899.98</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 136,484.76	\$ -	\$ -	\$ 49,594.93	\$ 186,079.69
Accrued payroll, withholding, and benefits payable	67,437.60	-	-	4,804.72	72,242.32
Interfund payable	-	-	8,700.00	-	8,700.00
Payable from restricted assets:					
Accrued interest payable	2,520.00	-	-	-	2,520.00
<b>Total liabilities</b>	<b>206,442.36</b>	<b>-</b>	<b>8,700.00</b>	<b>54,399.65</b>	<b>269,542.01</b>
<b>Fund Balances:</b>					
Nonspendable:					
Prepaid	20,899.78	-	-	8,748.00	29,647.78
Inventories	-	-	-	26,597.44	26,597.44
Bonds payable	1,240,000.00	-	-	-	1,240,000.00
Trade Outs	-	-	-	22,350.37	22,350.37
Restricted for:					
Debt Service	-	68,000.00	251,917.73	-	319,917.73
Assigned:					
Payables	206,442.36	-	-	54,399.65	260,842.01
Encumbrances	-	-	-	49,059.98	49,059.98
Special revenue funds	-	-	-	479,656.80	479,656.80
Unassigned:					
Promotion	561,285.86	-	-	-	561,285.86
<b>Total Fund Balances</b>	<b>2,028,628.00</b>	<b>68,000.00</b>	<b>251,917.73</b>	<b>640,812.24</b>	<b>2,989,357.97</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,235,070.36</b>	<b>\$ 68,000.00</b>	<b>\$ 260,617.73</b>	<b>\$ 695,211.89</b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	8,544,495.05
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.	<u>(1,565,630.41)</u>

Net position of governmental activities \$ 9,968,222.61

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Promotion	Debt Service Reserve	Bond Proceeds	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Taxes	\$ 3,367,843.00	\$ -	\$ -	\$ -	\$ 3,367,843.00
Charges for services	-	-	-	122,044.86	122,044.86
Interest	4,737.47	-	-	934.86	5,672.33
Other Generated	2,242.50	-	-	211,822.75	214,065.25
<b>Total revenues</b>	<u>\$ 3,374,822.97</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 334,802.47</u>	<u>\$ 3,709,625.44</u>
<b>Expenditures:</b>					
Current:					
General government	\$ 3,329,408.89	\$ -	\$ -	\$ 321,812.51	\$ 3,651,221.40
Debt service:					
Principal	150,000.00	-	-	-	150,000.00
Interest	33,600.00	-	-	-	33,600.00
Capital Outlays	426,127.16	-	-	20,786.00	446,913.16
<b>Total expenditures</b>	<u>\$ 3,939,136.05</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 342,598.51</u>	<u>\$ 4,281,734.56</u>
Excess (deficiency) of revenues over (under) expenditures	\$ (564,313.08)	\$ -	\$ -	\$ (7,796.04)	\$ (572,109.12)
<b>Other financing sources (uses):</b>					
Transfers in	\$ 328,993.77	\$ 34,000.00	\$ -	\$ 378,138.20	\$ 741,131.97
Transfers out	(84,000.00)	-	(328,793.05)	(328,338.92)	(741,131.97)
<b>Total other financing sources (uses)</b>	<u>\$ 244,993.77</u>	<u>\$ 34,000.00</u>	<u>\$ (328,793.05)</u>	<u>\$ 49,799.28</u>	<u>\$ -</u>
<b>Net change in fund balances</b>	\$ (319,319.31)	\$ 34,000.00	\$ (328,793.05)	\$ 42,003.24	\$ (572,109.12)
<b>Fund balances - beginning</b>	2,347,947.31	34,000.00	580,710.78	598,809.00	3,561,467.09
<b>Fund balances - ending</b>	<u>\$ 2,028,628.00</u>	<u>\$ 68,000.00</u>	<u>\$ 251,917.73</u>	<u>\$ 640,812.24</u>	<u>\$ 2,989,357.97</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF  
 GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2014**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total government funds (Statement of Revenues, Expenditures, and Changes in Fund Balances)	\$ (572,109.12)
Governmental funds report capital outlays expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	146,132.31
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.	8,969.50
The issuance of long-term debt (e.g. bond, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental fund. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is net effect of these differences in the treatment of long-term debt and related items. Bond Redemption	150,000.00
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>46,128.93</u>
Change in net position of governmental activities (Statement of Activities)	<u>\$ (220,878.38)</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
**STATEMENT OF FIDUCIARY NET POSITION**  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2014

	Sales Tax Fund	Payroll W/h Fund	County Innkeeper Trust Fund	Totals
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,285.04	\$ 95.30	\$ 219,527.50	\$ 221,907.84
Other/interfund receivable	-	390.00	-	390.00
<b>Total Assets</b>	<u>\$ 2,285.04</u>	<u>\$ 485.30</u>	<u>\$ 219,527.50</u>	<u>\$ 222,297.84</u>
<b>Liabilities:</b>				
Accounts Payable	\$ -	\$ -	\$ 219,527.50	\$ 219,527.50
Accrued Sales Tax and Payroll Withholding	2,285.04	485.30	-	2,770.34
<b>Total liabilities</b>	<u>\$ 2,285.04</u>	<u>\$ 485.30</u>	<u>\$ 219,527.50</u>	<u>\$ 222,297.84</u>

The notes to the financial statements are an integral part of this statement.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS

**I. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Lake County Convention and Visitors Bureau (the "Bureau") was established under the laws of the State of Indiana on July 1, 1983. The Bureau operates under a Board of Directors form of government and leads and supports the visitor industry through the marketing and development of the County from convention, sports, gaming and special interest travel segments, thereby, increasing economic impact, creating employment and enhancing the communities' quality of life. For marketing purposes, the Bureau is doing business as the South Shore Convention and Visitors Authority.

The accompanying financial statements present the activities of the primary government. There are no significant component units which require inclusion.

Related Organizations

The Bureau's officials are also responsible for appointing the voting majority of the board of the South Shore Promotions, Inc. South Shore Promotions, Inc., is a public benefit corporation incorporated on June 17, 2008. It was created to receive charitable contributions (services, cash, or property) for hospitality specific projects. The Bureau's accountability for this organization does not extend beyond making the appointments.

**B. Government-Wide and Fund Financial Statements**

Government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Bureau. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Bureau does not have what are normally considered business-type activities.

The statement of activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Bureau-wide financial statements. Agency funds account for assets held by the government as an agent for federal, state, and other local governmental entities and payroll deductions.

Major individual governmental funds are reported as separate columns in the fund financial statements.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Bureau considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Innkeeper taxes, riverboat admissions taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the Bureau receives cash.

The Bureau reports the following major governmental funds:

The promotion fund is the primary general operating fund. It accounts for all innkeeper and riverboat admission taxes and interest earned on investments. The promotion fund is used to account for expenditures of traditional economic development services.

The revenue bond fund account has been discontinued for the resources and expenditures relating to the repayment of the revenue bond issue. The bond issue requires no revenue fund to be established and no future payments be held in trust. Capital improvement expenditures are budgeted and expensed in the promotion fund. After monthly reconciliation of all the capital improvement expenditures, the promotion fund is reimbursed by the 2012 Bond Proceeds Fund. In accordance with the bond issue "**The 2012 Capital Improvement Bond payments shall be made directly from the Promotion Fund. No minimum payment is required to be held in a Revenue (Bond) Account for future payments.**" Repayments are made directly from the promotion fund.

The debt service reserve fund accounts for the financial resources held in a reserve account in accordance with the revenue bond indenture requirements.

The bond proceeds fund accounts for the bond proceeds of the 2012 revenue bond that are to be used for capital improvements.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided and (2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Bureau's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, and Net Position or Fund Balance

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to bond covenants.

2. Deposits and Investments

The Bureau's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the Bureau to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

3. Interfund Transactions and Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables/payables.

4. Innkeeper and Riverboat Admission Taxes

State statute (IC 6-9-2) establishes the Lake County Innkeeper's Tax which is levied on every person engaged in the business of renting or furnishing, for periods of less than thirty (30) days, any room or rooms, lodgings, or accommodations, in any hotel, motel, inn, tourist camp, tourist cabin or any other place in which rooms, lodgings, or accommodations are regularly furnished for a consideration. Such tax shall be at a rate of five percent (5%) on the gross retail income derived there from. Per an interlocal agreement between the Bureau and Lake County, the tax is collected by the Bureau and distributed in accordance with state statute. Thirty-five percent (35%) of the first \$1,200,000 and eighty-five (85%) of amounts over \$1,200,000 received revenues are distributed to the Bureau's Promotion Fund.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

State statute (IC 4-33-12-6) instructs the treasurer of state to pay the county in which a riverboat is docked a one dollar (\$1) admissions tax collected by the licensed owner for each person admitted to a riverboat during the quarter that has implemented flexible scheduling. Per Indiana Code 4-33-12-6(b)(3), nine cents (\$0.09) of the admissions tax collected by the licensed owner shall be paid to the county convention and visitors bureau or promotion fund for the county in which the riverboat is docked.

5. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. Capital Assets

Capital assets, which include property, buildings, improvements, and equipment, are reported in the government-wide financial statements.

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight-line	20-50 years
Improvements other than buildings	2,500	Straight-line	20-50 years
Machinery and equipment	1,000	Straight-line	5-7 years
Computer equipment	1,000	Straight-line	3 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

7. Compensated Absences

- a. Sick/Personal Leave - Bureau employees earn sick/personal leave at the rate of 10 to 12 days per year. Unused sick/personal leave may be accumulated to a maximum of 30 days. Only six (6) days of unused leave may be carried over to the following year. Accumulated sick/personal leave is not paid to employees upon termination.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- b. Vacation Leave - Bureau employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year; however, vacation time is paid in the year after it is earned and a portion of vacation time may be carried over with proper approval year to year. Accumulated vacation leave is paid to employees upon termination.

Vacation leave is accrued when incurred.

No liability is reported for sick/personal leave.

8. Fund Balance

Fund balance for governmental funds should be reported in classifications that comprise a hierarchy on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

The classifications should depict the nature of the net resources that are reported in a governmental fund. The fund balance classifications are reported as follows: nonspendable, restricted, committed, assigned, and unassigned.

- i. The nonspendable fund balance category includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The not in spendable form criterion includes items that are not expected to be converted to cash, for example, as inventories or prepaid amounts.
- ii. The restricted fund balance category includes amounts that can be spent only for the specific purposes. External restrictions may be imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- iii. The committed fund balance category includes amounts that can be spent only for the specific purposes determined by a formal action of the Bureau's Board of Directors.
- iv. The assigned fund balance category includes amounts that are constrained by the Bureau's intent to be used for a specific to be used for a specific purpose, but are neither restricted nor committed.
- v. The unassigned fund balance category is the residual classification for the Bureau's general fund and includes all spendable amounts not contained in the other classifications.

The Bureau has the following fund classifications: nonspendable, restricted, assigned, and unassigned.

9. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**II. Stewardship, Compliance and Accountability**

Budgetary Information

Annual budgets are adopted on the cash basis which is not consistent with accounting principles generally accepted in the United States. All annual appropriations lapse at fiscal year-end.

On or before December 20th of each year, the Bureau shall prepare a budget, for the funds set up by the Bureau, for the following year. Copies of the budget are on file with the Lake County Auditor and the Indiana Department of Local Government Finance.

Expenditures did not exceed appropriations for any fund which required legally approved budgets.

**III. Detailed Notes on All Funds**

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Bureau does not have a deposit policy for custodial credit risk, as funds are only deposited into eligible state depositories.

At December 31, 2014 the Bureau had deposit balances in the amount of \$2,532,888. Also on deposit were the bond proceeds in the amount of \$260,618 for 2014. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2014, the Bureau had no investments.

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the Bureau to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the Bureau to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

B. Capital Assets

Capital asset activity for the years ended December 31, 2011 and 2012, were as follows:

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	01-01-11			12-31-11
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activity:				
Capital assets, not being depreciated:				
Land	\$ 1,059,250	\$ -	\$ -	\$ 1,059,250
Dillinger Collection	<u>1,142,225</u>	<u>-</u>	<u>-</u>	<u>1,142,225</u>
Total capital assets, not being depreciated	<u>2,201,475</u>	<u>-</u>	<u>-</u>	<u>2,201,475</u>
Capital assets, being depreciated, net:				
Buildings	5,431,769	-	138,003	5,293,766
Improvements other than buildings	36,013	-	918	35,095
Machinery and equipment	<u>324,784</u>	<u>102,466</u>	<u>73,913</u>	<u>353,337</u>
Total capital assets being depreciated, net	<u>5,792,566</u>	<u>102,466</u>	<u>212,834</u>	<u>5,682,198</u>
Total governmental activity capital assets, net	<u>\$ 7,994,041</u>	<u>\$ 102,466</u>	<u>\$ 212,834</u>	<u>\$ 7,883,673</u>

	01-01-12			12-31-12
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activity:				
Capital assets, not being depreciated:				
Land	\$ 1,059,250	\$ -	\$ -	\$ 1,059,250
Dillinger Collection	<u>1,142,225</u>	<u>-</u>	<u>-</u>	<u>1,142,225</u>
Total capital assets, not being depreciated	<u>2,201,475</u>	<u>-</u>	<u>-</u>	<u>2,201,475</u>
Capital assets, being depreciated, net:				
Buildings	5,293,766	364,490	194,415	5,463,841
Improvements other than buildings	35,095	-	918	34,177
Machinery and equipment	<u>353,337</u>	<u>59,965</u>	<u>95,151</u>	<u>318,151</u>
Total capital assets being depreciated, net	<u>5,682,198</u>	<u>424,455</u>	<u>290,484</u>	<u>5,816,169</u>
Total governmental activity capital assets, net	<u>\$ 7,883,673</u>	<u>\$ 424,455</u>	<u>\$ 290,484</u>	<u>\$ 8,017,644</u>

Capital asset activity for the years ended December 31, 2013 and 2014, were as follows:

	01-01-13			12-31-13
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activity:				
Capital assets, not being depreciated:				
Land	\$ 1,059,250	\$ -	\$ -	\$ 1,059,250
Dillinger Collection	<u>1,142,225</u>	<u>-</u>	<u>-</u>	<u>1,142,225</u>
Total capital assets, not being depreciated	<u>2,201,475</u>	<u>-</u>	<u>-</u>	<u>2,201,475</u>
Capital assets, being depreciated, net:				
Buildings	5,463,841	430,005	306,118	5,587,728
Improvements other than buildings	34,177	48,421	4,147	78,452
Machinery and equipment	<u>318,151</u>	<u>302,116</u>	<u>98,529</u>	<u>521,739</u>
Total capital assets being depreciated, net	<u>5,816,170</u>	<u>780,542</u>	<u>408,794</u>	<u>6,187,919</u>
Total governmental activity capital assets, net	<u>\$ 8,017,644</u>	<u>\$ 780,542</u>	<u>\$ 408,794</u>	<u>\$ 8,389,393</u>

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	01-01-14			12-31-14
	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
Governmental activity:				
Capital assets, not being depreciated:				
Land	\$ 1,059,250	\$ -	\$ -	\$ 1,059,250
Dillinger Collection	<u>1,142,225</u>	<u>78,120</u>	<u>-</u>	<u>1,220,345</u>
Total capital assets, not being depreciated	<u>2,201,475</u>	<u>78,120</u>	<u>-</u>	<u>2,279,595</u>
Capital assets, being depreciated, net:				
Buildings	5,587,728	150,368	183,509	5,554,587
Improvements other than buildings	78,452	133,909	15,997	196,364
Machinery and equipment	<u>521,739</u>	<u>84,516</u>	<u>92,306</u>	<u>513,950</u>
Total capital assets being depreciated, net	<u>6,187,919</u>	<u>368,793</u>	<u>291,811</u>	<u>6,264,901</u>
Total governmental activity capital assets, net	<u>\$ 8,389,393</u>	<u>\$ 446,913</u>	<u>\$ 291,811</u>	<u>\$ 8,544,495</u>

C. Interfund Transfers

Interfund transfers at December 31, 2011 and 2012, were as follows:

2011				
<u>Transfer From</u>	<u>Transfer To</u>			<u>Totals</u>
	<u>Promotion Fund</u>	<u>Revenue Bond</u>	<u>Other Governmental</u>	
Promotion	\$ -	\$ 588,000	\$ 178,000	\$ 766,000
Debt Service Reserve	-	729	-	729
Other Governmental	<u>220,891</u>	<u>-</u>	<u>-</u>	<u>220,891</u>
Totals	<u>\$ 220,891</u>	<u>\$ 588,729</u>	<u>\$ 178,000</u>	<u>\$ 987,620</u>
2012				
<u>Transfer From</u>	<u>Transfer To</u>			<u>Totals</u>
	<u>Promotion Fund</u>	<u>Revenue Bond</u>	<u>Other Governmental</u>	
Promotion	\$ -	\$ 298,093	\$ 306,000	\$ 604,093
Revenue Bond	3,215	-	-	3,215
Debt Service Reserve	13,127	598,766	-	611,893
Bond Proceeds	<u>352,203</u>	<u>-</u>	<u>10,000</u>	<u>362,203</u>
Totals	<u>\$ 368,545</u>	<u>\$ 896,859</u>	<u>\$ 316,000</u>	<u>\$ 1,581,404</u>

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Interfund transfers at December 31, 2013 and 2014, were as follows:

2013					
Transfer From	Transfer To				Totals
	Promotion	Debt Service Reserve	Bond Proceeds	Other Governmental	
Promotion	\$ -	\$ 34,000	\$ 13,435	\$ 50,000	\$ 97,435
Bond Proceeds	<u>710,466</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>710,466</u>
Totals	<u>\$ 710,466</u>	<u>\$ 34,000</u>	<u>\$ 13,435</u>	<u>\$ 50,000</u>	<u>\$ 807,901</u>

2014					
Transfer From	Transfer To				Totals
	Promotion	Debt Service Reserve	Bond Proceeds	Other Governmental	
Promotion	\$ -	\$ 34,000	\$ -	\$ 50,000	\$ 84,000
Bond Proceeds	328,793	-	-	-	328,793
Other Governmental	<u>201</u>	<u>-</u>	<u>-</u>	<u>328,138</u>	<u>328,339</u>
Totals	<u>\$ 328,994</u>	<u>\$ 34,000</u>	<u>\$ -</u>	<u>\$ 378,138</u>	<u>\$ 741,132</u>

The Bureau typically uses transfers to fund ongoing operating subsidies and to transfer the portion of revenues from the promotion fund to the debt service fund for current-year debt service requirements.

D. Operating Leases

The Bureau has entered into an operating lease having initial or remaining non-cancelable terms exceeding one year for copiers. Rental expenditures for this lease were \$23,900, \$21,528, \$21,813 and \$21,216 for 2011, 2012, 2013, and 2014, respectively. Future minimum rental payments as of December 31, 2014, are \$21,216 for 2015 and \$21,216 for 2016.

E. Long-Term Liabilities

1. Revenue Bonds

The Bureau issues bonds to be paid by income derived from innkeepers' tax. Revenue bonds outstanding at 2014 year end are as follows:

Purpose	Interest Rates	Balance at December 31
2012 Capital Improvement Revenue Bond	2.160%	<u>\$ 1,400,000</u>

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Revenue bonds debt service requirements to maturity are as follows:

	Governmental Activities	
	Principal	Interest
2015	\$ 160,000	\$ 29,376
2016	160,000	25,920
2017	165,000	22,464
2018	170,000	18,846
2019	175,000	15,174
2020-2022	570,000	21,816
 Totals	 \$ 1,400,000	 \$ 133,596

2. Changes in Long-Term Liabilities

Long-term liability activity for the years ended December 31, 2011 and 2012, was as follows:

	01-01-11 Balance	Additions	Reductions	12-31-11 Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	\$ 1,705,000	\$ -	\$ 540,000	\$ 1,165,000	\$ 570,000
Compensated absences	128,351	25,368	-	153,719	-
Total governmental activities long-term liabilities	 \$ 1,833,351	 \$ 25,368	 \$ 540,000	 \$ 1,318,719	 \$ 570,000

	01-01-12 Balance	Additions	Reductions	12-31-12 Balance	Due Within One Year
Governmental activities:					
Revenue bonds payable	\$ 1,165,000	\$ 1,700,000	\$ 1,165,000	\$ 1,700,000	\$ 150,000
Compensated absences	153,719	45,907	-	199,626	-
Total governmental activities long-term liabilities	 \$ 1,318,719	 \$ 1,745,907	 \$ 1,165,000	 \$ 1,899,626	 \$ 150,000

Long-term liability activity for the years ended December 31, 2013 and 2014, was as follows:

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	01-01-13			12-31-13	Due Within
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Revenue bonds payable	\$ 1,700,000	\$ -	\$ 150,000	\$ 1,550,000	\$ 150,000
Compensated absences	<u>199,626</u>	<u>12,133</u>	<u>-</u>	<u>211,759</u>	<u>-</u>
Total governmental activities					
long-term liabilities	<u>\$ 1,899,626</u>	<u>\$ 12,133</u>	<u>\$ 150,000</u>	<u>\$ 1,761,759</u>	<u>\$ 150,000</u>
	01-01-14			12-31-14	Due Within
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
Governmental activities:					
Revenue bonds payable	\$ 1,550,000	\$ -	\$ 150,000	\$ 1,400,000	\$ 160,000
Compensated absences	<u>211,759</u>	<u>-</u>	<u>46,129</u>	<u>165,630</u>	<u>-</u>
Total governmental activities					
long-term liabilities	<u>\$ 1,761,759</u>	<u>\$ -</u>	<u>\$ 196,129</u>	<u>\$ 1,565,630</u>	<u>\$ 160,000</u>

Compensated absences for governmental activities typically have been liquidated from the promotion fund.

**IV. Other Information**

A. Risk Management

The Bureau is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits

Per Indiana Code 6-9-2-10, the Bureau participates in the Lake County Self-Insurance Health Insurance Program. The County has chosen to establish a risk financing fund for risks associated with medical benefits to employees and job related illnesses or injuries. The risk financing fund is accounted for in Lake County's Health Insurance Reserve Fund, an internal service fund of Lake County, where assets are set aside for claim settlements. Lake County has an excess policy through commercial insurance which covers individual claims in excess of \$275,000 per year, but not more than \$2,000,000 per year, per employee. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A \$14,950 and \$15,795 for 2011 and 2012, respectively, annual premium was charged for each Bureau employee covered under the plan. In 2013, a \$17,810 annual premium was charged for each Bureau employee covered under the plan for the calendar year. Total medical insurance paid in 2013 was \$171,935. In 2014, the Bureau paid \$9,750 for each employee covered under the plan January through June. The first six (6) months of 2014 health insurance was purchased through the County in the amount of \$87,468.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
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Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors. However, any claim liabilities would be reported by the County.

On July 1, 2014 the Bureau terminated its interlocal agreement with the county and purchased medical, dental, vision, and life insurance from third party providers. The plan chosen for medical insurance is administered by Anthem. An HSA (Health savings account) was set up for each employee covered under the plan and is administered by First Source Bank. The Bureau funded the HSA contributions in the amount of \$72,200 to supplement the high deductibles associated with an HSA plan.

In accordance with the Affordable Care Act, lifetime limits on most benefits are prohibited in any health plan or insurance policy. The previous plans set a **lifetime limit** - a dollar limit on what carriers would spend for covered benefits during the entire time the employee was enrolled in the plan. Employees were required to pay the cost of all care exceeding those limits.

The Affordable Care Act bans **annual dollar limits** that all job-related plans and individual health insurance plans can put on most covered health benefits. Before the health care law, many health plans set an annual limit - a dollar limit on their yearly spending for your covered benefits. You were required to pay the cost of all care exceeding those limits.

The current plan can put an annual dollar limit and a lifetime dollar limit on spending for health care services that are not considered [essential health benefits](#).

Dental, vision, and life insurance were provided by Standard Insurance, with \$9,831 in premiums paid for covered employees in 2014. Medical insurance was provided by Anthem. Total insurance premiums under the new plan were \$73,680.

B. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Bureau contributes to the Public Employees' Retirement Fund (PERF) a cost-sharing multiple-employer defined benefit pension plan, and administered by Indiana Public Retirement System (INPRS). PERF as part of the implementation of GASB Statement No. 67 changed from an agent to a cost-sharing, multiple-employer defined benefit plan effective July 1, 2013, based on 35 IAC 21-1-1, 35 IAC 21-1-2 and amended IC 5-10.2-2-11 (b). The Indiana Code, Title 5, Articles 10.2 and 10.3, amended only by the Indiana General Assembly, identifies the benefit provisions and establishes the authority under which members and employers are obligated to contribute to the Plan. All full-time employees are eligible to participate in the cost-sharing multiple-employer defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) provide the Bureau authority to contribute to the plan and govern, through the INPRS Board, most requirements of the system. PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member contributions, set by state statute at three (3) percent of compensation, plus the interest credited to the member's account. Under state statute, the Bureau may elect to make these contributions on behalf of the member.

LAKE COUNTY CONVENTION AND VISITORS BUREAU  
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Currently, the Bureau contributes three (3) percent of compensation on behalf of the eligible employee. INPRS administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System  
1 North Capitol Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687  
[www.inprs.in.gov](http://www.inprs.in.gov)

Funding Policy and Annual Pension Cost

The contribution requirements for plan members of PERF are established and can be amended by the Board of Trustees of INPRS. As noted above, the Bureau contributes three percent of total compensation for each eligible employee.

Currently, the Bureau contributes to PERF, under the Bureau's plan number. Through 2011 the Bureau had made contributions through the County's Plan. However, starting in 2012 the Bureau established its own PERF plan and collected and made contributions directly to the retirement fund.

The total contributions made to PERF by the Bureau for 2011 was \$82,630.

The total contributions made to PERF by the Bureau for 2012, 2013, and 2014, were \$122,544, \$143,051 and \$171,705, respectively.

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Bureau. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.