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January 25, 2018

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

We have reviewed the report prepared by Visit Indy, Inc. and opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Visit Indy, Inc. as of December 31, 2015 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Greenwalt CPAs, Inc. prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

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

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

VISIT INDY, INC. AND SUBSIDIARY
(TOURISM TOMORROW, INC.)

CONSOLIDATING FINANCIAL STATEMENTS

Together with Independent Auditors' Report

DECEMBER 31, 2015 AND 2014

GREENWALT CPAs

We Deliver Peace of Mind

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Indianapolis, IN 46224
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GREENWALT CPAs

Independent Auditors' Report

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

We have audited the accompanying consolidating financial statements of Visit Indy, Inc. and Subsidiary, Tourism Tomorrow, Inc., (collectively, the Organization), which comprise the consolidating statements of financial position as of December 31, 2015, and the related consolidating statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

Management's Responsibility for the Consolidating Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidating financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Guidelines for Examination of Entities Receiving Financial Assistance from Government Sources* established by the Indiana State Board of Accounts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidating financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidating financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidating financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidating financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidating financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Organization's 2014 consolidating financial statements, and we expressed an unmodified audit opinion on those audited consolidating financial statements in our report dated April 16, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent, in all material respects, with the audited consolidating financial statements from which it has been derived.

Greenwalt CPAs, Inc.

April 20, 2016

VISIT INDY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015
WITH SUMMARIZED COMPARATIVE INFORMATION AS OF DECEMBER 31, 2014

ASSETS	Visit Indy, Inc.	Tourism Tomorrow, Inc.	Eliminations	Consolidated Totals 2015	Consolidated Totals 2014
CURRENT ASSETS					
Cash and cash equivalents	$ 2,884,937	$ 651,289	$ -	$ 3,536,226	$ 2,588,824
Accounts receivable:					
Partnership dues	384,824	-	-	384,824	332,805
Intercompany, net	-	64,522	(64,522)	-	-
Convention and event, less allowance for doubtful accounts of $748 and $1,096, respectively	65,845	-	-	65,845	20,401
Other, less total allowance for doubtful accounts of $4,137 and $4,500, respectively	61,859	74,854	-	136,713	119,008
Grants receivable	125,000	-	-	125,000	198,000
Prepayments and other	114,522	6,352	-	120,874	121,700
Total current assets	3,636,987	797,017	(64,522)	4,369,482	3,380,738
PROPERTY AND EQUIPMENT, NET	1,203,642	142,103	-	1,345,745	1,646,270
INVESTMENTS	6,060,418	-	-	6,060,418	4,151,245
Total assets	$ 10,901,047	$ 939,120	$ (64,522)	$ 11,775,645	$ 9,178,253
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts payable:					
Trade	$ 350,692	$ 107,749	$ -	$ 458,441	$ 322,099
Related parties	102,341	4,854	-	107,195	137,386
Intercompany, net	64,522	-	(64,522)	-	-
Other accruals	1,245,227	68,959	-	1,314,186	1,243,978
Deferred revenue:					
Partnership dues	482,495	-	-	482,495	498,103
Other	973,333	134,792	-	1,108,125	182,892
Refundable advance (Note 5)	1,500,000	-	-	1,500,000	-
Total current liabilities	4,718,610	316,354	(64,522)	4,970,442	2,384,458
COMMITMENTS (NOTES 9 AND 10)					
NET ASSETS					
Unrestricted net assets	6,132,437	622,766	-	6,755,203	6,793,795
Temporarily restricted net assets	50,000	-	-	50,000	-
Total net assets	6,182,437	622,766	-	6,805,203	6,793,795
Total liabilities and net assets	$ 10,901,047	$ 939,120	$ (64,522)	$ 11,775,645	$ 9,178,253

VISIT INDY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014

	Visit Indy, Inc.			Tourism Tomorrow, Inc.	Eliminations	Consolidated Totals	
	Unrestricted	Temporarily Restricted	Total			2015	2014
REVENUE							
Promotional service fees	$ 9,499,992	$ -	$ 9,499,992	$ -	$ -	$ 9,499,992	$ 9,030,000
Marketing campaign	2,050,000	-	2,050,000			2,050,000	1,385,308
Partnership dues	768,127	-	768,127	-	-	768,127	738,377
Subscription and advertising revenue	109,299	-	109,299	-	-	109,299	129,181
Housing delegate income	331,515	-	331,515	-	-	331,515	339,575
Convention and event	80,120	-	80,120	-	-	80,120	5,690
Programs	185,035	-	185,035	-	-	185,035	183,995
State research grant	-	-	-	132,212	-	132,212	183,416
Sponsorships and other grants	278,850	50,000	328,850	197,858	-	526,708	823,807
Intercompany grants	-	-	-	341,000	(341,000)	-	-
Investment income (loss), net of fees	(28,465)	-	(28,465)	2	-	(28,463)	257,789
Other income	171,844	-	171,844	54,000	-	225,844	125,057
Contributed goods and facilities	666,963	-	666,963	786	-	667,749	691,380
Total revenue	14,113,280	50,000	14,163,280	725,858	(341,000)	14,548,138	13,893,575
EXPENSES							
Convention sales	5,604,752	-	5,604,752	-	-	5,604,752	5,147,357
Tourism development	480,413	-	480,413	-	-	480,413	506,098
Convention services	1,470,174	-	1,470,174	-	-	1,470,174	1,430,687
Partnership development	817,883	-	817,883	-	-	817,883	842,406
Administration	1,847,915	-	1,847,915	-	(341,000)	1,506,915	1,600,622
Housing	507,549	-	507,549	-	-	507,549	526,907
Marketing and communications	3,447,920	-	3,447,920	-	-	3,447,920	3,365,027
Destination development	-	-	-	252,605	-	252,605	546,451
Music Crossroads	-	-	-	448,519	-	448,519	495,444
Total expenses	14,176,606	-	14,176,606	701,124	(341,000)	14,536,730	14,460,999
CHANGE IN NET ASSETS	(63,326)	50,000	(13,326)	24,734	-	11,408	(567,424)
NET ASSETS, BEGINNING OF YEAR	6,195,763	-	6,195,763	598,032	-	6,793,795	7,361,219
NET ASSETS, END OF YEAR	$ 6,132,437	$ 50,000	$ 6,182,437	$ 622,766	$ -	$ 6,805,203	$ 6,793,795

VISIT INDY, INC. AND SUBSIDIARY
CONSOLIDATING STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
WITH SUMMARIZED COMPARATIVE INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2014

	Visit Indy, Inc.								Tourism Tomorrow, Inc.				Consolidated Totals	
	Convention Sales	Tourism Development	Convention Services	Partnership Development	Administration	Housing	Marketing & Communications	Total	Destination Development	Music Crossroads	Total	Eliminations	2015	2014
DIRECT PROMOTIONAL EXPENSES														
Advertising production	$ 170,713	$ -	$ -	$ -	$ -	$ -	$ 212,117	$ 382,830	$ 45,000	$ -	$ 45,000	$ -	$ 427,830	$ 526,795
Market research	183,546	6,550	-	-	253,004	-	172,488	615,588	132,212	-	132,212	-	747,800	774,894
Advertising placement	46,640	-	-	-	-	-	1,443,997	1,490,637	-	-	-	-	1,490,637	1,396,263
Collateral and promotional materials	5,464	2,265	62,100	1,484	-	-	219,619	291,932	18,000	-	18,000	-	309,932	362,258
Marketing contracts	150,000	-	68,992	-	-	-	23,000	241,992	-	-	-	-	241,992	227,234
Sales trips and bid presentations	96,284	-	-	-	-	-	-	96,284	-	4,914	4,914	-	101,198	98,298
Client development	457,711	18,194	12,595	239,650	-	-	16,808	744,958	-	2,527	2,527	-	747,485	811,544
Site visits	161,812	5,881	84,974	-	-	-	59,675	312,342	-	-	-	-	312,342	251,806
Trade shows	271,099	18,870	46,067	-	-	-	430	336,466	-	-	-	-	336,466	322,550
Convention and event requirements	432,989	-	-	-	-	144,238	-	577,227	-	-	-	-	577,227	435,733
Total direct promotional expenses	1,977,258	51,760	274,728	241,134	253,004	144,238	2,148,734	5,090,256	195,212	7,441	202,653	-	5,292,909	5,408,375
PERSONNEL EXPENSES														
Salaries	2,402,289	296,096	808,519	390,915	714,980	198,479	859,170	5,673,448	26,044	96,294	122,338	-	5,795,786	5,416,474
Part-time wages	2,472	-	3,828	1,416	-	32,125	6,452	46,293	15,211	-	15,211	-	61,504	105,494
Payroll taxes	158,872	16,971	50,023	23,143	42,921	15,201	54,047	361,178	2,615	5,672	8,287	-	369,465	385,476
Placement fees	-	-	-	-	-	-	-	-	-	-	-	-	-	92,780
Employee group insurance	321,443	20,669	69,209	33,959	130,031	29,504	81,440	686,155	2,229	11,096	13,325	-	699,480	654,763
Retirement plan contributions	184,264	23,679	56,804	31,300	49,503	25,059	75,520	446,129	2,989	9,629	12,616	-	458,747	465,820
Total personnel expenses	3,069,340	359,315	988,383	480,733	937,435	300,368	1,076,629	7,213,203	49,088	122,691	171,779	-	7,384,982	7,120,817
OFFICE EXPENSES														
Telephone	45,448	5,739	17,055	7,947	15,132	5,210	18,469	115,000	-	-	-	-	115,000	111,615
Postage	16,597	2,096	6,228	2,902	5,526	1,902	6,745	41,996	-	-	-	-	41,996	50,708
Office supplies	22,116	2,792	8,299	3,867	7,355	2,635	8,967	55,960	-	-	-	-	55,960	52,469
Repairs and maintenance	3,481	440	1,306	609	1,158	399	1,415	8,808	-	-	-	-	8,808	17,352
Office and equipment rent	38,489	4,860	14,443	6,730	12,815	4,412	15,641	97,390	-	269,429	269,429	-	366,819	423,645
Insurance - office coverage	21,003	2,652	7,881	3,672	6,995	2,407	8,535	53,145	-	9,527	9,527	-	62,672	59,231
Total office expenses	147,733	18,579	56,212	25,727	48,981	16,865	59,792	372,299	-	278,956	278,956	-	651,255	709,020
OTHER EXPENSES														
Professional fees	81,853	10,335	30,716	14,372	27,258	9,382	33,263	207,119	-	-	-	-	207,119	228,847
Civic involvement	17,109	2,160	6,420	2,991	5,697	1,961	6,953	43,291	-	1,777	1,777	-	45,068	56,331
Mileage	25,808	3,259	9,684	4,512	8,594	2,958	10,488	65,303	1,404	159	1,563	-	66,866	63,293
Membership dues and subscriptions	28,041	3,541	10,522	4,903	9,339	3,214	11,395	70,954	-	2,110	2,110	-	73,064	49,564
Human resource development	54,628	5,746	17,077	7,957	15,155	5,216	18,494	124,173	-	129	129	-	124,302	135,421
Depreciation and amortization	184,038	23,238	69,061	32,179	61,282	21,095	74,789	465,682	6,897	34,470	41,367	-	507,049	520,293
Miscellaneous	19,644	2,480	7,371	3,436	6,541	2,252	7,983	49,706	4	-	4	-	49,710	35,925
Noncash rent and parking	-	-	-	-	133,620	-	-	133,620	-	786	786	-	134,406	133,013
Intercompany grants	-	-	-	-	341,000	-	-	341,000	-	-	-	(341,000)	-	-
Total other expenses	411,021	50,759	150,851	70,289	608,485	46,078	163,365	1,500,848	8,305	39,431	47,736	(341,000)	1,207,584	1,222,787
Total expenses	$ 5,604,752	$ 480,413	$ 1,470,174	$ 817,883	$ 1,847,915	$ 507,549	$ 3,447,920	$ 14,176,606	$ 252,605	$ 448,519	$ 701,124	$ (341,000)	$ 14,536,730	$ 14,460,999

CHANGES IN CASH AND CASH EQUIVALENTS

	Visit Indy, Inc.	Tourism Tomorrow, Inc.	Eliminations	Consolidated Totals 2015	Consolidated Totals 2014
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from organizations and others	$ 15,690,636	$ 735,083	$ (341,000)	$ 16,084,719	$ 11,552,921
Cash paid to suppliers and employees	(12,845,966)	(714,035)	341,000	(13,219,001)	(13,076,467)
Investment income received	172,127	2	-	172,129	201,240
Other income received	171,844	54,000	-	225,844	125,057
Net cash and cash equivalents provided by (used in) operating activities	3,188,641	75,050	-	3,263,691	(1,197,249)
CASH FLOWS FROM INVESTING ACTIVITIES					
Acquisition of property and equipment	(206,524)	-	-	(206,524)	(267,429)
Purchases of investments	(2,513,568)	-	-	(2,513,568)	(3,718,834)
Proceeds from investments	403,803	-	-	403,803	3,616,771
Net cash and cash equivalents used in investing activities	(2,316,289)	-	-	(2,316,289)	(369,492)
NET CHANGE IN CASH AND CASH EQUIVALENTS	872,352	75,050	-	947,402	(1,566,741)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,012,585	576,239	-	2,588,824	4,155,565
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,884,937	$ 651,289	$ -	$ 3,536,226	$ 2,588,824

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

	Visit Indy, Inc.	Tourism Tomorrow, Inc.	Eliminations	Consolidated Totals 2015	Consolidated Totals 2014
CHANGE IN NET ASSETS	$ (13,326)	$ 24,734	$ -	$ 11,408	$ (567,424)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Depreciation and amortization	465,682	41,367	-	507,049	520,294
Loss on disposal of property and equipment	-	-	-	-	1,479
Unrealized (gain) loss on investments	164,887	-	-	164,887	(23,884)
Realized (gain) loss on investments	35,705	-	-	35,705	(32,665)
(Increase) decrease in operating assets:					
Accounts receivable:					
Partnership dues	(52,019)	-	-	(52,019)	(1,943)
Intercompany, net	-	34,254	(34,254)	-	-
Convention and event, net	(45,444)	-	-	(45,444)	112,530
Other, net	10,036	(27,741)	-	(17,705)	59,404
Grants receivable	73,000	-	-	73,000	(63,000)
Prepayments and other	827	(1)	-	826	(15,914)
Increase (decrease) in operating liabilities:					
Accounts payable:					
Trade	164,459	(28,117)	-	136,342	(86,511)
Related parties	(29,651)	(540)	-	(30,191)	8,149
Intercompany, net	(34,254)	-	34,254	-	-
Other accruals	96,614	(26,406)	-	70,208	199,574
Deferred revenue:					
Partnership dues	(15,608)	-	-	(15,608)	2,852
Other	867,733	57,500	-	925,233	(102,882)
Refundable advance	1,500,000	-	-	1,500,000	(1,207,308)
Total adjustments	3,201,967	50,316	-	3,252,283	(629,825)
NET CASH AND CASH EQUIVALENTS PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 3,188,641	$ 75,050	$ -	$ 3,263,691	$ (1,197,249)

1. Summary of Significant Accounting Policies

Nature of Activities

Visit Indy, Inc. (Visit Indy) formerly known as the Indianapolis Convention & Visitors Association, Inc. was formed in 1923. Today, its mission is to advance Indianapolis tourism and economic growth. Visit Indy assists visitors by providing services and information. Visit Indy also assists the Capital Improvement Board of Marion County and hospitality industry businesses by marketing their facilities, products, and services to visiting groups and individuals.

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

Basis of Accounting and Use of Estimates

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

The financial statements include certain prior year summarized comparative information in total, but not by consolidating entity, eliminations, and net asset class. Accordingly, such information should be read in conjunction with the consolidating financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Principles of Consolidation

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

Cash and Cash Equivalents

The Organization considers most highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ACCOUNTS RECEIVABLE AND CREDIT POLICIES

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

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

GRANTS RECEIVABLE

In accordance with Accounting Standards for Contributions, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on the existence or nature of any donor restrictions.

Contributions are recognized when the donor makes an unconditional promise to give to the Organization and are recorded at their fair values as revenues and assets in the period received. Contributions restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Grants receivable were $125,000 and $198,000 as of December 31, 2015 and 2014, respectively. All are due within one year.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost. Depreciation is provided on the straight line method over the estimated useful lives of the depreciable assets (3-10 years). Maintenance and repairs are expensed as incurred. Property and equipment is comprised of the following at December 31:

	2015	2014
Leasehold improvements, office furniture and equipment	$ 2,276,549	$ 2,267,765
Computer equipment, software and web design	2,639,622	2,471,951
	4,916,171	4,739,716
Accumulated depreciation	(3,570,426)	(3,093,446)
	$ 1,345,745	$ 1,646,270

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

INVESTMENTS

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

DEFERRED REVENUE

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

NET ASSETS

As required by Accounting Standards for Not-for-Profit Entities Presentation of Financial Statements, the Organization is required to report information regarding assets, liabilities, net assets, revenue, expenses, and other changes in net assets according to class. The Organization utilizes the following classes of net assets:

Unrestricted

These include revenue and expenses from the regular operations of the Organization, which are at the discretion of management and the Boards of Directors.

Temporarily Restricted

These include donations and grant revenues used to meet expenses of current operations in accordance with restrictions specified by the donors or grantors or the passage of time. When a donor restriction expires, or when a stipulated time restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. There was $50,000 of temporarily restricted net assets at December 31, 2015 related to grants receivable. There were no temporarily restricted net assets at December 31, 2014. Donor restrictions released within the same year of donation receipt are recorded as unrestricted revenue and net assets.

Permanently Restricted

The permanently restricted net asset class includes assets of the Organization for which the donor has stipulated that the contribution remain in perpetuity. There are no permanently restricted net assets at December 31, 2015 or 2014.

ADVERTISING

The Organization incurred $1,918,467 and $2,123,058 in advertising production and advertising placement expense for 2015 and 2014, respectively. These costs are expensed as incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS

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

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

Fair values measured on a recurring basis at December 31, 2015 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Equities:		
S&P index fund	$ 499,656	$ 499,656
Emerging markets index fund	66,569	66,569
Mutual funds:		
Value fund	316,547	316,547
Blend fund	496,455	496,455
Growth fund	741,561	741,561
Real estate	98,458	98,458
Global equity	106,833	106,833
Fixed income mutual funds:		
Intermediate-term bond	1,281,269	1,281,269
Bank loan	189,661	189,661
Short-term bond	483,068	483,068
Growth fund	96,060	96,060
Nontraditional bond	193,564	193,564

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

FAIR VALUE MEASUREMENTS, CONTINUED

Bonds:		
Corporate bond	489,958	489,958
Treasury bond	800,742	800,742
Agency bond	200,017	200,017
Total	$ 6,060,418	$ 6,060,418

Fair values measured on a recurring basis at December 31, 2014 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Equities:		
S&P index fund	$ 318,860	$ 318,860
Emerging markets index fund	81,252	81,252
Mutual funds:		
Value fund	423,376	423,376
Blend fund	385,816	385,816
Growth fund	740,572	740,572
Real estate	96,202	96,202
Global equity	122,697	122,697
Fixed income mutual funds:		
Intermediate-term bond	1,307,052	1,307,052
Bank loan	200,937	200,937
World allocation	195,287	195,287
Growth fund	78,894	78,894
Nontraditional bond	200,300	200,300
Total	$ 4,151,245	$ 4,151,245

The Organization had no Level 2 or Level 3 investments at December 31, 2015 and 2014. Fair values for investments are determined by reference to quoted market prices and other relevant information generated by market transactions. These valuation methods have not changed from prior year. See Note 3.

1. Summary of Significant Accounting Policies, Continued

Income Taxes

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

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

All tax periods prior to 2012 are no longer subject to examination.

Subsequent Events

Subsequent events have been evaluated by management through April 20, 2016 which is the date the financial statements were available to be issued.

2. Uninsured Cash Balances

The Organization's cash and cash equivalents are comprised of cash accounts at a commercial bank and a money market account with a national investment company. Accounts at the bank are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per bank. The money market account is insured by Securities Investor Protection Corporation (SIPC) up to $250,000. At December 31, 2015, the Organization had balances in excess of federally insured limits.

3. Investments

Cost and fair values at December 31, 2015 are as follows:

	Cost	Cumulative Unrealized Gain (Loss)	Market Value
Equities	$ 593,078	$ (26,854)	$ 566,224
Mutual funds	1,669,717	90,137	1,759,854
Fixed income	2,298,258	(54,636)	2,243,622
Bonds	1,500,674	(9,956)	1,490,718
	$ 6,061,727	$ (1,309)	$ 6,060,418

3. Investments, Continued

Cost and fair values at December 31, 2014 are as follows:

	Cost	Cumulative Unrealized Gain (Loss)	Market Value
Equities	$ 394,905	$ 5,207	$ 400,112
Mutual funds	1,577,217	191,446	1,768,663
Fixed income	2,002,261	(19,791)	1,982,470
	$ 3,974,383	$ 176,862	$ 4,151,245

The net investment income for the years ended December 31, 2015 and 2014 is comprised of the following:

	2015	2014
Interest income	$ 2	$ 42
Dividend income	172,127	201,198
Realized gain (loss)	(35,705)	32,665
Unrealized gain (loss)	(164,887)	23,884
	$ (28,463)	$ 257,789

4. Line of Credit

Visit Indy has a line of credit agreement with a bank. The available credit decreases each year at March 1st. The available amount of credit was $750,000 through March 1, 2015 and $500,000 through March 1, 2016. Advances on the line bear interest at one month LIBOR plus 3.00% (3.36% at December 31, 2015). The line of credit is secured by substantially all of Visit Indy's assets. There was no outstanding balance at December 31, 2015 and 2014. The line of credit expired March 30, 2016 and was not renewed.

5. Capital Improvement Board Contract

Visit Indy has contracted with the Capital Improvement Board of Managers of Marion County, Indiana (CIB) to solicit and book conventions, expositions, trade shows, and other meetings and to work in conjunction with the staff of the Indiana Convention Center & Lucas Oil Stadium (ICCLOS) on all conventions involving ICCLOS facilities. The CIB payments represent 81% (83% excluding significant grants) of Visit Indy's total revenue in 2015 and have been presented in the statement of activities as promotional service fees. Visit Indy's contract with the CIB extends through December 31, 2016 and Visit Indy will receive $10,450,000 of promotional service fees in 2016.

5. Capital Improvement Board Contract, Continued

The CIB agreed to pay an additional $3,500,000 for the marketing campaign contingent upon Visit Indy raising $2,000,000 in cash and/or in-kind contributions in 2015 and 2016. In return, Visit Indy has agreed to spend no more than $2,000,000 in 2015 and $1,500,000 in 2016 of the CIB marketing campaign funds. Visit Indy has raised $1,370,000 through December 31, 2015.

The required matching condition was met in 2015 and accordingly $2,000,000 of the contingent funds was recognized as revenue in the accompanying statement of activities. The entire amount of the contingent funds have been received and $1,500,000 was recognized as a refundable advance in the accompanying statement of financial position.

6. Retirement Plans

The Organization has a 401(k) plan for all full-time employees. After one year of service, the Organization contributes a maximum of 10% of the employee's W-2 wages to the plan. This is comprised of a 4% safe harbor contribution utilizing a matching formula and a discretionary contribution of an additional 1% match and 5% contribution. The plan provides that forfeitures will be applied as a reduction to the current year employer contribution. Safe harbor contributions are 100% vested on the date of contribution. For all other contributions, vesting begins with 20% at two years of service and increases by 20% each year thereafter until the employee becomes fully vested after six years of service. In 2015 and 2014, the Organization contributed $458,747 and $465,820, respectively, to the plan.

In addition, Visit Indy has a liability totaling $261,694 and $258,989 at December 31, 2015 and 2014, respectively, included in other accruals on the consolidating statements of financial position for post employment benefits for current and retired key employees.

7. Contributed Goods and Use of Facilities

During 2015 and 2014, contributed goods and use of facilities were received by the Organization. The fair market value of these goods and facilities of $667,749 and $691,380 for the years ended December 31, 2015 and 2014, respectively, has been reflected in the accompanying consolidating financial statements, which includes $133,620 and $133,013 for office rent and parking for 2015 and 2014, respectively. Other contributed goods include printing, travel and other promotional items. These transactions have been treated as noncash transactions and have been excluded from the statements of cash flows.

8. Related Party Transactions

At December 31, 2015 and 2014, the Organization had $102,341 and $131,992 owed to employees and companies related to members of the Board of Directors. Visit Indy paid companies related to members of the Board of Directors $2,640,549 and $1,989,878 for insurance, legal, and other services during 2015 and 2014, respectively. The Board members affected did not vote to approve these transactions.

9. Operating Leases

Visit Indy has an office equipment operating lease which is payable in monthly installments through 2019. Visit Indy also leases equipment on a month-to-month basis. Total equipment rent was $48,843 and $45,258 for 2015 and 2014, respectively.

9. Operating Leases, Continued

Future minimum annual rental payments for these operating leases over the remaining terms of the leases are as follows:

2016	$	25,860
2017		25,860
2018		25,860
2019		6,465
	$	84,045

Visit Indy leases advertisement space which was payable annually through 2015. Total annual lease expense for 2015 and 2014 was $1,500.

In exchange for their long-term commitment to conduct events in Indianapolis, TTI has agreed to facilitate a 10 year real estate lease for the national headquarters of two associations at below market value rates.

TTI has a lease for office space through May 2019 with monthly payments of $21,042. Total lease income and expense for 2015 was $197,858 and $252,500, respectively. Total lease income and expense for 2014 was $196,140 and $252,500, respectively.

Future minimum annual rental payments for these operating leases over the remaining terms of the leases are as follows:

	Gross Expense	Sublease Income	Net
2016	$ 252,500	$ 168,822	$ (83,678)
2017	252,500	168,822	(83,678)
2018	252,500	168,822	(83,678)
2019	84,167	56,274	(27,893)
	$ 841,667	$ 562,740	$ (278,927)

10. COMMITMENTS

As of December 31, 2015, Visit Indy has committed to spend $2,772,033 on future conventions (definite bookings) to be held from 2016 through 2026. The commitment is recognized in the year the convention event takes place.

Minimum commitments for future conventions are as follows:

	Future Convention Commitments	Projected Income	Net Future Commitment
2016	$ 404,369	$ (20,300)	$ 384,069
2017	402,370	-	402,370
2018	(A) 1,125,700	(558,940)	566,760
2019	348,161	(103,578)	244,583
2020	230,143	(38,402)	191,741
2021	112,000	-	112,000
2022	96,540	-	96,540
2023	37,750	-	37,750
2024	15,000	-	15,000
	$ 2,772,033	$ (721,220)	$ 2,050,813

In addition, Visit Indy has a cancellable contract with the Indiana Sports Corporation (ISC) that provides for an annual payment of $150,000 to ISC to promote sporting events in the City of Indianapolis. Visit Indy paid ISC $150,000 in 2015 and 2014.

(A) Indianapolis will host an industry trade show and has a reasonable expectation to raise $558,940 to offset the major expenses incurred related to the 2018 show.