



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B49490

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

February 1, 2018

Board of Directors  
Hamilton County Tourism, Inc.  
37 E. Main Street  
Carmel, IN 46032

We have reviewed the report prepared by Hamilton County Tourism, Inc. and opined upon by Bastin, Dorrell & Snyder, LLC, Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Hamilton County Tourism, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Bastin, Dorrell & Snyder, LLC 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.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

HAMILTON COUNTY TOURISM, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2016 & 2015

HAMILTON COUNTY TOURISM, INC.

TABLE OF CONTENTS

	<u>Page</u>
<u>Financial Statements:</u>	
Independent Auditor's Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Statement of Functional Expenses	5
Notes to Financial Statement	6 - 8



Bastin, Dorrell & Snyder LLC  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT

To The Board of Directors  
Hamilton County Tourism, Inc.  
Carmel, IN 46032

We have audited the accompanying financial statements of the Hamilton County Tourism, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2016 & 2015, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Hamilton County Tourism, Inc. as of December 31, 2016 and 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.

*Bastin, Dorrell & Snyder, LLC*

May 18, 2017

HAMILTON COUNTY TOURISM, INC.

Statement of Financial Position

December 31, 2016 & 2015

ASSETS

	2016	2015
<u>Current Assets:</u>		
Cash and cash equivalents (Note 1 & 8)	\$ 789,645	\$ 485,601
Accounts Receivable	6,757	11,249
Prepaid rent & expenses (Note 7)	295,366	151,659
Total current assets	<u>\$ 1,091,768</u>	<u>\$ 648,509</u>
<u>Noncurrent Assets:</u>		
Buildings, equip., fixtures & improvements (Note 1)	\$ 1,435,967	\$ 1,439,539
Less accumulated depreciation	(442,826)	(415,366)
Total noncurrent assets	<u>\$ 993,141</u>	<u>\$ 1,024,173</u>
Total assets	<u>\$ 2,084,909</u>	<u>\$ 1,672,682</u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities:</u>		
Accounts payable	\$ 131,575	\$ 94,743
Unearned revenue	50,240	13,257
Accrued wages payable	95,694	91,896
Employee withholding & other payables	1,629	1,938
Total current liabilities	<u>\$ 279,138</u>	<u>\$ 201,834</u>
<u>Net Assets:</u>		
Net Assets Without Donor Restrictions	\$ 867,580	\$ 793,581
Net Assets With Donor Restrictions	938,191	677,267
Total net assets	<u>\$ 1,805,771</u>	<u>\$ 1,470,848</u>
Total liabilities and net assets	<u>\$ 2,084,909</u>	<u>\$ 1,672,682</u>

(See accompanying notes to financial statements)

HAMILTON COUNTY TOURISM, INC.

Statement of Activities

For the Years Ended December 31, 2016 & 2015

	2016	2015
<u>Changes in Net Assets without Donor Restrictions:</u>		
Revenues:		
Memberships	\$ 14,357	\$ 32,128
Events, Conferences & Grants	39,498	46,110
Miscellaneous	30,411	69,202
Interest income	64	53
Total revenue without donor restrictions	<u>\$ 84,330</u>	<u>\$ 147,493</u>
Net assets released from restriction	<u>3,489,094</u>	<u>3,400,691</u>
Total revenues & support without donor restrictions	<u>\$ 3,573,424</u>	<u>\$ 3,548,184</u>
Expenses:		
Program expense	\$ 3,087,528	\$ 3,045,032
Management & general	411,897	363,344
Total expenses	<u>\$ 3,499,425</u>	<u>\$ 3,408,376</u>
Increase / (decrease) in net assets without donor restrictions	<u>\$ 73,999</u>	<u>\$ 139,808</u>
<u>Changes in Net Assets with Donor Restrictions:</u>		
Contributions - Hamilton County Visitors & Convention Commission	\$ 3,750,018	\$ 3,497,387
Contributions - Other Restricted Revenue	0	0
Total revenue with donor restrictions	<u>\$ 3,750,018</u>	<u>\$ 3,497,387</u>
Net assets released from restricted net assets	<u>3,489,094</u>	<u>3,400,691</u>
Change in net assets with donor restrictions	<u>\$ 260,924</u>	<u>\$ 96,696</u>
(Decrease) / increase in net assets	<u>\$ 334,923</u>	<u>\$ 236,504</u>
Net assets at beginning of year	<u>1,470,848</u>	<u>1,234,344</u>
Net assets at end of year	<u>\$ 1,805,771</u>	<u>\$ 1,470,848</u>

(See accompanying notes to financial statements)

HAMILTON COUNTY TOURISM, INC.

Statement of Cash Flows

For the Years Ended December 31, 2016 & 2015

	2016	2015
<u>Cash Flows from Operating Activities:</u>		
(Decrease) / increase in net assets	\$ 334,923	\$ 236,504
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	52,708	55,880
(Increase) / decrease in accounts receivable	4,492	(11,099)
(Increase) / decrease in prepaid expenses	(143,707)	2,792
Increase / (decrease) in accounts & grants payable	36,832	(65,412)
Increase / (decrease) in unearned dues revenue	36,983	(17,971)
Increase / (decrease) in accrued expenses	3,489	(1,481)
Net cash provided / (used) by operating activities	<u>\$ 325,720</u>	<u>\$ 199,213</u>
<u>Cash Flow from Investing Activities:</u>		
Purchase of equipment & property	(25,798)	(10,101)
Additional provided from equipment disposal	4,122	1,259
Net cash used in investing activities	<u>\$ (21,676)</u>	<u>\$ (8,842)</u>
Increase/(decrease) in cash & cash equivalents	\$ 304,044	\$ 190,371
Cash & cash equivalents at beginning of year	<u>485,601</u>	<u>295,230</u>
Cash & cash equivalents at end of year	<u>\$ 789,645</u>	<u>\$ 485,601</u>
 Supplemental Data:		
Non cash Investing activities:		
Gifts of Equipment	\$ 22,343	\$ 0

(See accompanying notes to financial statements)

HAMILTON COUNTY TOURISM, INC.

Statement of Functional Expense

For the Years Ended December 31, 2016 & 2015

**2016 Supporting Services**

	<u>Program</u>	<u>Management and general</u>	<u>Total</u>
Salaries	\$ 921,313	\$ 259,706	\$ 1,181,019
Taxes	73,613	20,808	94,421
Employee benefits	192,554	54,236	246,790
Office rent & utilities	64,583	10,514	75,097
Equip. repair & rental	83,131	13,533	96,664
Telephone	27,916	4,544	32,460
Insurance	18,478	3,008	21,486
Postage	18,481	3,008	21,489
Office expense	5,433	885	6,318
Professional fees	0	34,276	34,276
Advertising & promotion	1,205,821	0	1,205,821
Community development & grants	329,556	0	329,556
Printing	3,449	0	3,449
Conferences, seminars & travel	47,815	0	47,815
Dues & subscriptions	31,713	0	31,713
Van expenses	18,343	0	18,343
Depreciation	45,329	7,379	52,708
Total functional expense	<u>\$ 3,087,528</u>	<u>\$ 411,897</u>	<u>\$ 3,499,425</u>

**2015 Supporting Services**

	<u>Program</u>	<u>Management and general</u>	<u>Total</u>
Salaries	\$ 776,899	\$ 218,998	\$ 995,897
Taxes	64,094	18,109	82,203
Employee benefits	171,850	48,463	220,313
Office rent & utilities	60,638	9,871	70,509
Equip. repair & rental	91,963	14,971	106,934
Telephone	21,694	3,532	25,226
Insurance	18,852	3,069	21,921
Postage	20,831	3,391	24,222
Office expense	4,414	719	5,133
Professional fees	0	34,398	34,398
Advertising & promotion	1,399,596	0	1,399,596
Community development & grants	293,724	0	293,724
Printing	2,139	0	2,139
Conferences, seminars & travel	22,939	0	22,939
Dues & subscriptions	26,786	0	26,786
Van expenses	20,556	0	20,556
Depreciation	48,057	7,823	55,880
Total functional expense	<u>\$ 3,045,032</u>	<u>\$ 363,344</u>	<u>\$ 3,408,376</u>

(See accompanying notes to financial statements)

HAMILTON COUNTY TOURISM, INC.

Notes To Financial Statements

December 31, 2016 & 2015

Note 1 - Organization and Summary of Significant Accounting Policies:

(a) Organization:

The Hamilton County Tourism, Inc., (HCT, Inc.) formerly known as the Hamilton County Convention and Visitors Bureau, Inc. (the "Bureau") was incorporated under the laws of the state of Indiana on June 28, 1990. Operations of the Bureau began on March 1, 1991. Its purpose is to promote and encourage conventions, trade shows, visitors, tourism, festivals and other special events in Hamilton County, Indiana. The mission of the Bureau is to promote tourism growth through strategic marketing, hospitality and community development initiatives.

(b) Support and Expense:

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose for restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

(c) Property Accounts:

The Organization reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Equipment and improvement purchases are recorded at historical cost. Property and equipment that meet the requirements to be capitalized are depreciated using the straight line method over the estimated useful life of the assets. The current depreciable periods range from 3 - 39 years.

(d) Income Tax:

The Internal Revenue Service has determined that the organization meets the requirements of the Internal Revenue Code and is exempt from federal income tax under Section 501 (c) (6) of the Code.

(e) Cash and Cash Equivalents:

For purpose of the statement of cash flows, the organization considers all highly liquid investments available for current use with an initial maturity of twelve months or less to be cash equivalents.

HAMILTON COUNTY TOURISM, INC.

Notes To Financial Statements

December 31, 2016 & 2015

Note 1 - Organization and Summary of Significant Accounting Policies (continued):

(f) Estimates and Subsequent Events:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. During the preparation of these statements, subsequent events were evaluated through May 18, 2017, the date of issuance of the financial statements. The date of management review of the financial statements is June 13, 2017.

(g) Advertising Costs:

The organization expenses advertising production costs as they are incurred.

Note 2 - Public Support and Concentration Risk:

During the current period, most of HCT, Inc's public support revenue was provided by the Hamilton County Convention & Visitors Commission. This revenue amounted to \$3,750,018 for 2016, which represented 97.80% of the total revenue of the organization. The revenue for 2015, amounted to \$3,497,387, which represented 95.95% of the total revenue for the 2015 year.

Note 3 - Accounting and Budget:

The organization develops its annual cash-basis expense budget based on the expected annual cash revenue. Projected budget expenditures may vary from the expenses in these statements because of the difference between the cash basis and the accrual basis of accounting.

Note 4 - Lease Expense:

As of December 12, 2006, the Bureau began leasing additional office space in Carmel, Indiana in a building owned by Hamilton County. The lease agreement is a ten year prepaid lease in the amount of \$300,681. The amortization of monthly rent expense on this space amounts to \$2,505.68 per month for the ten year period. The prepaid portion of the lease expense is shown on the Statement of Financial Position with \$316 classified as a current asset in 2016. The rent expense on this space for 2016 and 2015, amounted to \$30,068 for each year. Additional space is leased in Carmel, Indiana from the Carmel OTS, LLC. The lease began in October 2016 and has a monthly rent payable in the amount of \$1,942 through September 2018.

In addition to office space, the organization leases other vehicles and some office equipment from various vendors. The payments on these leases has been deducted in these statements as operating leases. The leases have future payments in the amounts of \$28,202 due in 2017, payments of \$16,310 due in 2018, payments of \$10,090 due in 2019, payments of \$5,808 due in 2020 and payments of \$5,808 due in 2021.

HAMILTON COUNTY TOURISM, INC.

Notes To Financial Statements

December 31, 2016 & 2015

Note 5 - Pension Plan:

The organization makes contributions to a qualified retirement plan for all employees who meet the basic requirements for plan coverage. Total contributions to the plan for 2016 amounted to \$49,844 and contributions for 2015 amounted to \$45,956.

Note 6 - Functional Allocation of Expense:

The cost of providing the various programs and other activities has been summarized on the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and other activities benefited. Labor costs and benefits were allocated based on the amount of time spent in the activities. All other costs were allocated based on actual expenses or a reasonable estimate of the amount used in the activity.

Note 7 – Prepaid Rent & Expenses:

Amounts are presented as follows:

	12/31/16	12/31/15
Prepaid Rent	\$ 316	\$ 30,384
Prepaid Promotion & Expenses	<u>295,050</u>	<u>121,275</u>
Total Prepaid Rent & Expenses	<u>\$ 295,366</u>	<u>\$ 151,659</u>

Note 8 - Concentration of Credit Risk:

Funds deposited at the Old National Bank, Evansville, Indiana amounted to \$789,445 at December 31, 2016 and those same accounts contained funds in the amount of \$485,401 in 2015.