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February 2, 2018

Board of Directors  
Boone County Convention and Visitors Bureau, Inc.  
PO Box 644  
Lebanon, IN 46052

We have reviewed the report prepared by Boone County Convention and Visitors Bureau, Inc. and opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Boone County Convention and Visitors Bureau, 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, 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.

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

Paul D. Joyce, CPA  
State Examiner

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BOONE COUNTY  
CONVENTION AND VISITORS BUREAU, INC.  
FINANCIAL STATEMENTS  
Together with Independent Auditors' Report  
DECEMBER 31, 2016 AND 2015

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GREENWALT<sup>CPAs</sup>  
We Deliver Peace of Mind

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Greenwalt CPAs, Inc.  
5342 W. Vermont Street  
Indianapolis, IN 46224  
www.greenwaltcpas.com

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Boone County Convention and Visitors Bureau, Inc.:

### *Report on the Financial Statements*

We have audited the accompanying financial statements of Boone County Convention and Visitors Bureau, Inc. (the Organization) which comprise the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows 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.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 Boone County Convention and Visitors Bureau, Inc. as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Greenwalt CPAs, Inc.*

October 10, 2017

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.  
 STATEMENTS OF FINANCIAL POSITION  
 DECEMBER 31, 2016 AND 2015

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<u>ASSETS</u>	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 500,270	\$ 409,792
Innkeepers' tax held by Boone County Treasurer	233,679	280,538
Investment income earned held by Boone County Treasurer	23,064	22,842
Prepaid expenses	12,050	10,580
	<hr/>	<hr/>
<i>Total current assets</i>	769,063	723,752
<b>FURNITURE AND EQUIPMENT, NET</b>		
	<hr/>	<hr/>
	-	22
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 769,063</u>	<u>\$ 723,774</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 3,728	\$ -
Accrued payroll	2,057	-
	<hr/>	<hr/>
<i>Total current liabilities</i>	5,785	-
<b>NET ASSETS</b>		
Unrestricted net assets	<hr/>	<hr/>
	763,278	723,774
	<hr/>	<hr/>
<i>Total liabilities and net assets</i>	<u>\$ 769,063</u>	<u>\$ 723,774</u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.  
 STATEMENTS OF ACTIVITIES  
 FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

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	<u>2016</u>	<u>2015</u>
<b>UNRESTRICTED REVENUE</b>		
Innkeepers' tax revenue	\$ 353,141	\$ 326,823
Other income	-	169
Investment income	554	306
	<hr/>	<hr/>
<i>Total unrestricted revenue</i>	353,695	327,298
	<hr/>	<hr/>
<b>EXPENSES</b>		
Promotion and marketing	175,838	127,739
Festivals and grants	56,270	41,720
Contract employee	37,007	35,198
Special projects	10,000	5,000
Attraction fund	11,000	2,000
Board member fees	2,100	2,250
Office expenses	7,025	4,307
Legal and accounting	11,129	8,240
Postage	228	314
Telephone and utilities	1,817	1,785
Dues and subscriptions	1,755	1,760
Depreciation	22	181
	<hr/>	<hr/>
<i>Total expenses</i>	314,191	230,494
	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	39,504	96,804
<b>NET ASSETS, BEGINNING OF YEAR</b>	<hr/> 723,774	<hr/> 626,970
<b>NET ASSETS, END OF YEAR</b>	<hr/> <u>\$ 763,278</u>	<hr/> <u>\$ 723,774</u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Page 1 of 2

CHANGE IN CASH

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from Boone County Treasurer and others	\$ 400,000	\$ 326,036
Cash paid to vendors	(309,854)	(240,893)
Investment income received in cash	332	236
	<u>90,478</u>	<u>85,379</u>
<i>Net cash provided by operating activities</i>	90,478	85,379
<b>CASH, BEGINNING OF YEAR</b>	<u>409,792</u>	<u>324,413</u>
<b>CASH, END OF YEAR</b>	<u><u>\$ 500,270</u></u>	<u><u>\$ 409,792</u></u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENTS OF CASH FLOWS, CONTINUED

FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015

Page 2 of 2

RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES

	<u>2016</u>	<u>2015</u>
CHANGE IN NET ASSETS	\$ 39,504	\$ 96,804
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation expense	22	181
Decrease (increase) in innkeepers' tax held by Boone County Treasurer	46,859	(956)
Increase in investment income earned held by Boone County Treasurer	(222)	(70)
Increase in prepaid expenses	(1,470)	(10,580)
Increase in accounts payable	3,728	-
Increase in accrued payroll	2,057	-
<i>Total adjustments</i>	<u>50,974</u>	<u>(11,425)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 90,478</u>	<u>\$ 85,379</u>

# BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### NATURE OF ACTIVITIES

The Boone County Convention and Visitors Bureau, Inc. (the "Organization") was formed with the purpose of advancing tourism and economic growth of Boone County, Indiana. The Organization assists visitors by providing services and information. It also provides grants to certain other groups, clubs and festivals in Boone County with the purpose of furthering the missions of both the Organization itself and the recipients of the grants. Grants are recorded as festival expenses, a component of program expenses. The Organization's main source of revenue is Innkeepers' Tax from the Boone County Treasurer.

#### BASIS OF ACCOUNTING AND USE OF ESTIMATES

The accompanying 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. Actual results could differ from those estimates.

#### CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the Organization considers all highly liquid investment instruments purchased with an original maturity of three months or less to be cash equivalents. There were no cash equivalents at December 31, 2016 or 2015.

#### INNKEEPERS' TAX AND INVESTMENT INCOME EARNED RECEIVABLE POLICIES

Innkeepers' tax held by Boone County Treasurer and investment income earned held by Boone County Treasurer are uncollateralized obligations due from a Boone County government agency on demand by the Organization, including interest earned thereon. Each is stated at the amount collected or earned by the agency less withdrawals by the Organization.

Management has assessed the entire accounts receivable balance as collectible and has accordingly recorded no valuation allowance.

#### 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 has assessed all net assets as unrestricted, since they are the result of revenue and expenses from the regular operations of the Organization, which are at the discretion of the Organization's management and Board of Directors.

**BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

EXPENSE ALLOCATION

Expenses have been classified as program services and management and general based on the actual direct expenditures and cost allocation based on estimates of time and usage as determined by management. The following expenses were incurred for the years ended December 31:

	<u>2016</u>	<u>2015</u>
Program services	\$ 282,714	\$ 204,617
Management and general	<u>31,477</u>	<u>25,877</u>
Total expenses	<u>\$ 314,191</u>	<u>\$ 230,494</u>

INCOME TAXES

The Organization is a not-for-profit organization exempt from income taxes under Section 501(c)(6) of the U.S. Internal Revenue Code.

SUBSEQUENT EVENTS

Subsequent events have been evaluated by management through October 10, 2017 which is the date the financial statements were available to be issued.

**2. FURNITURE AND EQUIPMENT**

Furniture and equipment are carried at cost. The Organization provides for depreciation using annual rates, which are sufficient to amortize the costs of depreciable assets over their estimated useful lives. Depreciation is computed using the straight-line method over useful lives ranging from five to seven years.

Furniture and equipment consist of the following at December 31:

	<u>2016</u>	<u>2015</u>
Furniture and fixtures	\$ 372	\$ 372
Computer equipment	<u>1,949</u>	<u>1,949</u>
	2,321	2,321
Accumulated depreciation	<u>(2,321)</u>	<u>(2,299)</u>
Furniture and equipment, net	<u>\$ -</u>	<u>\$ 22</u>

**BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.**

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

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**3. LOCAL GRANT AWARDS**

In accordance with guidelines established by the Indiana State Board of Accounts, this state and local grant information was included to aid in the verification of Indiana financial assistance on the Annual Entity Report.

<b>Program Name</b>	<b>Grantor Name</b>	<b>CFDA</b>	<b>Revenue</b>	<b>Expense</b>	<b>Funding Type</b>
Convention and Tourism Promotion	Boone County Treasurer	N/A	\$ 353,141	\$ 314,191	State and local funding