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February 6, 2018

Board of Directors  
Greater Lafayette Convention and Visitors Bureau, Inc.  
d/b/a Visit Lafayette - West Lafayette  
301 Frontage Road  
Lafayette, IN 47905

We have reviewed the report prepared by Greater Lafayette Convention and Visitors Bureau, Inc. d/b/a Visit Lafayette - West Lafayette and opined upon by Reed & Company, PC, 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 Greater Lafayette Convention and Visitors Bureau, Inc. d/b/a Visit Lafayette - West Lafayette 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, Reed & Company, PC 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

**Greater Lafayette Convention  
and Visitors Bureau, Inc.  
d/b/a Visit Lafayette - West Lafayette**  
Audited Financial Statements  
December 31, 2016

**Greater Lafayette Convention and Visitors Bureau, Inc.  
d/b/a Visit Lafayette - West Lafayette**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Greater Lafayette Convention and Visitors Bureau, Inc.  
Lafayette, Indiana

We have audited the accompanying financial statements of Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Visit Lafayette - West Lafayette (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2016, the related statements of revenues and expenses – cash basis and changes in net assets – cash basis for the year 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 the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair 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 and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, issued by the Indiana State Board of Accounts. 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 assets, liabilities, and net assets of Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Visit Lafayette - West Lafayette as of December 31, 2016, and its revenues, expenses, and changes in its net assets for the year then ended in accordance with the cash basis of accounting as described in Note 1.

## Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Reed & Company, P.C.*  
Lafayette, Indiana  
August 24, 2017

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**  
Statement of Assets, Liabilities, and Net Assets - Cash Basis  
December 31, 2016

ASSETS

Cash	\$ <u>288,364</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>288,364</u></u></b>

LIABILITIES AND NET ASSETS

Payroll and withholding taxes	\$ 1,043
Net assets, unrestricted	<u>287,321</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u><u>288,364</u></u></b>

See Accompanying Notes to Financial Statements

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Statement of Revenues and Expenses - Cash Basis  
For the Year Ended December 31, 2016

**UNRESTRICTED NET ASSETS**

**REVENUES**

Tippecanoe County	\$ 925,000
Visitor Guide ad revenue	34,707
Indiana Bicentennial Project	16,847
Interest	21
Total Revenues	976,575

**EXPENSES**

Wages	286,653
Directors' per diem	3,885
Building rent	66,000
Utilities	9,176
Building and equipment maintenance	20,547
Postage	15,457
Travel	11,911
Telephone	7,223
Professional fees	4,900
Promotion, advertising, and printing	294,062
Research and education	10,291
Office and operating supplies	6,189
Dues and subscriptions	22,509
Payroll taxes	22,099
Retirement	13,543
Worker's compensation insurance	661
Group insurance	56,048
Equipment purchases	7,105
Auto expenses	9,410
Liability insurance	5,072
Property taxes	6,608
Grants	45,167
Total Expenses	924,516

<b>INCREASE IN UNRESTRICTED NET ASSETS</b>	<b>\$ <u><u>52,059</u></u></b>
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See Accompanying Notes to Financial Statements

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Statement of Changes in Net Assets - Cash Basis  
For the Year Ended December 31, 2016

UNRESTRICTED NET ASSETS	
Balance, Beginning of Year	\$ 235,262
Increase in Unrestricted Net Assets	<u>52,059</u>
Balance, End of Year	<u><u>\$ 287,321</u></u>

See Accompanying Notes to Financial Statements

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2016

**Note 1. Nature of Business and Significant Accounting Policies**

Nature of Business

Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Visit Lafayette - West Lafayette markets and promotes the area as a visitor destination for conventions, meetings, leisure and sports travel, working collaboratively with other entities to enhance local economic development.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Modifications to the cash basis of accounting include accruing for payroll taxes. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation was incurred.

Financial Statement Presentation

The Bureau is required to report information regarding its assets, liabilities, revenues, and expenses according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted, based upon the existence or absence of donor-imposed restrictions.

Funding received is recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any funding restrictions.

Concentrations of Risk

The Bureau is funded primarily by the Tippecanoe County Innkeeper's Tax, which may be impacted by the area's economic conditions and by changes in legislation.

The Bureau maintains its cash balance in a demand deposit account with a federally insured bank. The balance is insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2016, the Bureau's uninsured cash balance totaled \$76,767.

Income Taxes

Greater Lafayette Convention and Visitors Bureau, Inc. is a not-for-profit organization incorporated under the laws of the State of Indiana and is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements

December 31, 2016

**Note 1. Nature of Business and Significant Accounting Policies, continued**

Income Taxes, continued

As of December 31, 2016, Greater Lafayette Convention and Visitors Bureau, Inc.'s exempt returns for the years ended December 31, 2013, December 31, 2014, and December 31, 2015 remain subject to examination by the Federal and Indiana tax authorities.

Date of Management Review

Management has evaluated subsequent events through August 24, 2017, the date on which the financial statements were available to be issued.

**Note 2. Leases**

The Bureau leases office space under a ten-year lease extension through November 30, 2019. The rental rate is \$5,500 per month. The Bureau has the option to renew the lease for an additional five years following the extension.

The Bureau leases office equipment under a 60-month agreement that requires monthly base payments of \$199 through July 2019. In 2016, the Bureau entered into a 60-month lease for a telephone system, requiring monthly payments of \$242 through August 2021.

The Bureau leases a vehicle under a three-year operating lease at a rate of \$408 per month through September 2017.

Total rental expense under these leases for the year ended December 31, 2016 was \$74,523.

The minimum future lease payments under these leases are as follows:

Years Ending December 31,		
2017	\$	74,777
2018		71,310
2019		64,805
2020		2,899
2021		1,932
	\$	<u>215,723</u>

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements

December 31, 2016

**Note 3. Functional Allocation of Expenses**

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of time or space allocation. Management and general expenses include those expenses not directly identifiable with any other specific function but provide for the overall support and direction of the Bureau.

A summary of expenses by function for the year ended December 31, 2016 follows:

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
Wages	\$ 286,653	\$ 260,287	\$ 26,366
Directors' per diem	3,885	0	3,885
Building rent	66,000	59,400	6,600
Utilities	9,176	8,258	918
Building and equipment maintenance	20,547	17,465	3,082
Postage	15,457	13,911	1,546
Travel	11,911	9,529	2,382
Telephone	7,223	6,501	722
Professional fees	4,900	0	4,900
Promotion, advertising, and printing	294,062	283,770	10,292
Research and education	10,291	7,719	2,572
Office and operating supplies	6,189	0	6,189
Dues and subscriptions	22,509	16,882	5,627
Payroll taxes	22,099	20,066	2,033
Retirement	13,543	12,144	1,399
Worker's compensation insurance	661	496	165
Group insurance	56,048	50,201	5,847
Equipment purchases	7,105	5,684	1,421
Auto expenses	9,410	8,939	471
Liability insurance	5,072	3,302	1,770
Property taxes	6,608	5,947	661
Grants	45,167	45,167	0
	<u>\$ 924,516</u>	<u>\$ 835,668</u>	<u>\$ 88,848</u>

**Greater Lafayette Convention and Visitors Bureau, Inc.  
d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements  
December 31, 2016

**Note 4. Pension Plan**

The Bureau maintains a pension plan covering all employees who are at least age 21 and have performed services for the Bureau during at least three of the immediately preceding five years. The Bureau contributes 6% of gross salaries to the plan for eligible employees. The pension cost for 2016 was \$13,543.

**Note 5. Local Funding**

The Bureau is funded by the Tippecanoe County Innkeeper's Tax under Indiana Code 6-9-7. The funding amount is based on an annual budget approved by the county council, and the funds are disbursed to the Bureau as requested. Funding for the year ended December 31, 2016 was \$925,000.