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April 3, 2018

Board of Directors  
Fort Wayne/Allen County Convention and Visitors Bureau  
d/b/a Visit Fort Wayne  
927 S. Harrison St.  
Fort Wayne, IN 46802

We have reviewed the report prepared by Fort Wayne/Allen County Convention and Visitors Bureau d/b/a Visit Fort Wayne and opined upon by Baden, Gage & Schroeder, LLC, Independent Public Accountants, for the period January 1, 2015 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Fort Wayne/Allen County Convention and Visitors Bureau d/b/a Visit Fort Wayne 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, Baden, Gage & Schroeder, 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

*Consolidated Financial Statements*

**Fort Wayne/Allen County  
Convention and Visitors Bureau, Inc.  
dba: Visit Fort Wayne and Affiliate**

December 31, 2016 and 2015

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE AND AFFILIATE**



**Consolidated Financial Statements  
December 31, 2016 and 2015**

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Certified Public Accountants • Business Consultants

### Independent Auditors' Report

The Board of Directors

Fort Wayne/Allen County Convention and Visitors Bureau, Inc. dba: Visit Fort Wayne and Affiliate  
Fort Wayne, Indiana

We have audited the accompanying consolidated financial statements of Fort Wayne/Allen County Convention and Visitors Bureau, Inc. dba: Visit Fort Wayne (a nonprofit organization) and affiliate, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Fort Wayne/Allen County Convention and Visitors Bureau, Inc. dba: Visit Fort Wayne and affiliate as of December 31, 2016 and 2015, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'Baden, Gage &amp; Schroeder, LLC'.

**BADEN, GAGE & SCHROEDER, LLC**

Fort Wayne, Indiana  
April 21, 2017

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE AND AFFILIATE**



**Consolidated Statements of Financial Position  
December 31, 2016 and 2015**

<b>ASSETS</b>	<b>2016</b>	<b>2015</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 727,838	\$ 1,017,021
Accounts receivable - industry partner advertising	38,524	49,936
Accounts receivable - other	1,154	8,069
Investments	287,812	-
Prepaid expenses and other assets	61,195	51,715
Total Current Assets	1,116,523	1,126,741
<b>PROPERTY AND EQUIPMENT</b>		
General equipment	174,950	169,530
Computers and equipment	142,494	138,660
Leasehold improvements	184,279	181,347
Furniture and fixtures	107,300	107,300
	609,023	596,837
Less: Accumulated depreciation	461,057	401,675
Net Property and Equipment	147,966	195,162
<b>TOTAL ASSETS</b>	<b>\$ 1,264,489</b>	<b>\$ 1,321,903</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued liabilities	\$ 33,014	\$ 24,583
Accrued paid absences	39,830	39,884
Deferred income - information kiosk advertising	4,398	13,344
Deferred income - industry partner advertising	181,183	186,593
Deferred income - program	4,450	9,800
Total Current Liabilities	262,875	274,204
<b>NET ASSETS</b>		
Unrestricted	1,001,614	1,045,699
Temporarily restricted	-	2,000
Total Net Assets	1,001,614	1,047,699
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 1,264,489</b>	<b>\$ 1,321,903</b>

See Notes to Consolidated Financial Statements.

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE AND AFFILIATE**

**Consolidated Statements of Activities  
Years Ended December 31, 2016 and 2015**

	<b>2016</b>		
	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUES</b>			
Room tax revenue	\$ 1,442,153	\$ -	\$ 1,442,153
Grants	-	36,150	36,150
Information kiosk revenue	22,087	-	22,087
Industry partner advertising revenue	232,906	-	232,906
Program income	16,800	-	16,800
Promotional participation	5,796	-	5,796
Merchandise sales	25,916	-	25,916
Interest	1,775	-	1,775
Loss on disposal of property and equipment	-	-	-
Investment return	(5,058)	-	(5,058)
Other	20,073	-	20,073
Net assets released from restrictions	<u>38,150</u>	<u>(38,150)</u>	<u>-</u>
Total Revenues	1,800,598	(2,000)	1,798,598
<b>EXPENSES</b>			
Personnel Expenses	913,401	-	913,401
Promotion and Marketing Expenses	610,306	-	610,306
General and Administrative Expenses	<u>320,976</u>	<u>-</u>	<u>320,976</u>
Total Expenses	1,844,683	-	1,844,683
<b>CHANGE IN NET ASSETS</b>	(44,085)	(2,000)	(46,085)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>1,045,699</u>	<u>2,000</u>	<u>1,047,699</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 1,001,614</u>	<u>\$ -</u>	<u>\$ 1,001,614</u>

See Notes to Consolidated Financial Statements.

<b>2015</b>		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 1,428,329	\$ -	\$ 1,428,329
-	20,000	20,000
21,647	-	21,647
211,806	-	211,806
31,000	-	31,000
4,721	-	4,721
22,241	-	22,241
1,901	-	1,901
(226)	-	(226)
-	-	-
6,759	-	6,759
<u>25,500</u>	<u>(25,500)</u>	<u>-</u>
1,753,678	(5,500)	1,748,178
845,816	-	845,816
570,317	-	570,317
<u>309,669</u>	<u>-</u>	<u>309,669</u>
1,725,802	-	1,725,802
27,876	(5,500)	22,376
<u>1,017,823</u>	<u>7,500</u>	<u>1,025,323</u>
<u>\$ 1,045,699</u>	<u>\$ 2,000</u>	<u>\$ 1,047,699</u>

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE AND AFFILIATE**



**Consolidated Statements of Cash Flows  
Years Ended December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (46,085)	\$ 22,376
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided By Operating Activities:		
Depreciation and amortization	60,749	66,724
Reinvested interest on investments	(3,386)	-
Amortization of premium on investments	5,203	-
Unrealized loss on investments	3,241	-
Loss on disposal of property and equipment	-	226
Bad debt expense	1,800	-
(Increase) Decrease in Assets:		
Accounts receivable - industry partner advertising	9,612	41,302
Accounts receivable - other	6,915	(1,769)
Prepaid expenses and other assets	(9,480)	(5,439)
Increase (Decrease) in Liabilities:		
Accrued liabilities	8,431	(4,859)
Accrued paid absences	(54)	2,750
Deferred income - information kiosk advertising	(8,946)	(1,888)
Deferred income - industry partner advertising	(5,410)	(245)
Deferred income - program	<u>(5,350)</u>	<u>(5,200)</u>
Net Cash Provided By Operating Activities	17,240	113,978
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(13,553)	(34,637)
Purchase of investments	<u>(292,870)</u>	<u>-</u>
Net Cash Used In Investing Activities	(306,423)	(34,637)
<b>NET INCREASE (DECREASE) IN CASH</b>	(289,183)	79,341
<b>CASH, BEGINNING OF YEAR</b>	<u>1,017,021</u>	<u>937,680</u>
<b>CASH, END OF YEAR</b>	<u>\$ 727,838</u>	<u>\$ 1,017,021</u>

See Notes to Consolidated Financial Statements.

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE AND AFFILIATE**



**Consolidated Statements of Functional Expenses  
December 31, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Personnel Expenses:</b>		
Salaries and wages	\$ 692,275	\$ 643,100
Payroll taxes and employee benefits	<u>221,126</u>	<u>202,716</u>
<b>Total Personnel Expenses</b>	<b>913,401</b>	<b>845,816</b>
<b>Promotion and Marketing Expenses:</b>		
Advertising - media	165,082	180,443
Advertising - print	83,739	92,441
Advertising - website	104,567	90,230
Community relations	30,748	30,084
Event hosting	64,053	34,500
Family tours and site visits	1,287	6,422
Industry partner program	36,758	16,766
Merchandise - resale	17,575	16,467
Promotional giveaways	17,153	15,494
Research	18,450	9,895
Trade show participation	28,847	25,657
Travel and entertainment	<u>42,047</u>	<u>51,918</u>
<b>Total Promotion and Marketing Expenses</b>	<b>610,306</b>	<b>570,317</b>
<b>General and Administrative Expenses:</b>		
Bad debt expense	1,800	-
Depreciation and amortization	60,749	66,724
Dues and subscriptions	23,416	21,794
Equipment improvements	5,529	2,600
Insurance - general	9,549	8,816
Miscellaneous	5,917	11,121
Office supplies and photocopying	15,887	15,170
Postage	40,346	35,295
Professional fees	37,035	26,820
Rent	79,183	79,183
Repairs and maintenance	3,483	3,601
Technology services	28,255	27,465
Telecommunications	<u>9,827</u>	<u>11,080</u>
<b>Total General and Administrative Expenses</b>	<b><u>320,976</u></b>	<b><u>309,669</u></b>
<b>Total Expenses</b>	<b><u>\$ 1,844,683</u></b>	<b><u>\$ 1,725,802</u></b>

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE AND AFFILIATE**



**Notes to Consolidated Financial Statements  
December 31, 2016 and 2015**

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

**Nature of Activities:**

The Fort Wayne/Allen County Convention and Visitors Bureau, Inc. dba: Visit Fort Wayne (Visit Fort Wayne) and Visit Fort Wayne Foundation, Inc. (Affiliate) are nonprofit organizations. The accompanying consolidated financial statements include the accounts of both entities. All significant inter-organization accounts and transactions have been eliminated in consolidation.

Visit Fort Wayne's major source of revenue is approximately 28% of a hotel room tax levied in Allen County Indiana and collected by the State under the Indiana Revenue Code IC 6-9-18. Other significant sources of revenue include grants, contributions and advertising revenue collected from local businesses interested in promoting tourism. Marketing and sales programs are conducted to attract visitors to the convention and tourism facilities in the area in order to derive the economic and social benefits of a prosperous tourism industry. Visit Fort Wayne's goal is to enhance the area's image as a destination for conventions, trade shows and leisure trips. The Organization is governed by a board of directors comprised of appointees by the Mayor of Fort Wayne, the Commissioners of Allen County, The Fort Wayne/Allen County Convention and Tourism Authority (Grand Wayne Center) and the Allen County War Memorial Coliseum (Coliseum), as well as volunteer representatives from the hospitality industry and business community at large.

Visit Fort Wayne Foundation, Inc. is a nonprofit organization formed in 2016 for the purposes of providing resources to conduct educational programs that convey the value of tourism.

**Basis of Accounting:**

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables, and other liabilities.

**Basis of Presentation:**

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

*Unrestricted Net Assets:* Net assets that are not subject to donor-imposed stipulations and may be used at the discretion of management to support the Organization's purposes and operations.

*Temporarily Restricted Net Assets:* Net assets that are available for use, but expendable only for those purposes specified by the grantor. Unconditional promises to give that are due in future periods and are not permanently restricted are classified as temporarily restricted net assets.

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE**



**Notes to Consolidated Financial Statements (Continued)  
December 31, 2016 and 2015**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

**Basis of Presentation (continued):**

*Permanently Restricted Net Assets:* Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. There were no permanently restricted net assets at December 31, 2016 and 2015.

**Use of Estimates:**

The preparation of Visit Fort Wayne's financial statements in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Accounts Receivable:**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Management has not provided an allowance for doubtful accounts because the estimate of any loss has been deemed immaterial to the financial statements.

**Investments:**

Investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. See Note 3 for discussion of fair value measurements. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains and losses on investments are reflected in the statements of activities.

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE**



**Notes to Consolidated Financial Statements (Continued)  
December 31, 2016 and 2015**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

**Property and Equipment:**

Expenditures in excess of \$1,000 for major additions and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Purchases of property and equipment are stated at cost and are being depreciated using the straight-line method of depreciation over the estimated useful lives of the assets as follows:

General equipment	3 - 5 years
Computers and equipment	3 - 5 years
Leasehold improvements	10 years
Furniture and fixtures	3 - 5 years

Depreciation expense for the years ended December 31, 2016 and 2015, was \$60,749 and \$66,724, respectively.

**Deferred Income:**

Income from industry partner advertising and information kiosk advertising is deferred and recognized over the periods to which the marketing and promotions relate. Deferred program income is recognized as the event takes place.

**Revenue Recognition:**

Revenue from hotel room tax is recorded at the time of receipt. Industry partner and kiosk advertising is recognized over the periods to which the marketing and promotions relate. Revenue generated from merchandise sales is recognized upon sale of the items.

**Grants and Contributions:**

Grants and contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a restriction expires, (that is, when a stipulated time restriction ends or purpose of the 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 restrictions.

The amounts representing temporarily restricted net assets on the statements of financial position are designated by donors to be used to host sporting events in Fort Wayne. Amounts released from restrictions on the statements of activities represent amounts paid to promote such events.

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE**



**Notes to Consolidated Financial Statements (Continued)**  
**December 31, 2016 and 2015**

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**Note 1. Nature of Activities and Significant Accounting Policies (Continued)**

**Advertising Costs:**

Advertising costs are charged to operations when incurred and are included in total expenses. The amounts charged in 2016 and 2015 were \$353,388 and \$363,114, respectively.

**Recently Issued Accounting Standards:**

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with initial terms over 12 months to be capitalized as a right-of-use asset and lease liability on the consolidated statement of financial position at the date of lease commencement. Leases will be classified as either finance or operating. This distinction will affect the pattern of expense recognition in the consolidated statement of activities. This standard is effective for the calendar year ending December 31, 2020. The Organization is currently in the process of evaluating the impact of adoption of this ASU on its consolidated financial statements.

**Income Taxes:**

Visit Fort Wayne is incorporated in the State of Indiana as a 501(c)(6) organization and Visit Fort Wayne Foundation, Inc. is incorporated in the State of Indiana as a 501(c)(3) organization. Therefore, they are exempt from federal and state taxes. No provision for income taxes is included in these financial statements.

The accounting standard that provides guidance on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Organization and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended December 31, 2016. The Organization is generally no longer subject to examination by the Internal Revenue Service for years prior to 2013.

**Subsequent Events:**

Management of Visit Fort Wayne has evaluated events and transactions for possible recognition or disclosure through April 21, 2017, the date the financial statements were available to be issued.

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE**



**Notes to Consolidated Financial Statements (Continued)**  
December 31, 2016 and 2015

**Note 2. Investments**

Investments at December 31, 2016, are stated at fair value and are summarized as follows:

	<u>Cost</u>	<u>Gross Unrealized Gains</u>	<u>Gross Unrealized Losses</u>	<u>Estimated Market Value</u>
Corporate bonds	\$ <u>291,053</u>	\$ <u>-</u>	\$ <u>3,241</u>	\$ <u>287,812</u>

The following schedule summarizes the investment return and its classification in the statements of activities for the year ended December 31:

	<u>2016</u>
Interest	\$ 3,386
Amortization of bond premium	(5,203)
Net unrealized loss on investments	<u>(3,241)</u>
	<u>\$ (5,058)</u>

**Note 3. Fair Value Measurements**

Fair value measurements are based upon the exit price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, and are determined by either the principal market or the most advantageous market.

Inputs used in the valuation techniques to derive fair values are classified based on a three-level hierarchy to prioritize the inputs used in the valuation techniques to derive fair values. The basis for fair value measurements for each level within the hierarchy is described below with Level 1 measurements having the highest priority and Level 3 measurements having the lowest priority.

- Level 1: Fair value is based on unadjusted quoted prices for identical assets or liabilities in an active market that the Center has the ability to access at the measurement date.
- Level 2: Fair value is based on quoted prices in markets that are not active, quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially its full term.
- Level 3: Fair value is based on prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable in the market.

**FORT WAYNE/ALLEN COUNTY CONVENTION  
AND VISITORS BUREAU, INC.  
DBA: VISIT FORT WAYNE**



**Notes to Consolidated Financial Statements (Continued)**  
December 31, 2016 and 2015

**Note 3. Fair Value Measurements (Continued)**

The asset's or liability's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation techniques and inputs used for each major class of assets measured at fair value.

*Corporate bonds:* Valued based on yields currently available on comparable securities of issuers with similar credit ratings.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets measured at fair value on a recurring basis as of December 31:

	<u>Assets at Fair Value as of December 31, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate bonds	\$ <u>          -</u>	\$ <u>  287,812</u>	\$ <u>          -</u>	\$ <u>  287,812</u>

**Note 4. State and Local Revenue**

State and local revenue received during the years ended December 31, 2016 and 2015, was as follows:

	<u>2016</u>	<u>2015</u>
Allen County:		
Capital Improvements Board passed through from the State of Indiana for hotel room taxes	\$ 1,442,153	\$ 1,428,329
City of Fort Wayne:		
Grant for hosting and marketing events	<u>20,000</u>	<u>20,000</u>
Total State and Local Revenue	\$ <u>1,462,153</u>	\$ <u>1,448,329</u>

All amounts are budgeted to be used for promoting tourism in the year received. Unused funds related to grants from the City of Fort Wayne are properly recorded as temporarily restricted net assets and released as the event occurs.

# **FORT WAYNE/ALLEN COUNTY CONVENTION AND VISITORS BUREAU, INC.**

**Notes to Consolidated Financial Statements (Continued)**  
**December 31, 2016 and 2015**

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**Note 5. Building Lease**

Visit Fort Wayne leases office space for its main facilities. The current agreement was entered into effective October 1, 2010, to lease office space for an initial term of ten years with two additional five year options to renew. Rent is due in the amount of \$6,599 per month with rate adjustments after years four and eight and, also, upon renewing the lease. Lease expense for the years ended December 31, 2016 and 2015, was \$79,183 for both years.

Minimum annual lease obligations are as follows:

2017	\$	79,183
2018		79,183
2019		79,183
2020		<u>59,386</u>
	\$	<u><u>296,935</u></u>

**Note 6. Credit Risk and Concentrations**

The Organization, at December 31, 2016 and 2015, and at various times throughout the years, maintained balances in bank accounts in excess of federally insured limits.

**Note 7. Retirement Plan**

Visit Fort Wayne provides a simplified employee pension (SEP) plan for all employees who have completed three or more years of service. Eligible employees receive 9% percent of their salary contributed to an individual retirement account (IRA) established in their name. The plan is self-directed and noncontributory for the employees. Retirement plan expense was \$38,731 and \$33,381 for the years ended December 31, 2016 and 2015, respectively.