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June 11, 2018

Board of Directors
Boone County Convention and Visitors Bureau, Inc.
P.O. 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, 2017 to December 31, 2017. 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, 2017 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

BOONE COUNTY
CONVENTION AND VISITORS BUREAU, INC.
FINANCIAL STATEMENTS
Together with Independent Auditors' Report
DECEMBER 31, 2017 AND 2016

GREENWALT^{CPAs}
We Deliver Peace of Mind



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, 2017 and 2016, 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, 2017 and 2016, 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.

May 18, 2018

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2017 AND 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 458,571	\$ 500,270
Innkeepers' tax held by Boone County Treasurer	287,747	233,679
Investment income earned held by Boone County Treasurer	23,436	23,064
Prepaid expenses	<u>21,700</u>	<u>12,050</u>
<i>Total current assets</i>	791,454	769,063
FURNITURE AND EQUIPMENT, NET		
	<u>-</u>	<u>-</u>
<i>Total assets</i>	<u>\$ 791,454</u>	<u>\$ 769,063</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 27,623	\$ 3,728
Accrued payroll	<u>2,900</u>	<u>2,057</u>
<i>Total current liabilities</i>	30,523	5,785
NET ASSETS		
Unrestricted net assets	<u>760,931</u>	<u>763,278</u>
<i>Total liabilities and net assets</i>	<u>\$ 791,454</u>	<u>\$ 769,063</u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
UNRESTRICTED REVENUE		
Innkeepers' tax revenue	\$ 404,837	\$ 353,141
Investment income	797	554
	<hr/>	<hr/>
<i>Total unrestricted revenue</i>	405,634	353,695
	<hr/>	<hr/>
EXPENSES		
Promotion and marketing	172,489	175,838
Festivals and grants	64,020	56,270
Contract employee	38,328	37,007
Convention fund	38,300	-
Concert series	52,318	-
Special projects	-	10,000
Attraction fund	-	11,000
Board member fees and other expenses	6,600	2,100
Office expenses	21,998	7,025
Legal and accounting	12,021	11,129
Postage	236	228
Feasibility study	-	0
Telephone and utilities	1,396	1,817
Rent	-	0
Dues and subscriptions	275	1,755
Depreciation	-	22
	<hr/>	<hr/>
<i>Total expenses</i>	407,981	314,191
	<hr/>	<hr/>
CHANGE IN NET ASSETS	(2,347)	39,504
NET ASSETS, BEGINNING OF YEAR	763,278	723,774
	<hr/>	<hr/>
NET ASSETS, END OF YEAR	\$ 760,931	\$ 763,278
	<hr/> <hr/>	<hr/> <hr/>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

CHANGE IN CASH

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Boone County Treasurer and others	\$ 350,769	\$ 400,000
Cash paid to vendors	(392,893)	(309,854)
Investment income received in cash	425	332
	<u> </u>	<u> </u>
<i>Net cash provided by (used in) operating activities</i>	(41,699)	90,478
CASH, BEGINNING OF YEAR	<u>500,270</u>	<u>409,792</u>
CASH, END OF YEAR	<u><u>\$ 458,571</u></u>	<u><u>\$ 500,270</u></u>

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

	<u>2017</u>	<u>2016</u>
CHANGE IN NET ASSETS	\$ (2,347)	\$ 39,504
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Depreciation expense	-	22
Decrease (increase) in innkeepers' tax held by Boone County Treasurer	(54,068)	46,859
Increase in investment income earned held by Boone County Treasurer	(372)	(222)
Increase in prepaid expenses	(9,650)	(1,470)
Increase in accounts payable	23,895	3,728
Increase in accrued payroll	843	2,057
	<u>843</u>	<u>2,057</u>
<i>Total adjustments</i>	<u>(39,352)</u>	<u>50,974</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (41,699)</u>	<u>\$ 90,478</u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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 and grants 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, 2017 or 2016.

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, 2017 AND 2016

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>2017</u>	<u>2016</u>
Program services	\$ 357,789	\$ 282,714
Management and general	<u>50,192</u>	<u>31,477</u>
Total expenses	<u>\$ 407,981</u>	<u>\$ 314,191</u>

ADVERTISING

Total advertising expense for 2017 and 2016 was \$77,603 and \$131,470, respectively. These costs were expensed as incurred. Advertising expenses are included in promotion and marketing on the statement of activities.

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 May 18, 2018 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>2017</u>	<u>2016</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>(2,321)</u>
Furniture and equipment, net	<u>\$ -</u>	<u>\$ -</u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

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.

Program Name	Grantor Name	CFDA	Revenue	Expense	Funding Type
Convention and Tourism Promotion	Boone County Treasurer	N/A	\$ 404,837	\$ 407,981	State and local funding