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September 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, 2017 to December 31, 2017. 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, 2017 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, 2017 and 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 statements of assets, liabilities, and net assets – cash basis as of December 31, 2017 and 2016, the related statements of revenues and expenses – cash basis and changes in net assets – cash basis 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 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 audits. We conducted our audits 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, 2017 and 2016, and its revenues, expenses, and changes in net assets for the years 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 6, 2018

**Greater Lafayette Convention and Visitors Bureau, Inc.**  
**d/b/a Visit Lafayette - West Lafayette**  
 Statements of Assets, Liabilities, and Net Assets - Cash Basis  
 December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash	\$ <u>272,958</u>	\$ <u>288,364</u>
<b>TOTAL ASSETS</b>	<b>\$ <u><u>272,958</u></u></b>	<b>\$ <u><u>288,364</u></u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Payroll and withholding taxes	\$ 978	\$ 1,043
Net assets, unrestricted	<u>271,980</u>	<u>287,321</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u><u>272,958</u></u></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**  
 Statements of Revenues and Expenses - Cash Basis  
 For the Years Ended December 31, 2017 and 2016

UNRESTRICTED NET ASSETS	2017	2016
<b>REVENUES</b>		
Tippecanoe County	\$ 850,000	\$ 925,000
Visitor Guide ad revenue	35,766	34,707
Indiana Bicentennial Project	0	16,847
Interest	23	21
Total Revenues	885,789	976,575
<b>EXPENSES</b>		
Wages	293,661	286,653
Directors' per diem	4,060	3,885
Building rent	66,000	66,000
Utilities	9,924	9,176
Building and equipment maintenance	18,546	20,547
Postage	15,480	15,457
Travel	8,682	11,911
Telephone	6,508	7,223
Professional fees	11,968	4,900
Promotion, advertising, and printing	259,924	294,062
Research and education	11,446	10,291
Office and operating supplies	7,184	6,189
Dues and subscriptions	23,006	22,509
Payroll taxes	23,005	22,099
Retirement	13,714	13,543
Worker's compensation insurance	642	661
Group insurance	49,026	56,048
Equipment purchases	12,152	7,105
Auto expenses	8,990	9,410
Liability insurance	5,114	5,072
Property taxes	7,017	6,608
Grants	45,081	45,167
Total Expenses	901,130	924,516
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	\$ (15,341)	\$ 52,059

See Accompanying Notes to Financial Statements

**Greater Lafayette Convention and Visitors Bureau, Inc.**

**d/b/a Visit Lafayette - West Lafayette**

Statements of Changes in Net Assets - Cash Basis

For the Years Ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
UNRESTRICTED NET ASSETS		
Balance, Beginning of Year	\$ 287,321	\$ 235,262
Increase (Decrease) in Unrestricted Net Assets	<u>(15,341)</u>	<u>52,059</u>
Balance, End of Year	<u>\$ 271,980</u>	<u>\$ 287,321</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, 2017 and 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, 2017 and 2016, the Bureau's uninsured cash balance totaled \$75,255 and \$76,767, respectively.

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, 2017 and 2016

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

Income Taxes, continued

As of December 31, 2017, Greater Lafayette Convention and Visitors Bureau, Inc.'s exempt returns for the years ended December 31, 2014, December 31, 2015, and December 31, 2016 remain subject to examination by the Federal and Indiana tax authorities.

**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 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 leased a vehicle under a three-year operating lease at a rate of \$408 per month through August 2017. A new three-year vehicle operating lease began August 31, 2017 at a rate of \$467 per month through August 2020.

Total rental expense under these leases for the years ended December 31, 2017 and 2016 was \$74,842 and \$74,523, respectively.

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

Years Ending December 31,	
2018	\$ 76,924
2019	70,414
2020	6,632
2021	1,932
	<u>155,902</u>
	\$ <u><u>155,902</u></u>

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

Notes to Financial Statements  
December 31, 2017 and 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, 2017 follows:

	<u>Total</u>	<u>Program Services</u>	<u>Management and General</u>
Wages	\$ 293,661	\$ 266,644	\$ 27,017
Directors' per diem	4,060	0	4,060
Building rent	66,000	59,400	6,600
Utilities	9,924	8,932	992
Building and equipment maintenance	18,546	15,764	2,782
Postage	15,480	13,932	1,548
Travel	8,682	6,946	1,736
Telephone	6,508	5,857	651
Professional fees	11,968	0	11,968
Promotion, advertising, and printing	259,924	250,827	9,097
Research and education	11,446	8,584	2,862
Office and operating supplies	7,184	0	7,184
Dues and subscriptions	23,006	17,254	5,752
Payroll taxes	23,005	20,888	2,117
Retirement	13,714	12,286	1,428
Worker's compensation insurance	642	482	160
Group insurance	49,026	43,667	5,359
Equipment purchases	12,152	9,722	2,430
Auto expenses	8,990	8,541	449
Liability insurance	5,114	3,340	1,774
Property taxes	7,017	6,315	702
Grants	45,081	45,081	0
	<u>\$ 901,130</u>	<u>\$ 804,462</u>	<u>\$ 96,668</u>

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

Notes to Financial Statements  
December 31, 2017 and 2016

**Note 3. Functional Allocation of Expenses, continued**

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>

**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 2017 and 2016 was \$13,714 and \$13,543, respectively.

**Greater Lafayette Convention and Visitors Bureau, Inc.**

**d/b/a Visit Lafayette - West Lafayette**

Notes to Financial Statements

December 31, 2017 and 2016

**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 years ended December 31, 2017 and 2016 was \$850,000 and \$925,000, respectively.

**Note 6. Subsequent Event**

Date of Management Review

Management has evaluated subsequent events through August 6, 2018, the date on which the financial statements were available to be issued.

Building Purchase

The Bureau has signed an agreement to purchase the building it currently occupies under a lease. The terms of the agreement specify a purchase price of \$536,500 with a closing date prior to the end of 2018. The Bureau has requested approval from the county council for an additional 2018 disbursement from the Innkeeper's tax account to fund the building purchase.