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February 5, 2020

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

We have reviewed the audit report of Boone County Convention and Visitors Bureau, Inc. which was opined upon by Greenwalt CPAs, Inc., Independent Public Accountants, for the period January 1, 2018 to December 31, 2018. 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, 2018 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 the audit report in accordance with 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, 2018 AND 2017

GREENWALT CPAs
We Deliver Peace of Mind



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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, 2018 and 2017, 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, 2018 and 2017, 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.

July 9, 2019

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
 STATEMENTS OF FINANCIAL POSITION
 DECEMBER 31, 2018 AND 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	\$ 466,889	\$ 458,571
Innkeepers' tax held by Boone County Treasurer	346,396	287,747
Investment income earned held by Boone County Treasurer	24,405	23,436
Prepaid expenses	28,005	21,700
	<hr/>	<hr/>
<i>Total current assets</i>	865,695	791,454
FURNITURE AND EQUIPMENT, NET		
	<hr/>	<hr/>
<i>Total assets</i>	<u>\$ 865,695</u>	<u>\$ 791,454</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 27,000	\$ 27,623
Accrued payroll	2,987	2,900
	<hr/>	<hr/>
<i>Total current liabilities</i>	29,987	30,523
NET ASSETS		
Without donor restrictions	<hr/>	<hr/>
	835,708	760,931
	<hr/>	<hr/>
<i>Total liabilities and net assets</i>	<u>\$ 865,695</u>	<u>\$ 791,454</u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	<u>WITHOUT DONOR RESTRICTIONS</u>	
	<u>2018</u>	<u>2017</u>
REVENUE		
Innkeepers' tax revenue	\$ 535,017	\$ 404,837
Investment income	1,416	797
	<hr/>	<hr/>
<i>Total unrestricted revenue</i>	536,433	405,634
	<hr/>	<hr/>
EXPENSES		
Promotion and marketing	119,667	152,489
Festivals and grants	76,920	64,020
Salary employee	37,570	38,328
Contract employee	24,000	20,000
Convention fund	48,000	38,300
Concert series	81,266	52,318
Special projects	32,555	-
Board member fees and other expenses	6,300	6,600
Office expenses	18,895	21,998
Legal and accounting	11,775	12,021
Postage	250	236
Telephone and utilities	2,348	1,396
Dues and subscriptions	2,110	275
	<hr/>	<hr/>
<i>Total expenses</i>	461,656	407,981
	<hr/>	<hr/>
CHANGE IN NET ASSETS	74,777	(2,347)
NET ASSETS, BEGINNING OF YEAR	760,931	763,278
	<hr/>	<hr/>
NET ASSETS, END OF YEAR	\$ 835,708	\$ 760,931
	<hr/> <hr/>	<hr/> <hr/>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

CHANGE IN CASH

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from Boone County Treasurer and others	\$ 476,368	\$ 350,769
Cash paid to vendors	(468,497)	(392,893)
Investment income received in cash	447	425
	<u> </u>	<u> </u>
<i>Net cash provided by (used in) operating activities</i>	8,318	(41,699)
CASH, BEGINNING OF YEAR	<u>458,571</u>	<u>500,270</u>
CASH, END OF YEAR	<u><u>\$ 466,889</u></u>	<u><u>\$ 458,571</u></u>

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

	<u>2018</u>	<u>2017</u>
CHANGE IN NET ASSETS	<u>\$ 74,777</u>	<u>\$ (2,347)</u>
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
<i>(Increase) decrease in operating assets</i>		
Innkeepers' tax held by Boone County Treasurer	(58,649)	(54,068)
Investment income earned held by Boone County Treasurer	(969)	(372)
Prepaid expenses	(6,305)	(9,650)
<i>Increase (decrease) in operating liabilities</i>		
Accounts payable	(623)	23,895
Accrued payroll	<u>87</u>	<u>843</u>
<i>Total adjustments</i>	<u>(66,459)</u>	<u>(39,352)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u><u>\$ 8,318</u></u>	<u><u>\$ (41,699)</u></u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

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, 2018 or 2017.

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

The financial statements have been prepared in accordance with Accounting Standards for the Preparation of Financial Statements of Not-for-Profit Organizations. These standards require the financial statements to report information regarding its assets, liabilities, and net assets and its revenue, expenses, and other changes in net assets according to net asset class. The Organization has assessed all net assets as without donor restrictions, 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, 2018 AND 2017

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>2018</u>		
	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Personal expenses	\$ 54,056	\$ 7,514	\$ 61,570
Board and professional fees	-	6,300	6,300
Legal and accounting	-	11,775	11,775
Promotion and marketing	200,933	-	200,933
Festivals and grants	76,920	-	76,920
Convention fund	48,000	-	48,000
Special projects	32,555	-	32,555
Administrative expenses	-	23,603	23,603
Total expenses	<u>\$ 412,464</u>	<u>\$ 49,192</u>	<u>\$ 461,656</u>

	<u>2017</u>		
	<u>Program</u>	<u>Management and General</u>	<u>Total</u>
Personal expenses	\$ 50,662	\$ 7,666	\$ 58,328
Board and professional fees	-	6,600	6,600
Legal and accounting	-	12,021	12,021
Promotion and marketing	204,807	-	204,807
Festivals and grants	64,020	-	64,020
Convention fund	38,300	-	38,300
Special projects	-	-	-
Administrative expenses	-	23,905	23,905
Total expenses	<u>\$ 357,789</u>	<u>\$ 50,192</u>	<u>\$ 407,981</u>

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

ADVERTISING

Total advertising expense for 2018 and 2017 was \$116,712 and \$77,603, 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 July 9, 2019 which is the date the financial statements were available to be issued.

NEW ACCOUNTING PRONOUNCEMENT

On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addressed the complexity and understandability of net asset classification by reducing the three categories of unrestricted, temporarily restricted and permanently restricted to two, net assets with and without donor restrictions. In addition, the update requires a new disclosure regarding liquidity and the availability of resources and the presentation of expenses by natural classifications and function. The Organization has adjusted the presentation of these statements accordingly. With the exception of Note 2, the update has been applied retrospectively to all periods presented.

2. AVAILABLE RESOURCES AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditures at December 31, 2018:

Financial assets at year-end:

Cash	\$	466,889
Innkeepers' tax held by Boone County Treasurer		346,396
Investment income earned held by Boone County Treasurer		24,405
Financial assets available to meet general expenditures within one year	\$	<u>837,690</u>

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. The majority of the Organization's revenue (99%) is derived from the Innkeepers' Tax from the Boone County Treasurer. Refer to the statement of cash flows which identifies the sources and uses of the Organizations cash and shows positive cash generated by operations for fiscal year 2018.

BOONE COUNTY CONVENTION AND VISITORS BUREAU, INC.
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2018 AND 2017

3. 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>2018</u>	<u>2017</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>

4. 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	\$ 535,017	\$ 426,669	State and local funding