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302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa


October 25, 2021

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, 2019 to December 31, 2019. 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, 2019 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 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, CPA
State Examiner

**Greater Lafayette Convention
and Visitors Bureau, Inc.
d/b/a Visit Lafayette - West Lafayette**
Audited Financial Statements
December 31, 2019 and 2018

**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, 2019 and 2018, 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 modified cash basis of accounting as described in Note 1; this includes determining that the modified 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 *Uniform Compliance 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, 2019 and 2018, and its revenues, expenses, and changes in net assets for the years then ended in accordance with the modified 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 modified 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
September 18, 2020

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, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|--------------------------|--------------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash | \$ 310,312 | \$ 187,884 |
| Total Current Assets | <u>310,312</u> | <u>187,884</u> |
| PROPERTY AND EQUIPMENT | | |
| Land | 197,000 | 197,000 |
| Building and improvements | 341,142 | 341,142 |
| Equipment | 2,825 | 0 |
| | <u>540,967</u> | <u>538,142</u> |
| Less accumulated depreciation | (9,357) | (711) |
| Total Property and Equipment | <u>531,610</u> | <u>537,431</u> |
| TOTAL ASSETS | <u><u>\$ 841,922</u></u> | <u><u>\$ 725,315</u></u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT LIABILITIES | | |
| Payroll and withholding taxes | \$ 1,055 | \$ 538 |
| Total Current Liabilities/Total Liabilities | <u>1,055</u> | <u>538</u> |
| NET ASSETS | | |
| Without donor restrictions | <u>840,867</u> | <u>724,777</u> |
| Total Net Assets | <u>840,867</u> | <u>724,777</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 841,922</u></u> | <u><u>\$ 725,315</u></u> |

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, 2019 and 2018

| | 2019 | 2018 |
|--|--------------|--------------|
| CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS: | | |
| REVENUES | | |
| Tippecanoe County | \$ 1,023,000 | \$ 1,350,000 |
| Visitor Guide ad revenue | 38,075 | 47,143 |
| Interest | 22 | 21 |
| Total Revenues | 1,061,097 | 1,397,164 |
| EXPENSES | | |
| Wages | 334,234 | 320,461 |
| Directors' per diem | 4,445 | 3,920 |
| Building rent | 0 | 60,500 |
| Utilities | 9,851 | 9,784 |
| Building and equipment maintenance | 22,406 | 17,431 |
| Postage | 12,534 | 13,975 |
| Travel | 9,572 | 7,673 |
| Telephone | 6,347 | 7,100 |
| Professional fees | 5,870 | 12,692 |
| Promotion, advertising, and printing | 331,054 | 293,788 |
| Research and education | 3,170 | 6,217 |
| Office and operating supplies | 5,872 | 6,356 |
| Dues and subscriptions | 24,691 | 24,463 |
| Payroll taxes | 25,442 | 24,390 |
| Retirement | 15,464 | 14,710 |
| Worker's compensation insurance | 544 | 677 |
| Group insurance | 57,427 | 55,259 |
| Equipment purchases | 9,157 | 12,228 |
| Depreciation | 8,646 | 711 |
| Auto expenses | 9,313 | 8,349 |
| Liability insurance | 4,909 | 4,943 |
| Property taxes | 0 | 7,223 |
| Grants | 44,059 | 31,517 |
| Total Expenses | 945,007 | 944,367 |
| INCREASE IN NET ASSETS | | |
| WITHOUT DONOR RESTRICTIONS | \$ 116,090 | \$ 452,797 |

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, 2019 and 2018

| | <u>2019</u> | <u>2018</u> |
|---|-------------------|-------------------|
| NET ASSETS WITHOUT DONOR RESTRICTIONS | | |
| Balance, Beginning of Year | \$ 724,777 | \$ 271,980 |
| Increase in Net Assets Without Donor Restrictions | <u>116,090</u> | <u>452,797</u> |
| Balance, End of Year | <u>\$ 840,867</u> | <u>\$ 724,777</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, 2019 and 2018

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 and, beginning in 2018, recording property and equipment and its related depreciation. 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 reports information regarding its assets, liabilities, revenues, and expenses according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Bureau, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other donor-imposed restrictions may be perpetual in nature, such as those that are restricted by a donor that the resources be maintained in perpetuity.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

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

Notes to Financial Statements
December 31, 2019 and 2018

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

Property and Equipment

Prior to 2018, the Bureau recorded purchases of equipment as expense. With the acquisition of the building in 2018, the Bureau adopted a modification to the cash basis of accounting to capitalize certain expenditures for property and equipment and to provide for depreciation on those items.

The Bureau capitalizes all expenditures for property and equipment with an estimated useful life greater than one year and cost in excess of \$1,500. Purchased property and equipment are carried at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. The estimated useful lives used in computing depreciation are 40 years for the building and improvements and 10 years for equipment. Depreciation expense was \$8,646 and \$711 for the years ended December 31, 2019 and 2018, respectively.

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, 2019 and 2018, the Bureau's uninsured cash balance totaled \$123,960 and \$0, 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.

As of December 31, 2019, Greater Lafayette Convention and Visitors Bureau, Inc.'s exempt returns for the years ended December 31, 2016, December 31, 2017, and December 31, 2018 remain subject to examination by the Federal and Indiana tax authorities.

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

Notes to Financial Statements
December 31, 2019 and 2018

Note 2. Leases

The Bureau leased office space under a ten-year lease extension through November 30, 2019. The rental rate was \$5,500 per month. The lease was terminated by mutual agreement with the lessor upon the Bureau's purchase of the building on November 20, 2018.

The Bureau leases office equipment under a 60-month agreement that requires monthly base payments of \$199 through July 2019. A new 60-month office equipment lease began in August 2019, requiring monthly base payments of \$227 through July 2024.

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 \$467 per month through August 2020.

Total rental expense under these leases for the years ended December 31, 2019 and 2018 was \$11,054 and \$71,429, respectively.

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

| Years Ending December 31, | | |
|---------------------------|----|---------------|
| 2020 | \$ | 9,352 |
| 2021 | | 4,652 |
| 2022 | | 2,720 |
| 2023 | | 2,720 |
| 2024 | | 1,587 |
| | \$ | <u>21,031</u> |

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

Notes to Financial Statements
December 31, 2019 and 2018

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, 2019 follows:

| | <u>Total</u> | <u>Program Services</u> | <u>Management and General</u> |
|--------------------------------------|-------------------|-----------------------------|-----------------------------------|
| Wages | \$ 334,234 | \$ 302,788 | \$ 31,446 |
| Directors' per diem | 4,445 | 0 | 4,445 |
| Utilities | 9,851 | 8,866 | 985 |
| Building and equipment maintenance | 22,406 | 19,045 | 3,361 |
| Postage | 12,534 | 11,281 | 1,253 |
| Travel | 9,572 | 7,658 | 1,914 |
| Telephone | 6,347 | 5,712 | 635 |
| Professional fees | 5,870 | 0 | 5,870 |
| Promotion, advertising, and printing | 331,054 | 319,467 | 11,587 |
| Research and education | 3,170 | 2,377 | 793 |
| Office and operating supplies | 5,872 | 0 | 5,872 |
| Dues and subscriptions | 24,691 | 18,518 | 6,173 |
| Payroll taxes | 25,442 | 23,048 | 2,394 |
| Retirement | 15,464 | 13,807 | 1,657 |
| Worker's compensation insurance | 544 | 408 | 136 |
| Group insurance | 57,427 | 51,120 | 6,307 |
| Equipment purchases | 9,157 | 7,326 | 1,831 |
| Depreciation | 8,646 | 7,782 | 864 |
| Auto expenses | 9,313 | 8,847 | 466 |
| Liability insurance | 4,909 | 3,155 | 1,754 |
| Grants | 44,059 | 44,059 | 0 |
| | <u>\$ 945,007</u> | <u>\$ 855,264</u> | <u>\$ 89,743</u> |

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

Notes to Financial Statements
December 31, 2019 and 2018

Note 3. Functional Allocation of Expenses, continued

A summary of expenses by function for the year ended December 31, 2018 follows:

| | <u>Total</u> | <u>Program Services</u> | <u>Management and General</u> |
|--------------------------------------|-------------------|-----------------------------|-----------------------------------|
| Wages | \$ 320,461 | \$ 291,303 | \$ 29,158 |
| Directors' per diem | 3,920 | 0 | 3,920 |
| Building rent | 60,500 | 54,450 | 6,050 |
| Utilities | 9,784 | 8,806 | 978 |
| Building and equipment maintenance | 17,431 | 14,816 | 2,615 |
| Postage | 13,975 | 12,577 | 1,398 |
| Travel | 7,673 | 6,139 | 1,534 |
| Telephone | 7,100 | 6,390 | 710 |
| Professional fees | 12,692 | 0 | 12,692 |
| Promotion, advertising, and printing | 293,788 | 283,505 | 10,283 |
| Research and education | 6,217 | 4,663 | 1,554 |
| Office and operating supplies | 6,356 | 0 | 6,356 |
| Dues and subscriptions | 24,463 | 18,347 | 6,116 |
| Payroll taxes | 24,390 | 22,171 | 2,219 |
| Retirement | 14,710 | 13,187 | 1,523 |
| Worker's compensation insurance | 677 | 508 | 169 |
| Group insurance | 55,259 | 49,208 | 6,051 |
| Equipment purchases | 12,228 | 9,782 | 2,446 |
| Depreciation | 711 | 640 | 71 |
| Auto expenses | 8,349 | 7,931 | 418 |
| Liability insurance | 4,943 | 3,186 | 1,757 |
| Property taxes | 7,223 | 6,501 | 722 |
| Grants | 31,517 | 31,517 | 0 |
| | <u>\$ 944,367</u> | <u>\$ 845,627</u> | <u>\$ 98,740</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 2019 and 2018 was \$15,464 and \$14,710, respectively.

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

Notes to Financial Statements
December 31, 2019 and 2018

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, 2019 and 2018 was \$1,023,000 and \$1,350,000, respectively. The 2018 funding included an additional amount approved for the building purchase.

Note 6. Liquidity and Availability

The Bureau's financial assets as of the date of the statement of assets, liabilities, and net assets – cash basis total \$310,312 and \$187,884 as of December 31, 2019 and 2018, respectively. These amounts are available to meet cash needs for general expenditure within one year.

As part of the Bureau's liquidity management, it maintains cash in interest-bearing accounts with a local financial institution.

Note 7. Subsequent Events

Date of Management Review

Management has evaluated subsequent events through September 18, 2020, the date on which the financial statements were available to be issued.

Coronavirus

The Coronavirus pandemic in 2020 is expected to impact the Bureau via reduction in Innkeeper's Tax revenue. The Bureau has adjusted its budget to allow for the expected 2020 revenue decrease. Revenue projections will be updated monthly, as Innkeeper's Tax revenue become known, to determine if the revenue allows/requires budget to be modified up or down more. Travel trade shows and educational conferences were put on hold along with several marketing projects. Print advertising that was not already contracted has also been put on hold. The Bureau furloughed a new full-time employee until August 2020 and laid off all part-time employees. The Visitors Center will remain closed on the weekends through 2020, until the Bureau feels revenues allow for bringing back part-time employees. The pandemic's financial impact on the Bureau and the duration cannot be reasonably estimated at this time.