



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B35586

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

January 21, 2010

Board of Directors
Steuben County Tourism Bureau, Inc.
207 S. Wayne St.
Angola, IN 46703

We have reviewed the audit report prepared by Thomas S. Danford, CPA, Independent Public Accountant, for the period January 1, 2008 to December 31, 2008. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Steuben County Tourism Bureau, Inc., as of December 31, 2008, and the results of its operations for the period then ended, on the basis of accounting described in the report.

The Independent Public Accountants' report is filed with this letter in our office as a matter of public record.

STATE BOARD OF ACCOUNTS

Financial Statements

**Steuben County
Tourism Bureau, Inc.**

December 31, 2008

Steuben County Tourism Bureau, Inc.

Financial Statements
December 31, 2008

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Independent Auditor's Report

The Board of Directors
Steuben County Tourism Bureau, Inc.
207 S. Wayne Street
Angola, Indiana

I have audited the accompanying statement of assets, liabilities and net assets – modified cash basis of Steuben County Tourism Bureau, Inc. (a nonprofit organization) as of December 31, 2008, and the related statement of revenues and expenses – modified cash basis and statement of changes in net assets – modified cash basis for the year then ended. These financial statements are the responsibility of the management of Steuben County Tourism Bureau, Inc. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, these financial statements have been prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets – modified cash basis of the Steuben County Tourism Bureau, Inc. at December 31, 2008 and its revenues and expenses – modified cash basis and changes in net assets – modified cash basis for the year then ended, on the basis of accounting described in Note 1.



Thomas S. Danford
Certified Public Accountant
Angola, Indiana
July 22, 2009

Steuben County Tourism Bureau, Inc.

Statement of Assets, Liabilities and Net Assets – Modified Cash Basis
December 31, 2008

ASSETS

Current Assets

Cash \$ 93,285

Property and Equipment

Furniture and Equipment \$ 84,797
Computer Software and Website 17,208
Leasehold Improvements 42,795
144,800

Less Accumulated Depreciation and
Amortization 57,758

Total Property and Equipment – Net of
Depreciation and Amortization 87,042

TOTAL ASSETS \$ 180,327

LIABILITIES AND NET ASSETS

Current Liabilities

Accrued and Withheld Payroll Taxes \$ 2,515

Net Assets

Unrestricted \$ 127,520
Restricted 50,292

Total Net Assets 177,812

TOTAL LIABILITIES
AND NET ASSETS \$ 180,327

See Notes to Financial Statements

Steuben County Tourism Bureau, Inc.

Statement of Revenues and Expenses – Modified Cash Basis

For the year ended December 31, 2008

<u>Revenues</u>	
Innkeeper's Tax Commission	\$ 380,000
Interest Income	909
Rental Income	3,050
Tenant and Other Reimbursements	<u>1,000</u>
<u>Total Revenues</u>	384,959
<u>Expenses</u>	
Personnel Expenses:	
Salaries and Wages	\$ 100,094
Employee Medical Benefits	7,572
Payroll Taxes	8,201
Retirement Benefits	<u>5,121</u>
	<u>120,988</u>
Marketing and Promotion Expenses:	
Advertising and Promotion	128,077
Community Event Promotion	10,158
Group Sales	1,564
Internet and Web Page	4,890
Office Supplies	3,213
Postage	6,409
Product Development	3,271
Public Relations	3,584
Telephone	<u>8,177</u>
	<u>169,343</u>
Operational Expenses:	
Automotive	3,627
Dues and Memberships	2,831
Legal and Accounting	7,451
Professional Development	904
Travel and Meetings	<u>4,800</u>
	<u>19,613</u>
Visitors Center Expenses:	
Insurance	1,750
Depreciation and Amortization	6,536
Other Visitor Center Expenses	832
Relocation Study	1,195
Repairs and Maintenance	11,359
Utilities	<u>14,206</u>
	<u>35,878</u>
<u>Total Expenses</u>	<u>345,822</u>
<u>Increase in Net Assets</u>	<u>\$ 39,137</u>

See Notes to Financial Statements

Steuben County Tourism Bureau, Inc.

Statement of Changes in Net Assets – Modified Cash Basis
For the year ended December 31, 2008

<u>Net Assets</u> – Beginning of Year	\$ 138,675
<u>Increase in Net Assets</u>	<u>39,137</u>
<u>Net Assets</u> – End of Year	<u>\$ 177,812</u>

See Notes to Financial Statements

Steuben County Tourism Bureau, Inc.

Notes to Financial Statements
December 31, 2008

Note 1 – Organization and Significant Accounting Policies:

Organization:

The Steuben County Tourism Bureau, Inc. is a non-profit organization formed to promote tourism in Steuben County, Indiana. The focus of the Bureau's efforts include maintaining a community climate that attracts conventions, trade shows, special events and visitors to Steuben County including the promotion of recreational activities in the county. The Bureau was incorporated in Indiana on April 23, 1990 as a Non-Profit Domestic Corporation. Further, the Bureau is recognized under Internal Revenue Code Section 501(c)(6) as an exempt organization by the Internal Revenue Service and accordingly is exempt from federal and Indiana income tax.

Revenues:

The Bureau's major source of revenue is derived from grants from the Steuben County Innkeeper's Tax Commission. The Commission receives its income from taxes assessed against temporary lodging located in Steuben County, Indiana and periodically grants portions of the tax revenues to the Bureau to cover its operating costs.

The Bureau also leases unused space in the building to other non-profit organizations. One of the other organizations also shared in utilities and certain maintenance items, for which the Bureau receives reimbursements.

Basis of Presentation:

The financial statements are prepared using the modified cash basis method of accounting, which is a comprehensive basis of accounting other than accounting principles generally recognized in the United States of America, except that property and equipment expenditures are capitalized and related depreciation is recorded, and payroll tax expense is accrued for the year in which it is incurred. Accordingly, certain revenue and the related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred.

Use of Estimates:

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

Steuben County Tourism Bureau, Inc.

Notes to Financial Statements
December 31, 2008

Note 1 – Organization and Significant Accounting Policies (continued):

Property and Equipment:

Property and Equipment is stated at cost and expenditures for improvements, if material, are generally capitalized. Normal repairs and maintenance are expensed. The cost of assets retired, or otherwise disposed of, and the related accumulated depreciation is eliminated from the accounts and resulting gain or loss is reflected in the statement of revenues and expenses and changes in net assets – modified cash basis.

Property and equipment is depreciated using accelerated methods over the estimated useful lives of 5 to 7 years, while leasehold improvements are being depreciated over 40 years using straight line methods. Depreciation expense amounted to \$4,935. Software and website development costs are amortized over three years. Amortization expense amounted to \$1,601.

Note 2 – Operating Leases:

In January 1998 the Bureau entered into an operating lease with Steuben County, Indiana for the building for an initial term of five years that expired December 31, 2003. The lease included an option to extend for an additional five years under the same terms and conditions. Thereafter, the lease is month-to-month. The lease requires an annual payment of ten dollars, which the County has not collected, and payment of substantially all insurance, maintenance, repairs, upkeep and utilities by the Bureau. Lease expense, including the required insurance, maintenance, repairs, upkeep and utilities amounted to \$28,147 before receiving reimbursements of \$4,050 from other tenants.

The Bureau subleases portions of the building. Following are summaries of the various leases.

The Steuben County Community Foundation entered into a lease which expired May 31, 2003. After expiration, the lease is month-to-month. The lease calls for annual rents of \$600 payable monthly in the amount of \$50, along with 15% of the utilities and 50% of the snow removal. The tenant relocated in September 2008 and is no longer leasing space.

The Steuben County Lakes Council, Inc. entered into a lease which expired June 30, 2000. After expiration, the lease is month-to-month. The lease calls for annual rents of \$600 payable monthly in the amount of \$50. This lease was current as of December 31, 2008.

The Office of the Attorney General for the State of Indiana entered into a lease which expired April 15, 2003. After expiration, the lease is month-to-month. The lease calls for annual rents of \$2,400 payable annually. This lease had a balance due as of December 31, 2008 of \$2,400.

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

The Board of Directors
Steuben County Tourism Bureau, Inc.
207 S. Wayne Street
Angola, Indiana

I have audited the financial statements of Steuben County Tourism Bureau, Inc. (a non-profit organization) as of and for the year ended December 31, 2008, and have issued my report thereon dated July 22, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered the Bureau's internal control over financial reporting for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

**Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of The Board of Directors, management, and state and federal awarding agencies and not intended to be and should not be used by anyone other than these specified parties.



Thomas S. Danford
Certified Public Accountant
Angola, Indiana
July 22, 2009