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August 29, 2016

Board of Directors
Wayne County Convention and Tourism Bureau, Inc
5701 National Road East
Richmond, IN 47374

We have reviewed the audit report prepared by Fennimore & Associates PC, for the period January 1, 2015 to December 31, 2015. 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 Wayne County Convention and Tourism Bureau, Inc., as of December 31, 2015, 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

WAYNE COUNTY CONVENTION AND
TOURISM BUREAU, INC.

FINANCIAL STATEMENTS

December 31, 2015 and 2014

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.

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Independent Auditor's Report

Board of Directors
Wayne County Convention and Tourism Bureau, Inc.
Richmond, Indiana

We have audited the accompanying statements of Wayne County Convention and Tourism Bureau, Inc. (a nonprofit organization), which comprise of the statement of financial position as of December 31, 2015 and 2014, 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 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 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 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 Wayne County Convention and Tourism Bureau, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Fennimore & Associates PC

Richmond, Indiana
March 11, 2016

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Statement of Financial Position
For the Year Ended December 31, 2015 and 2014

	2015	2014
ASSETS		
CURRENT ASSETS:		
Cash	\$ 232,757	\$ 173,041
Government Receivable	133,750	169,431
Inventory	24,177	24,206
Prepaid Assets	2,904	3,079
Total Current Assets	393,588	369,757
PROPERTY AND EQUIPMENT		
Land & Building	868,831	875,831
Furniture & Fixtures	72,684	71,803
Interstate Signage	18,448	18,448
Vehicle	24,717	24,717
Electronic Marquee Signage	26,713	-
	1,011,393	990,799
Less Accumulated Depreciation	(353,562)	(339,046)
Net Property and Equipment	657,831	651,753
TOTAL ASSETS	\$ 1,051,419	\$ 1,021,510
 LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 829	\$ 1,847
Accrued Expenses	-	-
Deferred Revenue	-	-
Sales Tax Liability	280	-
Current Portion of Long Term Debt	5,882	-
Total Current Liabilities	6,991	1,847
LONG TERM LIABILITIES		
Old National Bank - Sign Loan (net)	17,325	-
Total Current Liabilities	17,325	-
Unrestricted Net Assets	1,027,103	1,019,663
TOTAL LIABILITIES AND NET ASSETS	\$ 1,051,419	\$ 1,021,510

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Statement of Activities
For the Year Ended December 31, 2015 and 2014

	2015	2014
REVENUE:		
Appropriations	\$ 535,000	\$ 508,294
Miscellaneous Income	19	-
Gift Shop Sales (Net of Cost of Goods Sold)	2,573	7,072
Interest Income	139	100
Gain/Loss on Disposal of Assets	(47)	(124)
Total Unrestricted Revenue	537,684	515,341
ADMINISTRATIVE EXPENSES:		
Salaries	67,500	65,000
Outside Services	39,724	41,750
Travel and Mileage	3,010	3,377
Payroll Taxes	5,624	5,434
Office Supplies	6,976	9,364
Utilities	9,602	8,574
Legal and Accounting Fees	14,996	14,686
Insurance - Personnel	8,187	8,303
Telephone	3,502	3,311
Insurance - Business	7,398	7,237
Retirement	6,000	6,000
Office Equipment and Furniture	-	363
Depreciation	23,267	21,378
Interest	894	-
	196,680	194,777
PROMOTION EXPENSES:		
Salaries	141,035	134,573
Convention & Tourism Marketing	61,996	51,886
Welcome Center Wages	9,925	10,364
Project Development	36,884	28,892
Postage and Freight	4,916	7,587
Payroll Taxes	13,223	12,372
Insurance - Personnel	13,741	14,805
Telephone	2,198	2,539
Volunteer Expenses	5,423	5,664
Retirement	15,000	12,500
Public Relations	3,292	3,323
Dues and Memberships	5,868	7,217
Out of Town Expenses	1,994	2,710
Source Publications	589	366
Miscellaneous	2,956	2,978
Training and Education	1,218	1,407
Printing and Duplication	13,306	9,551
	333,564	308,735
Total Expenses	530,244	503,512
Change in Net Assets	7,440	11,829
Beginning Unrestricted Net Assets	\$ 1,019,663	\$ 1,007,834
Ending Unrestricted Net Assets	\$ 1,027,103	\$ 1,019,663

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Statement of Cash Flows
For the Year Ended December 31, 2015 and 2014

	2015	2014
OPERATING ACTIVITIES:		
Change in net assets	7,440	11,829
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on Disposal of Assets	47	124
Depreciation	23,267	21,378
	30,754	33,331
Changes in operating assets and liabilities:		
Decrease/Increase in appropriation receivable	35,681	-
Decrease/Increase in prepaids	175	(1,555)
Decrease/Increase in inventory	29	(9,202)
Decrease in deposits	-	-
Decrease in accounts payable	(1,018)	(3,497)
Increase in sales tax liability	280	-
	65,901	19,077
Net Cash Used in Operating Activities		
	65,901	19,077
INVESTING ACTIVITIES:		
Purchase of equipment	(2,680)	(4,807)
Purchase of signage	(26,713)	-
Purchase of building & improvements	-	-
	(29,393)	(4,807)
Net Cash Used in Investing Activities		
	(29,393)	(4,807)
FINANCING ACTIVITIES:		
Proceeds from long term debt	27,016	
Principal payments on loan obligation	(3,808)	-
	23,207	-
Net Cash Provided by Financing Activities		
	23,207	-
NET INCREASE/DECREASE IN CASH	59,716	14,270
CASH--beginning of year	173,041	158,771
CASH--end of year	232,757	173,041

THE WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Notes to Financial Statements
For the Year Ended December 31, 2015 and 2014

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization –The Wayne County Convention and Tourism Bureau, Inc. (The Bureau) is an Indiana not-for-profit organization whose primary purpose is to promote the development and growth of the convention and tourism industry in Wayne County, Indiana. They incorporated under the laws of the State of Indiana in 1990. The Bureau is funded by an annual allocation of the "innkeeper taxes" by the Wayne County Council. The "innkeeper taxes" are collected by Wayne County Treasurer from Wayne County hotels, motels, campgrounds and other miscellaneous lodging facilities in Wayne County, Indiana.

Basis of Accounting – The financial statements of The Bureau have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Net Asset Classifications – The financial statements have been prepared in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted and permanently restricted. All net assets of The Bureau, including any board-designated or appropriated amounts, are unrestricted.

Cash – Cash consists of bank deposits in federally insured accounts and petty cash.

Property and Equipment – Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line and accelerated methods over the useful lives of the assets. Routine repairs and maintenance are expensed when incurred.

The Bureau reviews its long assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Statement of Financial Accounting Standards FASB No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Recoverability of assets held and used is measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Bureau to conclude the impairment indicators exist and that long-lived assets may be impaired.

Financial Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimated.

Functional Allocation of Expenses – The costs of providing the promotion of tourism have been provided on a functional basis in the statement of activities. Costs are allocated between administrative and promotion based on evaluations of the related activities. Administrative expenses include those expenses that are not directly identifiable with the promotion of tourism, but provide for the overall support and direction of the Bureau.

Income Taxes – The Organization is exempt from federal and state income taxes under Section 501(c)(6) of the U.S. Internal Revenue Code and under similar state provisions. Therefore, the Organization has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

THE WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Notes to Financial Statements
For the Year Ended December 31, 2015 and 2014

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

The Organization has adopted the accounting standard on accounting for uncertainty in income taxes. This standard addresses the determination of whether tax benefits claimed, or expected to be claimed, on a tax return should be recorded in the financial statements. Under this guidance, the Organization may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. The tax benefits that could be recognized in the financial statements from such positions would be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses derecognition, classification, interest and penalties on income taxes, and accounting in interim periods. At December 31, 2015 and 2014, there were no unrecognized tax benefits identified or recorded as liabilities. The Organization files Form 990 and the related state of Indiana return, and remains subject to examination by the Internal Revenue Service for the most recent three years.

Donated Services – A substantial number of volunteers donate significant amounts of time to the activities of the Bureau. No amounts have been included in the financial statements for the value of this donated time since the value is not determinable.

Promotional Expenses – Marketing and promotional costs are expensed as incurred. Promotional expenses were \$ 333,564 and \$ 308,735 for the year ended December 31, 2015 and 2014, respectively.

Inventories - Inventory consists of Welcome Center retail items, brochures and excess office supplies stated at cost.

NOTE B – PROPERTY AND EQUIPMENT

The Organization’s property and equipment are as follows:

	Balance 12/31/15	Balance 12/31/14
Land	257,600	257,600
Building	480,144	480,144
Building Improvement	131,087	138,087
Interstate Signage	18,448	18,448
Vehicle	24,717	24,717
Furniture & fixtures	72,684	71,803
Electronic Marquee Signage	26,713	-
Total Cost	1,011,393	990,799
Less Accumulated Depreciation	(353,562)	(339,046)
	657,831	651,753

THE WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Notes to Financial Statements
For the Year Ended December 31, 2015 and 2014

NOTE E – RETIREMENT PLAN

The Bureau maintains an informal retirement plan, which covers all full-time employees completing one year of service. Under the plan, contributions are treated as extra compensation and are paid to each qualified employee at the end of the year; the employee can then deposit that amount into an IRA. Contribution amounts are determined by the policy set by the governing Board. The total retirement contribution for each of the years ended December 31, 2015 and 2014 was \$21,000 and \$18,500.

NOTE F – WAYNE COUNTY CONVENTION AND TOURISM BUILDING

The building located at the present site of the Welcome Center, was recorded as a contribution at the fair market value on October 28, 2006 as represented by the independent sale negotiation with the unrelated owners of the premise, less the cash paid by the Bureau. In 1980, an agency of the Wayne County government named the Board of Managers of the Wayne County Convention and Tourism Bureau was created for the sole purpose of promoting the development and growth of the convention and tourism industry in Wayne County. On September 22, 2006, that Board of Managers pledged a portion of the Innkeepers Tax to the direct payment of debt service on and for the bonds, which were used to purchase the building given to the Bureau. Although the Board of Managers is a separate organized body created by the Wayne County Innkeepers Tax enabling legislation, the financial impact on future cash flow of the Bureau is directly related.

NOTE G – LOANS PAYABLE

As of December 31, 2015, the Wayne County Convention and Tourism Bureau have an outstanding note payable to Old National Bank in the amount of \$23,207. The maturity date is April 21, 2020. The loan is amortized over five years and is payable in monthly installments of \$492, with an interest rate of 3.49%. The proceeds of the loan were \$ 27,016 and were used to purchase an electronic marquee sign.

Maturities of the marquee sign loan payable each of the next five years are as follows:

2016	\$ 5,160
2017	\$ 5,343
2018	\$ 5,532
2019	\$ 5,728
2020	\$ 1,912

NOTE H – SUBSEQUENT EVENTS

These financial statements considered subsequent events through March 11, 2016, the date the financial statements were available to be issued.