



OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

B47044

STATE BOARD OF ACCOUNTS
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 19, 2016

Board of Directors
Spencer County Tourism Commission, Inc.
39 N. Kringle Place
Santa Claus, IN 47579

We have reviewed the audit report prepared by Krueger & Associates, CPA's, LLC, 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 Spencer County Tourism Commission, 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.

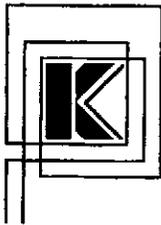
Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**SPENCER COUNTY TOURISM
COMMISSION, INC.
Santa Claus, Indiana**

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2015 and 2014**

**SPENCER COUNTY TOURISM COMMISSION, INC.
Santa Claus, Indiana**

<u>TABLE OF CONTENTS</u>	<u>PAGE</u>
AUDITORS' REPORT.....	1 - 2
EXHIBIT A STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS.....	3
EXHIBIT B STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS.....	4
NOTES TO FINANCIAL STATEMENTS.....	5 - 7
SCHEDULES OF PROGRAM ACTIVITY.....	8



Krueger & Associates, CPA's, LLC

1845 Newton Street • Jasper, Indiana 47546 • (812) 482-4454 • (812) 482-4459 Fax

INDEPENDENT AUDITOR'S REPORTS

To the Board of Directors of
Spencer County Tourism Commission, Inc

We have audited the accompanying financial statements of Spencer County Tourism Commission, Inc. (a nonprofit organization), which comprise the statements of assets, liabilities, and net assets - modified cash basis as of December 31, 2015 and 2014, and the related statements of revenue, expenses and changes in net assets—modified 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. 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 judgement, 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 Spencer County Tourism Commission, Inc. as of December 31, 2015 and 2014 and its revenue, 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 that matter.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of program activity on page 8 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Krueger & Associates, CPA's, LLC
Krueger & Associates, CPA's, LLC

Jasper, Indiana
June 27, 2016

SPENCER COUNTY TOURISM COMMISSION, INC.
Santa Claus, Indiana

EXHIBIT A

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS

ASSETS	December 31	
	2015	2014
CURRENT ASSETS		
Cash - checking	\$5,431	\$4,766
Cash - money market	359,177	291,905
Security Deposit	200	200
Total Current Assets	364,808	296,871
PROPERTY AND EQUIPMENT		
Equipment	58,107	53,534
Less accumulated depreciation	(46,717)	(41,663)
Total property and equipment	11,390	11,871
TOTAL ASSETS	\$376,198	\$308,742
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued payroll taxes	\$3,009	\$2,552
TOTAL LIABILITIES	3,009	2,552
NET ASSETS		
Unrestricted		
Undesignated	373,189	306,190
TOTAL NET ASSETS	373,189	306,190
TOTAL LIABILITIES AND NET ASSETS	\$376,198	\$308,742

The accompanying notes are an integral part of the financial statements.

SPENCER COUNTY TOURISM COMMISSION, INC.
Santa Claus, Indiana

EXHIBIT B

STATEMENT OF REVENUE, EXPENSES AND
 CHANGES IN NET ASSETS - MODIFIED CASH BASIS
 For the Years Ended December 31,

	2015	2014
SUPPORT AND REVENUE		
Inn keeper tax	\$421,306	\$338,953
Interest	141	245
Total Support and Revenue	421,447	339,198
 Expenses		
Wages	116,012	99,501
Depreciation	5,054	4,735
Advertising	58,765	40,996
Outreach	28,800	25,300
Postage/shipping	6,073	5,524
Promotional materials	3,008	2,434
Office supplies	3,467	2,315
Promotional events & projects	78,163	73,905
Internet/web services	1,244	5,404
Phone	2,904	3,309
Professional development	772	2,600
Meals/travel expense	7,105	6,224
Fees, dues & subscriptions	8,795	9,751
Contract labor	10,503	10,857
FICA tax expense	9,433	7,992
Employment taxes	971	1,112
Insurance	5,542	3,226
Pension plan	5,801	4,975
Rent	0	255
Miscellaneous	2,036	1,839
Total Expenses	354,448	312,254
 Increase in Net Assets	66,999	26,944
Net assets - Beginning of year	306,190	279,246
Net assets - End of year	\$373,189	\$306,190

The accompanying notes are an integral part of the financial statements

SPENCER COUNTY TOURISM COMMISSION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Spencer County Tourism Commission, Inc. was incorporated as a non-profit corporation in the State of Indiana for the purpose of overseeing the disbursement of funds generated by the Spencer County Innkeeper's Tax in a fair and impartial manner that will promote the development and growth of the tourism industry in Spencer County with an emphasis on overnight tourism business.

Basis of Presentation

The Commission's financial statements are presented on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, donor restricted support whose restrictions are met in the same reporting period in which the support is received is reported as unrestricted support.

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.

Fund Accounting

The accounts of the commission's are maintained in accordance with the principles of fund accounting. The cost of the Commission's program have been reported on a functional basis.

Cash Equivalents

The Commission considers all highly liquid investments with a maturity of three month or less to be cash equivalents.

See independent auditor's report.

SPENCER COUNTY TOURISM COMMISSION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and depreciation

Office furniture is recorded at cost or at estimated market value at the time of receipt in case of donated equipment. Depreciation is computed by the declining balance method over the estimated useful lives of the respective asset accounts as follows:

Leasehold Improvements	5-39 years
Furniture and Fixtures	5-10

Federal and State Income Taxes

The Commission is recognized as a nonprofit corporation under Section 501 of the Internal Revenue Code by both the state and federal taxing authorities. Therefore, no provision for federal or state income taxes is included in the financial statements. The Commission is other than a private foundation.

Property and Equipment

The costs and related accumulated depreciation of property and equipment consisted of the following as of December 31,

	<u>2015</u>	<u>2014</u>
Furniture and equipment	\$ 58,107	\$ 53,534
Less accumulated depreciation	<u>(46,717)</u>	<u>(41,663)</u>
Net carrying value	<u>\$ 11,390</u>	<u>\$ 11,871</u>

Depreciation charged to expense for the 12 months ended December 31, 2015 and 2014, was \$5,054 and \$4,735 respectively, computed on a declining balance.

Advertising

The Commission expenses all advertising costs when incurred.

Date of Management's Review

Management has evaluated subsequent events through June 27, 2016, date on which the financial statements were available to be issued.

See independent auditor's report.

SPENCER COUNTY TOURISM COMMISSION, INC.

**NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 and 2014**

NOTE 2: CONCENTRATIONS OF CREDIT RISK

The Commission maintains cash balances at one financial institution. Cash balances at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 in 2015 and 2014, respectively. The excess amounts at December 31, 2015 and 2014 are \$114,650 and \$48,601, respectively.

The majority of the Commission's revenue is generated from Spencer County's Innkeeper's tax. During the year's ended December 31, 2015 and 2014. The innkeeper's tax revenue represented 99% of total revenue.

NOTE 3: INCOME TAXES

There are no material tax positions taken by the corporation which require recognition or disclosure under the provisions of FASB ASC 740 (formerly Fin 48) "Accounting for Uncertainty in Income Taxes." The commission's federal and state information returns for all years after 2012 are subject to examination by taxing authorities.

NOTE 4: RETIREMENT PLAN

The Organization has adopted a Simple IRA retirement plan. The plan covers all full-time employees who meet a waiting period from their date of employment. The Organization's contribution is based on matching employees contributions up to five percent of employee's compensation. The Organization's contribution to the plan for the year ended December 31, 2015 and 2014 was \$5,801 and \$4,975, respectively.

See independent auditor's report.

SUPPLEMENTAL INFORMATION

SPENCER COUNTY TOURISM COMMISSION, INC.
Santa Claus, Indiana

SCHEDULES OF PROGRAM ACTIVITY -
MODIFIED CASH BASIS
For the Years Ended December 31,

	Visitors Bureau	Rest Stop	2015	2014
SUPPORT AND REVENUE				
Inn keeper tax	\$421,306	\$0	\$421,306	\$338,953
Interest	141	0	141	245
Total Support and Revenue	<u>421,447</u>	<u>0</u>	<u>421,447</u>	<u>339,198</u>
Expenses				
Wages	116,012	0	116,012	99,501
Depreciation	5,054	0	5,054	4,735
Advertising	58,765	0	58,765	40,996
Outreach	28,800	0	28,800	25,300
Postage/shipping	6,073	0	6,073	5,524
Promotional materials	3,008	0	3,008	2,434
Office supplies	3,467	0	3,467	2,315
Promotional events & projects	78,163	0	78,163	73,905
Internet/web services	1,244	0	1,244	5,404
Phone	2,904	0	2,904	3,309
Professional development	772	0	772	2,600
Meals/travel expense	7,105	0	7,105	6,224
Fees, dues & subscriptions	8,795	0	8,795	9,751
Contract labor	9,620	883	10,503	10,857
FICA tax expense	9,433	0	9,433	7,992
Employment taxes	971	0	971	1,112
Insurance	5,542	0	5,542	3,226
Pension plan	5,801	0	5,801	4,975
Rent	0	0	0	255
Miscellaneous	2,036	0	2,036	1,839
Total Expenses	<u>353,565</u>	<u>883</u>	<u>354,448</u>	<u>312,254</u>
Increase (decrease) in Net Assets	<u>\$67,882</u>	<u>(\$883)</u>	<u>\$66,999</u>	<u>\$26,944</u>

See independent auditor's report.