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January 19, 2018

Board of Directors  
DeKalb County Visitors Bureau, Inc.  
500 S. Grandstaff Drive, Suite C  
P.O. Box 430  
Auburn, IN 46706

We have reviewed the report prepared by DeKalb County Visitors Bureau, Inc. and opined upon by Leonard J. Andorfer & Co., LLP, Independent Public Accountants, for the period January 1, 2015 to December 31, 2015. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of DeKalb County Visitors 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.

In our opinion, Leonard J. Andorfer & Co., LLP prepared all required independent auditor's reports in accordance with generally accepted auditing standards and 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

**DEKALB COUNTY VISITORS BUREAU, INC.**

**AUBURN, INDIANA**

**Financial Statements**

**as of December 31, 2015 and 2014**

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**LEONARD J. ANDORFER & CO., LLP**  
**Certified Public Accountants**

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Park Lake Medical Building  
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**INDEPENDENT AUDITOR'S REPORT**

To The Board of Directors  
DeKalb County Visitors Bureau, Inc.  
Auburn, Indiana

We have audited the accompanying statements of DeKalb County Visitors Bureau, 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 revenues, expenses and 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 2; 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 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.

DeKalb County Visitors Bureau, Inc.  
Independent Auditor's Report (Continued)

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of DeKalb County Visitors Bureau, Inc. as of December 31, 2015 and 2014, and its support, revenue, and expenses for the years then ended in accordance with the modified cash basis of accounting described in Note 2.

**Other Matter**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for the purposes of additional analysis and are not a required part of the 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.

**Basis of Accounting**

We draw attention to Note 2 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.

*Leonard J. Andorfer & Co., LLP*

LEONARD J ANDORFER & CO., LLP  
Certified Public Accountants  
Fort Wayne, Indiana

October 13, 2016

**DEKALB COUNTY VISITORS BUREAU, INC.**

**Statements of Assets, Liabilities and Net Assets - Modified Cash Basis**

<b>ASSETS</b>	<u>December 31 2015</u>	<u>December 31 2014</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 503,563	\$ 459,301
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	50,734	48,733
Leasehold improvements	<u>8,691</u>	<u>8,691</u>
	59,425	57,424
Less: accumulated depreciation	<u>( 40,478 )</u>	<u>( 33,299 )</u>
Total Property and Equipment (net)	18,947	24,125
<b>OTHER ASSETS</b>		
Security deposit	650	650
Unamortized website	<u>11,639</u>	<u>-</u>
Total Other Assets	<u>12,289</u>	<u>650</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 534,799</u></u>	<u><u>\$ 484,076</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll taxes withheld	\$ 3,177	\$ 771
Trail system custodial funds	<u>-</u>	<u>1,870</u>
Total Current Liabilities	3,177	2,641
<b>NET ASSETS</b>		
Unrestricted net assets	531,622	481,435
Temporarily restricted net assets	-	-
Permanently restricted net assets	<u>-</u>	<u>-</u>
	<u>531,622</u>	<u>481,435</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 534,799</u></u>	<u><u>\$ 484,076</u></u>

The Notes to Financial Statements  
are an integral part of the statements.

**DEKALB COUNTY VISITORS BUREAU, INC.**

**Statements of Revenue, Expenses and Net Assets - Modified Cash Basis  
For the Years Ended December 31, 2015 and 2014**

	2015 <u>Unrestricted</u>	2014 <u>Unrestricted</u>
<b>REVENUE</b>		
Innkeeper's tax	\$ 330,826	\$ 289,063
Interest income	624	564
Kiosk	<u>800</u>	<u>5,000</u>
 Total Revenue	 332,250	 294,627
<b>EXPENSES</b>		
<b>Program Services</b>	228,594	214,394
<b>Supporting Services</b>		
Management and general	53,469	51,972
Fundraising	<u>-</u>	<u>-</u>
 Total Expenses	 <u>282,063</u>	 <u>266,366</u>
 <b>CHANGE IN NET ASSETS</b>	 50,187	 28,261
 <b>NET ASSETS - BEGINNING OF YEAR</b>	 <u>481,435</u>	 <u>453,174</u>
 <b>NET ASSETS - END OF YEAR</b>	 <u>\$ 531,622</u>	 <u>\$ 481,435</u>

The Notes to Financial Statements  
are an integral part of the statements.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1 - Nature of Activities

The DeKalb County Visitors Bureau, Inc. (the Bureau) is a non-profit organization formed to promote tourism in DeKalb County, Indiana. The focus of the Bureau's efforts include maintaining a community climate that attracts conventions, trade shows, special events and visitors to DeKalb County including the promotion of recreational activities in the county. The Bureau was incorporated in Indiana on January 1, 2000 as a Non-Profit Domestic Corporation.

### NOTE 2 – Summary of Significant Accounting Policies

**Basis of Accounting** – The Bureau's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

**Unrestricted Net Assets** – Net assets that are not subject to donor-imposed stipulations.

**Temporarily Restricted Net Assets** – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of DeKalb County Visitors Bureau, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net unrestricted assets if the restriction expires or is met in the reported period in which the support is recognized.

**Permanently Restricted Net Assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by DeKalb County Visitors Bureau, Inc. Generally, the donors of these assets permit the Bureau to use all or part of the income earned on any related investments for general or specific purposes. The Bureau has no such assets at this time.

**Financial Statement Presentation** - The Bureau has adopted FASB ASC 958-210-45-8. Under FASB ASC 958-210-45-8, the Bureau is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Bureau is required to present a statement of cash flows.

**Contributions** – The Bureau has adopted FASB ASC 958-605-05. In accordance with FASB ASC 958-605-05, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions.

**Cash and Cash Equivalents** – For purposes of the statement of cash flows, the Bureau considers all highly liquid investments available for current use to be cash equivalents.

**Advertising Costs** – Advertising and promotional programs are charged to expense during the period in which they are incurred. Expenses totaled \$98,023 and \$101,856 for the years ended December 31, 2015 and 2014, respectively.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE 2 - Summary of 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. Depreciation is recorded over the estimated useful lives of the assets from three to five years. Depreciation expense amounted to \$7,179 for 2015 and \$5,696 for 2014.

**Use of Estimates** - The preparation of financial statement 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.

**Functional Expenses** - The DeKalb County Visitors Bureau, Inc. allocates its expenses on a functional basis among its programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to both functions are allocated by various statistical bases.

**Income Taxes** – DeKalb County Visitors Bureau, Inc. is a nonprofit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and qualifies for the 50% charitable contribution limitation. The organization has been classified as an organization that is not a private foundation under section 509(a) of the Internal Revenue Code. However, the organization is subject to federal income tax on any unrelated business taxable income. No unrelated business taxable income was reported in 2015 or 2014. The company is generally no longer subject to examination by the Internal Revenue Service for years before 2012.

The Bureau follows the guidance in FASB ASC 740-10-25 and determined no material unrecognized tax benefits or liabilities exist as of December 31, 2015. The adoption of 740-10-25 did not impact the Bureau's financial position or results of operations. If applicable, DeKalb County Visitors Bureau, Inc. will recognize interest and penalties related to underpayment of income taxes as income tax expense. As of December 31, 2015 and 2014, DeKalb County Visitors Bureau, Inc. had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. DeKalb County Visitors Bureau, Inc. does not anticipate any significant changes to unrecognized income tax benefits over the next year.

### NOTE 3 – Website

During 2015 the Bureau revamped its website. The total cost of \$12,366 was capitalized and will be amortized over fifteen years. Amortization expense amounted to \$727 and \$0 for 2015 and 2014, respectively.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### **NOTE 4 – Operating Lease**

In December 2008 the Bureau entered into an operating lease for office space for an initial term of three years beginning January 1, 2009. This lease was renewed for the period January 1, 2012 to December 31, 2014. The lease is for \$23,400 payable in monthly installments of \$650. At the expiration of the lease the Bureau began renting on a month to month basis at the same monthly rent of \$650. Lease expense amounted to \$7,800 for both the years ended December 31, 2015 and 2014.

### **NOTE 5 – Off Balance Sheet Risk**

The Bureau maintains cash balances at two primary banks. Deposits at these institutions are insured by the Federal Deposit Insurance Corporation. The Bureau had deposits in excess of the federally insured limits at various times throughout the year. At December 31, 2015 and 2014, the Bureau had uninsured cash balances of \$135,900 and \$91,793, respectively.

### **NOTE 6 – Concentrations**

DeKalb County Visitors Bureau, Inc. received 99.5% and 98.1% of its income for the years ended December 31, 2015 and 2014, respectively, from the DeKalb County Indiana's innkeeper's tax. Were it to occur, a significant reduction in the amount of this funding would have a major effect on the operations of the Bureau.

### **NOTE 7 – Subsequent Events**

In preparing these financial statements, the Bureau has evaluated events and transactions for potential recognition or disclosure through October 13, 2016, the date the financial statements were available to be issued.

**SUPPLEMENTARY INFORMATION**

**DEKALB COUNTY VISITORS BUREAU, INC.**  
**Schedule of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2015**

	Program Services	Supporting Services		Total Expenses
		Management and General	Fund Raising	
<b>Compensation</b>				
Salaries and wages	\$ 66,295	\$ 30,983	\$	\$ 97,278
Payroll taxes	5,013	2,700		7,713
Subtotal	<u>71,308</u>	<u>33,683</u>		<u>104,991</u>
Advertising and promotion	98,023			98,023
Bank charges	140			140
Depreciation and amortization	7,906			7,906
Dues and subscriptions		3,878		3,878
Economic study	3,000			3,000
Grants	20,000			20,000
Insurance - directors and officers		902		902
Insurance - general	1,479	320		1,799
Internet	384			384
Kiosk	7,136			7,136
Legal and professional fees		3,930		3,930
Meals and entertainment		132		132
Office supplies and expenses		1,293		1,293
Printing and publications	11,562			11,562
Rent		7,800		7,800
Strategic planning	5,000			5,000
Telephone	2,656			2,656
Utilities		1,531		1,531
Total Expenses	<u>\$ 228,594</u>	<u>\$ 53,469</u>	<u>\$</u>	<u>\$ 282,063</u>

The Notes to Financial Statements  
are an integral part of the statements.

**DEKALB COUNTY VISITORS BUREAU, INC.**  
**Schedule of Functional Expenses - Modified Cash Basis**  
**For the Year Ended December 31, 2014**

	Program Services	Supporting Services		Total Expenses
		Management and General	Fund Raising	
<b>Compensation</b>				
Salaries and wages	\$ 59,796	\$ 26,500	\$	\$ 86,296
Payroll taxes	4,994	2,124		7,118
Subtotal	<u>64,790</u>	<u>28,624</u>		<u>93,414</u>
Advertising and promotion	101,856			101,856
Bank charges	77			77
Conferences and meetings	65			65
Depreciation	5,696			5,696
Dues and subscriptions		2,490		2,490
Grants	20,610			20,610
Insurance - directors and officers		879		879
Insurance - general		1,569		1,569
Internet	876			876
Kiosk	5,574			5,574
Legal and professional fees		7,265		7,265
Meals and entertainment		169		169
Office supplies and expenses		1,979		1,979
Printing and publications	12,470			12,470
Rent		7,800		7,800
Telephone	2,380			2,380
Utilities		1,197		1,197
Total Expenses	<u>\$ 214,394</u>	<u>\$ 51,972</u>	<u>\$</u>	<u>\$ 266,366</u>

The Notes to Financial Statements  
are an integral part of the statements.