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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

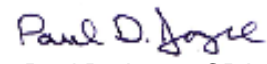
May 16, 2018

Board of Directors
Marshall County Convention and Visitors Bureau, Inc.
201 N. Michigan Street
Plymouth, IN 46563

We have reviewed the report prepared by Marshall County Convention and Visitors Bureau, Inc. and opined upon by Chambers & Co., CPA, LLC, Independent Public Accountants, for the period January 1, 2015 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Marshall County Convention and Visitors Bureau, Inc. as of December 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Chambers & Co., CPA, LLC 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

MARSHALL COUNTY CONVENTION
AND VISITORS BUREAU, INC.

Financial Statements

December 31, 2016 and 2015

CHAMBERS & CO., CPA, LLC
Certified Public Accountants
210 Fifth Street
Logansport, Indiana 46947

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CHAMBERS & CO., LLC
Certified Public Accountants
210 Fifth Street
Logansport, Indiana 46947

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Marshall County Convention and Visitors Bureau, Inc.

We have audited the accompanying financial statements of Marshall County Convention and Visitors Bureau, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016 and 2015 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 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 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 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 financial position of Marshall County Convention and Visitors Bureau, Inc. as of December 31, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Chambers & Co., CPA, LLC

Logansport, Indiana
September 9, 2017

MARSHALL COUNTY CONVENTION AND
VISITORS BUREAU, INC

STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

ASSETS

CURRENT ASSETS	2016	2015
CASH AND CASH EQUIVALENTS	\$ <u>6,127.47</u>	\$ <u>23,939.00</u>
TOTAL CURRENT ASSETS	6,127.47	23,939.00
FURNITURE AND EQUIPMENT, AT COST		
OFFICE FURNITURE AND EQUIPMENT	19,052.08	19,052.08
LESS: ACCUMULATED DEPRECIATION	<u>17,533.62</u>	<u>16,878.62</u>
TOTAL FURNITURE AND EQUIPMENT, NET	1,518.46	2,173.46
OTHER ASSETS		
WEBSITE & DATABASE	34,500.00	34,500.00
LESS: ACCUMULATED AMORTIZATION	<u>34,500.00</u>	<u>34,500.00</u>
TOTAL OTHER ASSETS	.00	.00
TOTAL ASSETS	\$ <u><u>7,645.93</u></u>	\$ <u><u>26,112.46</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
ACCOUNTS PAYABLE - TRADE	\$.00	\$ 247.50
WITHHELD AND ACCRUED PAYROLL TAXES	<u>2,295.30</u>	<u>2,667.65</u>
TOTAL CURRENT LIABILITIES	2,295.30	2,915.15
LONG-TERM LIABILITIES		
TOTAL LONG-TERM LIABILITIES	.00	.00
TOTAL LIABILITIES	<u>2,295.30</u>	<u>2,915.15</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>5,350.63</u>	<u>23,197.31</u>
TOTAL NET ASSETS	5,350.63	23,197.31
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>7,645.93</u></u>	\$ <u><u>26,112.46</u></u>

(THE ACCOMPANYING NOTES ARE AN INTERGRAL PART OF THESE FINANCIAL STATEMENTS)

MARSHALL COUNTY CONVENTION AND
VISITORS BUREAU, INC

STATEMENTS OF ACTIVITIES

For the Years ended December 31, 2016 and 2015

INCREASES IN UNRESTRICTED NET ASSETS:

	2016	2015
SUPPORT AND REVENUE		
INNKEEPER'S TAX	\$ 300,000.00	\$ 339,000.00
EVENT RECEIPTS	.00	11,219.25
TOTAL SUPPORT AND REVENUE	<u>300,000.00</u>	<u>350,219.25</u>

DECREASES IN UNRESTRICTED NET ASSETS:

EXPENSES		
SALARIES AND WAGES	78,248.16	72,941.55
PAYROLL TAXES	6,485.43	6,053.55
PUBLICATIONS/PROMOTIONS/RESEARCH	83,642.87	79,770.16
DUES AND SUBSCRIPTIONS	4,510.00	5,974.00
GROUP SALES	7,894.70	9,523.87
INSURANCE	18,424.08	17,301.32
OFFICE MAINTENANCE	2,133.16	1,949.43
PRINTING/POSTAGE/BROCHURE DISTR.	17,906.71	18,303.58
RENT	17,200.00	16,000.00
UTILITIES	2,722.42	3,351.00
TELEPHONE	4,403.37	4,648.65
TRAVEL/MILEAGE EXPENSE	2,726.39	6,593.81
DEPRECIATION	655.00	893.18
GRANT EXPENSE	39,327.19	39,271.02
LEGAL & ACCOUNTING	2,536.89	10,784.19
OFFICE DEVELOP. & EQUIP.	4,011.82	4,987.03
RETIREMENT	3,772.79	3,375.00
WEBSITE	9,459.17	8,661.43
MEETING EXPENSES	901.57	987.16
MISCELLANEOUS	402.96	412.73
EVENT EXPENSES	8,997.10	16,764.44
BARN QUILT EXPENSES	1,386.90	1,399.76
EDUCATION	98.00	3,644.45
TOTAL EXPENSES	<u>317,846.68</u>	<u>333,591.31</u>

INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS	(17,846.68)	16,627.94
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NET ASSETS AT BEGINNING OF YEAR	<u>23,197.31</u>	<u>6,569.37</u>
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NET ASSETS AT END OF YEAR	<u>\$ 5,350.63</u>	<u>\$ 23,197.31</u>
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(THE ACCOMPANYING NOTES ARE AN INTERGRAL PART OF THESE FINANCIAL STATEMENTS)

MARSHALL COUNTY CONVENTION AND
VISITORS BUREAU, INC

STATEMENTS OF CASH FLOWS

For the Years ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	\$ (17,846.68)	\$ 16,627.94
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	655.00	893.18
(INCREASE)/DECREASE IN CURRENT LIABILITIES--		
ACCOUNTS PAYABLE - TRADE	(247.50)	247.50
PREPAID RENT	.00	1,300.00
WITHHELD AND ACCRUED PAYROLL TAXES	(372.35)	584.65
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:	(17,811.53)	19,653.27
CASH FLOWS FROM INVESTING ACTIVITIES:		
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES:	.00	.00
CASH FLOWS FROM FINANCING ACTIVITIES:		
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES:	.00	.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(17,811.53)	19,653.27
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD	<u>23,939.00</u>	<u>4,285.73</u>
CASH AND CASH EQUIVALENTS AS OF END OF PERIOD	<u>\$ 6,127.47</u>	<u>\$ 23,939.00</u>

(THE ACCOMPANYING NOTES ARE AN INTERGRAL PART OF THESE FINANCIAL STATEMENTS)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Marshall County Convention and Visitors Bureau, Inc. (the Organization) is located in Plymouth, Indiana and promotes and encourages the development and growth of conventions, trade shows, visitors or special events in Marshall County, Indiana. The Organization's support comes from Marshall County Convention and Tourism Committee (the Committee).

Basis of Presentation

The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) 958-210-45. Under ASC 958-210-45, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporary restricted net assets, and permanently restricted assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

Furniture and Equipment

Purchased furniture and equipment is capitalized at cost. Donations of furniture and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expiration of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Furniture and equipment are depreciated using the declining balance method over the estimated useful lives of the assets, which generally range from five to seven years. Expenditures for maintenance, repairs, and certain elements of renewals are charged to operations as incurred. Additions and betterments are capitalized.

Items with a cost or fair market value of less than \$1,000 are expensed.

(Continued)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016 and 2015

(Continued)

Income Taxes

The Organization is a not-for-profit organization exempt from federal and state taxation under Internal Revenue Code Section 501(c)(6) and incorporated under the Indiana General Not-for-Profit Act. Accordingly, there are no provisions for federal and state income taxes. The Organization's tax returns for 2014, 2015, and 2016 are subject to examination by the IRS and Indiana Department of Revenue, generally for three years after they were filed.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly-liquid instruments purchased with a maturity date of three months or less to be cash equivalents.

Donated Services

No amounts have been recorded in the financial statements for donated services. The Organization generally pays for most services requiring specific expertise.

Advertising

The Organization expenses advertising costs as they are incurred. The total advertising expenses for the years ended December 31, 2016 and 2015 was \$83,643 and \$79,770, respectfully.

Donor-Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

NOTE B LEASE

September 1, 2013, the Organization moved out of the building it was leasing from the City of Plymouth and began leasing a building from JMU Properties, LLC. The lease was renewed September 1, 2016. The term of the lease is for 60 months. The future payments are as follows:

<u>Year</u>	<u>Amount</u>
2017	18,800
2018	20,400
2019	20,800
2020	22,000
2021	15,200
Thereafter	0

(Continued)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015
(Continued)

NOTE C FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported for cash and cash equivalents approximate fair value because of the short maturities of those instruments.

NOTE D FUNCTIONAL EXPENSES

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The Program Services of the Organization are advertising and promotion of activities described in NOTE A.

Year ended December 31, 2016

<i>Functional Expenses</i>	<i>Program Services</i>	<i>Management & General</i>	<i>Total</i>
Salaries & Wages	72,579.36	5,668.80	78,248.16
Payroll Taxes	5,512.62	972.81	6,485.43
Publications/Promo	83,642.87	0.00	83,642.87
Dues & Subscriptions	3,833.50	676.50	4,510.00
Group Sales	7,894.70	0.00	7,894.70
Insurance	15,660.47	2,763.61	18,424.08
Office Maintenance	1,813.19	319.97	2,133.16
Printing/Postage/Broc	17,906.71	0.00	17,906.71
Rent	14,620.00	2,580.00	17,200.00
Utilities	2,314.06	408.36	2,722.42
Telephone	3,742.86	660.51	4,403.37
Travel/Mileage	2,317.43	408.96	2,726.39
Depreciation	655.00	0.00	655.00
Education	49.00	49.00	98.00
Grant Expense	39,327.19	0.00	39,327.19
Legal & Accounting	2,156.36	380.53	2,536.89
Office Devel & Equip	3,410.05	601.77	4,011.82
Retirement	3,206.87	565.92	3,772.79
Website	9,459.17	0.00	9,459.17
Miscellaneous	0.00	402.96	402.96
Meeting Expenses	766.33	135.24	901.57
Barn Quilt Expense	1,386.90	0.00	1,386.90
Event Expense	8,997.10	0.00	8,997.10
Total Expenses	<u>\$301,251.74</u>	<u>\$ 16,594.94</u>	<u>\$317,846.68</u>

(Continued)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015
(Continued)

Year ended December 31, 2015

<i>Functional Expenses</i>	<i>Program Services</i>	<i>Management & General</i>	<i>Total</i>
Salaries & Wages	67,997.40	4,944.15q	72,941.55
Payroll Taxes	5,145.52	908.03	6,053.55
Publications/Promo	79,770.16	0.00	79,770.16
Dues & Subscriptions	5,077.90	896.10	5,974.00
Group Sales	9,523.87	0.00	9,523.87
Insurance	14,706.12	2,595.20	17,301.32
Office Maintenance	1,657.02	292.41	1,949.43
Printing/Postage/Broc	18,303.58	0.00	18,303.58
Rent	13,600.00	2,400.00	16,000.00
Utilities	2,848.35	502.65	3,351.00
Telephone	3,951.35	697.30	4,648.65
Travel/Mileage	5,604.74	989.07	6,593.81
Depreciation	893.18	0.00	893.18
Education	1,822.22	1,822.22	3,644.45
Grant Expense	39,271.02	0.00	39,271.02
Legal & Accounting	9,166.56	1,617.63	10,784.19
Office Devel & Equip	4,238.98	748.05	4,987.03
Retirement	2,868.75	506.25	3,375.00
Website	8,661.43	0.00	8,661.43
Miscellaneous	0.00	412.73	412.73
Meeting Expenses	839.08	148.07	987.16
Barn Quilt Expense	1,399.76	0.00	1,399.76
Event Expense	16,764.44	0.00	16,764.44
Total Expenses	<u>\$314,111.44</u>	<u>\$ 19,479.87</u>	<u>\$333,591.31</u>

NOTE E RELATED PARTY

The Organization's board of directors are appointed by the Marshall County Convention and Tourism Committee (Committee). The purpose of the Organization is to carry out the day to day activities of the Committee. The Committee provided \$300,000 and \$339,000 to the Organization for the years ended December 31, 2016 and 2015, respectfully. The Committee's support comes from the Marshall County's Innkeeper's Tax.

NOTE F RETIREMENT

The Organization makes discretionary contributions to the Executive Director and the Assistant Director for retirement. For the years ended December 31, 2016 and 2015 the payments totaled \$3,773 and \$3,375, respectfully.

(Continued)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2016 and 2015
(Continued)

NOTE G SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 9, 2017, the date which the financial statements were available to be issued.