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September 6, 2018

Board of Directors
Steuben County Tourism Bureau, Inc.
430 N. Wayne Street, Suite 1 B
Angola, IN 46703

We have reviewed the report prepared by Steuben County Tourism Bureau, Inc. and opined upon by Thomas S. Danford, CPA, 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 Steuben County 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.

In our opinion, Thomas S. Danford, CPA 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
Paul D. Joyce, CPA
State Examiner

Financial Statements

**Steuben County
Tourism Bureau, Inc.**

December 31, 2015

Steuben County Tourism Bureau, Inc.

Financial Statements

December 31, 2015

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Thomas S. Danford Certified Public Accountant

Independent Auditor's Report

The Board of Directors
Steuben County Tourism Bureau, Inc.
430 N. Wayne Street, Suite 1B
Angola, Indiana 46703

I have audited the accompanying financial statements of Steuben County Tourism Bureau, Inc. (a nonprofit organization) which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2015, 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, 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 method of accounting as described in Note 1; this includes determining that the modified cash basis method 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

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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Steuben County Tourism Bureau, Inc. as of December 31, 2015, and its revenue, and expenses for the year then ended in accordance with the modified cash basis method of accounting as described in Note 1.

Basis of Accounting

I 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 method of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. My opinion is not modified with respect to that matter.

Thomas S. Danford
Certified Public Accountant
Angola, Indiana
August 1, 2016

Steuben County Tourism Bureau, Inc.

Statement of Assets, Liabilities and Net Assets – Modified Cash Basis

December 31, 2015

<u>ASSETS</u>		
<u>Current Assets</u>		
Cash		\$ 176,738
<u>Property and Equipment</u>		
Furniture and Equipment	\$ 80,079	
Less Accumulated Depreciation	<u>51,901</u>	
<u>Total Property and Equipment – Net of Depreciation</u>		<u>28,178</u>
 <u>TOTAL ASSETS</u>		
		<u>\$ 204,916</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Liabilities</u>		
Accrued and Withheld Payroll Taxes		\$ 2,583
<u>Net Assets</u>		
Unrestricted	\$ 180,397	
Restricted	<u>21,936</u>	
<u>Total Net Assets</u>		<u>202,333</u>
 <u>TOTAL LIABILITIES AND NET ASSETS</u>		
		<u>\$ 204,916</u>

See Notes to Financial Statements

Steuben County Tourism Bureau, Inc.

Statement of Revenues and Expenses – Modified Cash Basis
For the year ended December 31, 2015

<u>Revenues</u>	
Innkeeper's Tax Commission	\$ 445,000
Interest Income	<u>37</u>
<u>Total Revenues</u>	445,037
<u>Expenses</u>	
Administrative Personnel Expenses:	
Salaries and Wages	\$ 111,920
Employee Medical Benefits	4,800
Payroll Taxes	9,037
Retirement Benefits	<u>5,596</u>
	<u>131,353</u>
Marketing and Promotion Expenses:	
Communications	33,741
Economic Development	16,889
Technology Services	68,884
Traditional Media	133,374
Visitor Information Services	<u>18,535</u>
	<u>271,423</u>
Operational Expenses:	
Legal and Accounting	4,995
Postage	11,407
Rent	11,925
Insurance	1,174
Travel and Meetings	4,016
Utilities	1,694
Vehicle	<u>2,438</u>
	<u>37,649</u>
Visitors Center Expenses:	
Depreciation and Amortization	<u>7,415</u>
<u>Total Expenses</u>	<u>447,840</u>
<u>(Decrease) in Net Assets</u>	<u>\$ (2,803)</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, 2015

<u>Net Assets</u> – Beginning of Year	\$ 205,136
<u>(Decrease)</u> in Net Assets	<u>(2,803)</u>
<u>Net Assets</u> – End of Year	<u>\$ 202,333</u>

See Notes to Financial Statements

Steuben County Tourism Bureau, Inc.

Notes to Financial Statements
December 31, 2015

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 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. Should the Tax Commission choose to discontinue the grants the organization would cease to operate.

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 if not paid on December 31. 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, 2015

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. Depreciation expense amounted to \$7,415.

Subsequent Events

The Bureau has evaluated subsequent events through August 1, 2016, the date which the financial statements were available to be issued.

Note 2 – Operating Leases:

On August 1, 2014 the Bureau entered into a two year a non-cancelable operating lease for office space payable \$900 each month. The Bureau is responsible for a pro-rata share of utilities, certain limited maintenance costs, real estate taxes, and certain insurance costs. Future minimum rental payments due under the lease are as follows:

2016	6,300
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During 2015 rent and related occupancy expenses amounted to \$11,925.

At the May 18, 2016 Board Meeting the Board voted to extend this lease for one year resulting in an additional commitment of approximately \$12,000 through July 31, 2017.

Additionally, the Organization has agreed in principle to locate at an undetermined future date to a proposed Northern Indiana Lakes Country Enterprise Center which is being coordinated by the Steuben County Economic Development Corporation. At this time there are many contingencies before the relocation will come to fruition, however, the Company has made a tentative commitment of \$50,000 in leasehold improvements should the other funding contingencies be realized.



Thomas S. Danford Certified Public Accountant

Independent Auditor's 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.
430 N. Wayne Street, Suite 1B
Angola, Indiana

I have audited, in accordance with the 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, the financial statements of Steuben County Tourism Bureau, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2015, 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, and the related notes to the financial statements, and have issued my report thereon dated August 1, 2016.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Steuben County Tourism Bureau, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Steuben County Tourism Bureau, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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**

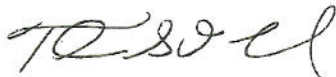
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Steuben County Tourism Bureau, Inc.'s financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Thomas S. Danford
Certified Public Accountant
Angola, Indiana
August 1, 2016