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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 Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period January 1, 2016 to December 31, 2016. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of Steuben County Tourism 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, Dulin, Ward & DeWald, Inc. 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

STEUBEN COUNTY TOURISM BUREAU, INC.

FINANCIAL STATEMENTS

Year Ended December 31, 2016

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Steuben County Tourism Bureau, Inc.
Angola, Indiana

We 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, 2016, and the related statements of support, revenue, expenses and change in net assets – modified cash basis and cash flows – 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 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatements 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 the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

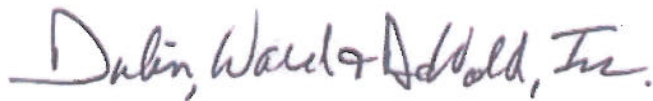
In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Steuben County Tourism Bureau, Inc. as of December 31, 2016, and its support, revenue and expenses and cash flows for the year then ended in accordance with 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 Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 10 is presented for the purpose of additional analysis and is 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 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.



Fort Wayne, Indiana
October 1, 2017

STEUBEN COUNTY TOURISM BUREAU, INC.
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS
December 31, 2016

ASSETS

Cash	\$ 224,051
Fixed assets - net	<u>22,765</u>
Total Assets	<u><u>\$ 246,816</u></u>

LIABILITIES AND NET ASSETS

Payroll withholding and accruals	\$ 3,148
Net Assets:	
Unrestricted	<u>243,668</u>
Total Liabilities and Net Assets	<u><u>\$ 246,816</u></u>

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

STEBEN COUNTY TOURISM BUREAU, INC.
STATEMENT OF SUPPORT, REVENUE, EXPENSES AND CHANGE IN
NET ASSETS - MODIFIED CASH BASIS
Year Ended December 31, 2016

CHANGES IN UNRESTRICTED NET ASSETS

Support and Revenue:

Steuben County Innkeepers Tax	\$ 455,000
Rent income	11,200
Investment income	<u>51</u>
Total Support and Revenue	466,251

Expenses:

Program services	356,448
Management and general	<u>68,468</u>
Total Expenses	<u>424,916</u>

CHANGE IN UNRESTRICTED NET ASSETS 41,335

NET ASSETS - January 1, 2016 202,333

NET ASSETS - December 31, 2016 \$ 243,668

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

STEUBEN COUNTY TOURISM BUREAU, INC.
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 41,335
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	7,287
Changes in assets and liabilities:	
Increase (decrease) in:	
Payroll withholdings and accruals	<u>565</u>
Cash Flows From Operating Activities	<u>49,187</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	<u>(1,874)</u>
INCREASE (DECREASE) IN CASH	47,313
CASH - January 1, 2016	<u>176,738</u>
CASH - December 31, 2016	<u><u>\$ 224,051</u></u>

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

STEBEN COUNTY TOURISM BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2016

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Steuben County Tourism Bureau, Inc. (the Bureau) is a non-profit organization located in Angola, Indiana, Steuben County. The Bureau was formed to promote and develop the tourism industry in Steuben County for the economic growth of the community. 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.

Income Taxes

The Bureau is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code. The Bureau has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Estimates

The process of preparing financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

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 are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis include recognition of fixed assets and related depreciation and payroll tax withholdings. This basis differs from generally accepted accounting principles primarily because the Bureau has not recognized accounts payable and accruals and their related effects on earnings in the accompanying financial statements.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(continued)

Fixed Assets

Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. The Bureau follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets.

Contributions

All contributions are considered to be available for the general operations of the Bureau unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. In the case of temporarily restricted support, when the 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. By definition, permanently restricted support must be maintained in perpetuity. Restrictions on these net assets do not expire and no assets are reclassified in the statement of activities.

Subsequent Events

Management has evaluated subsequent events through October 1, 2017, the date which the financial statements were available for issue.

2. FIXED ASSETS

The components of fixed assets are as follows:

Furniture and equipment	\$ 37,746
Vehicle	<u>26,707</u>
	64,453
Accumulated depreciation	<u>41,688</u>
	<u>\$ 22,765</u>

3. OPERATING LEASE – RELATED PARTY

The Bureau leases office space from a company owned by a board member under a net operating lease expiring July 2018. Monthly payments are \$900 and rental expense under the noncancelable lease was \$11,756 for 2016.

Minimum future rental payments under the noncancelable operating leases as of December 31, 2016 for each of the next five years and in the aggregate are as follows:

2017	\$ 10,800
2018	6,300
2019	-
2020 and thereafter	<u>-</u>
Total lease commitments	<u>\$ 17,100</u>

4. ADVERTISING

Advertising costs are charged to operations as incurred and totaled \$114,735 for 2016.

5. RETIREMENT PLAN

The Bureau sponsors a SIMPLE retirement plan for its employees. All full-time employees are eligible to participate. The Bureau matches 6.25% of the employee’s compensation. Total expense was \$6,022 for 2016.

6. CREDIT RISK AND CONCENTRATIONS

The Steuben County Tourism Bureau, Inc. maintains its cash at a local bank. The cash balance is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. As of December 31, 2016, deposits in excess of the insured amount totaled \$11,916.

The Steuben County Tourism Bureau, Inc. received 98% of its revenue from Steuben County, Indiana from collections of innkeepers tax. A significant reduction in the level of this support, if it were to occur, may have an effect on the Bureau’s programs and activities.

7. RELATED PARTIES

The Bureau leases office space from a company owned by a board member. During 2016, the Bureau paid \$11,756 of rent to the company.

STEUBEN COUNTY TOURISM BUREAU, INC.
SCHEDULE OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2016

	Program Services	Management and General	Total
Salaries	\$ 82,224	\$ 27,408	\$ 109,632
Payroll taxes	6,857	2,286	9,143
Employee benefits	8,116	2,706	10,822
	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	97,197	32,400	129,597
Traditional media	114,735	-	114,735
Technology services	63,211	-	63,211
Communications	42,904	4,242	47,146
Postage	12,182	-	12,182
Economic development	11,775	-	11,775
Rent	-	11,756	11,756
Telephone	-	7,003	7,003
Professional fees	-	4,995	4,995
Office supplies	-	4,391	4,391
Travel and meeting	4,056	-	4,056
Visitor information services	4,038	-	4,038
Utilities	-	1,766	1,766
Vehicle	978	-	978
	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	351,076	66,553	417,629
Depreciation expense	5,372	1,915	7,287
	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 356,448</u>	<u>\$ 68,468</u>	<u>\$ 424,916</u>

See independent auditors' report.