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October 9, 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, 2016 to December 31, 2017. 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, 2017 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, 2017 and 2016**

## CONTENTS

	<b>Page</b>
<b>FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT</b>	
Independent Auditor's Report	1-2
Statements of Assets, Liabilities and Net Assets – Modified Cash Basis	3
Statements of Revenues, Expenses and Net Assets – Modified Cash Basis	4
Notes to Financial Statements	5-6
<b>Supplementary Information</b>	
Schedules of Functional Expenses – Modified Cash Basis	7-8

# LEONARD J. ANDORFER & CO., LLP

Certified Public Accountants & Business Consultants

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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, 2017 and 2016, 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.

### **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, 2017 and 2016, 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

July 10, 2018

**DEKALB COUNTY VISITORS BUREAU, INC.**

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

<b>ASSETS</b>	<u>December 31 2017</u>	<u>December 31 2016</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 561,221	\$ 536,348
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	54,731	52,984
Leasehold improvements	<u>8,691</u>	<u>8,691</u>
	63,422	61,675
Less: accumulated depreciation	<u>( 49,863 )</u>	<u>( 45,892 )</u>
Total Property and Equipment (net)	13,559	15,783
<b>OTHER ASSETS</b>		
Security deposit	650	650
Unamortized website	<u>6,281</u>	<u>9,166</u>
Total Other Assets	<u>6,931</u>	<u>9,816</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 581,711</u></u>	<u><u>\$ 561,947</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Payroll taxes withheld	\$ 4,785	\$ 2,719
<b>NET ASSETS</b>		
Unrestricted net assets	576,926	559,228
Temporarily restricted net assets	-	-
Permanently restricted net assets	<u>-</u>	<u>-</u>
	<u>576,926</u>	<u>559,228</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 581,711</u></u>	<u><u>\$ 561,947</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, 2017 and 2016**

	2017	2016
	<u>Unrestricted</u>	<u>Unrestricted</u>
<b>REVENUE</b>		
Innkeeper's tax	\$ 340,064	\$ 322,969
Interest income	450	581
Kiosk	900	4,200
	<hr/>	<hr/>
Total Revenue	341,414	327,750
<b>EXPENSES</b>		
<b>Program Services</b>	262,871	239,075
<b>Supporting Services</b>		
Management and general	60,845	61,069
Fundraising	-	-
	<hr/>	<hr/>
Total Expenses	323,716	300,144
	<hr/>	<hr/>
<b>CHANGE IN NET ASSETS</b>	17,698	27,606
<b>NET ASSETS - BEGINNING OF YEAR</b>	559,228	531,622
	<hr/>	<hr/>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 576,926</u>	<u>\$ 559,228</u>

The Notes to Financial Statements  
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## 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 prepares its financial statements 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. The cash basis has been modified to depreciate property and equipment and record withheld and accrued payroll taxes. Under this basis, revenues are generally recognized when collected rather than when earned, and expenses are generally recognized when paid rather than when 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.

**Advertising Costs** – Advertising and promotional programs are charged to expense during the period in which they are incurred. Expenses totaled \$123,837 and \$102,970 for the years ended December 31, 2017 and 2016, respectively.

**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 \$4,384 for 2017 and \$5,413 for 2016.

**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.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

### NOTE 2 - Summary of Significant Accounting Policies (Continued)

**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 2017 or 2016. The company is generally no longer subject to examination by the Internal Revenue Service for years before 2014.

### 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 \$2,473 and \$2,473 for 2017 and 2016, respectively.

### 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, 2017 and 2016.

### 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, 2017 and 2016, the Bureau had uninsured cash balances of \$193,392 and \$168,551, respectively.

### NOTE 6 - Concentrations

DeKalb County Visitors Bureau, Inc. received 99.6% and 98.5% of its income for the years ended December 31, 2017 and 2016, 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 July 10, 2018, 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, 2017**

	Program Services	Supporting Services		Total Expenses
		Management and General	Fund Raising	
<b>Compensation</b>				
Salaries and wages	\$ 83,140	\$ 39,125	\$	\$ 122,265
Payroll taxes	6,598	3,105		9,703
Subtotal	<u>89,738</u>	<u>42,230</u>		<u>131,968</u>
Advertising and promotion	123,837			123,837
Conferences and meetings	147			147
Depreciation and amortization	6,857			6,857
Dues and subscriptions		2,250		2,250
Economic study	3,200			3,200
Grants	20,000			20,000
Insurance - directors and officers		902		902
Insurance - general	1,695	367		2,062
Internet	511			511
Kiosk	1,377			1,377
Legal and professional fees		3,168		3,168
Meals and entertainment		60		60
Office supplies and expenses		2,746		2,746
Printing and publications	12,275			12,275
Rent		7,800		7,800
Telephone	3,234			3,234
Utilities		1,322		1,322
Total Expenses	<u>\$ 262,871</u>	<u>\$ 60,845</u>	<u>\$</u>	<u>\$ 323,716</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, 2016**

	Program Services	Supporting Services		Total Expenses
		Management and General	Fund Raising	
<b>Compensation</b>				
Salaries and wages	\$ 76,748	\$ 36,117	\$	\$ 112,865
Payroll taxes	6,068	2,855		8,923
Subtotal	82,816	38,972		121,788
Advertising and promotion	102,970			102,970
Bank charges	50			50
Depreciation and amortization	7,887			7,887
Dues and subscriptions		1,590		1,590
Grants	20,000			20,000
Insurance - directors and officers		902		902
Insurance - general	1,560	337		1,897
Internet	6,496			6,496
Legal and professional fees		7,915		7,915
Meals and entertainment		298		298
Office supplies and expenses		2,012		2,012
Printing and publications	14,112			14,112
Rent		7,800		7,800
Telephone	3,184			3,184
Utilities		1,243		1,243
Total Expenses	<u>\$ 239,075</u>	<u>\$ 61,069</u>	<u>\$</u>	<u>\$ 300,144</u>

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