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September 26, 2019

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

We have reviewed the audit report of Steuben County Tourism Bureau, Inc. which was opined upon by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. 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, 2017 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 the audit report in accordance with guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in blue ink that reads "Paul D. Joyce".

Paul D. Joyce, CPA  
State Examiner

**STEUBEN COUNTY TOURISM BUREAU, INC.**

**FINANCIAL STATEMENTS**

**Years Ended December 31, 2017 and 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, 2017 and 2016, and the related statements of support, revenue, expenses and change in net assets – modified cash basis, functional expenses – modified cash basis and cash flows – 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 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 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 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.

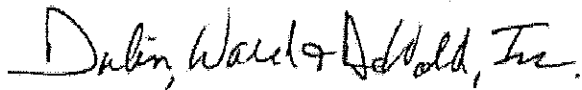
We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**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, 2017 and 2016, and its support, revenue and expenses and cash flows for the years 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.



Fort Wayne, Indiana  
July 30, 2018

**STEUBEN COUNTY TOURISM BUREAU, INC.**  
**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -**  
**MODIFIED CASH BASIS**  
December 31, 2017 and 2016

	2017	2016 (As Restated)
<b>ASSETS</b>		
Cash	\$ 143,986	\$ 224,051
Fixed assets - net	<u>11,032</u>	<u>12,870</u>
<b>Total Assets</b>	<b><u>\$ 155,018</u></b>	<b><u>\$ 236,921</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
Payroll withholding and accruals	\$ 3,374	\$ 3,148
Net Assets:		
Unrestricted	<u>151,644</u>	<u>233,773</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 155,018</u></b>	<b><u>\$ 236,921</u></b>

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

**STEBEN COUNTY TOURISM BUREAU, INC.**  
**STATEMENTS OF SUPPORT, REVENUE, EXPENSES AND CHANGE IN**  
**NET ASSETS - MODIFIED CASH BASIS**  
Years Ended December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b> <b>(As Restated)</b>
<b>CHANGES IN UNRESTRICTED NET ASSETS</b>		
<b>Support and Revenue:</b>		
Steuben County Innkeepers Tax	\$ 356,250	\$ 455,000
Rent income	9,600	11,200
Investment income	41	51
<b>Total Support and Revenue</b>	365,891	466,251
<b>Expenses:</b>		
Program services	379,627	356,448
Management and general	68,393	69,237
<b>Total Expenses</b>	448,020	425,685
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	(82,129)	40,566
<b>NET ASSETS - beginning of year -</b> as previously recorded	233,773	202,333
<b>PRIOR PERIOD ADJUSTMENT</b>	-	(9,126)
<b>NET ASSETS - end of year</b>	<b>\$ 151,644</b>	<b>\$ 233,773</b>

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

**STEBEN COUNTY TOURISM BUREAU, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS**  
Year Ended December 31, 2017

	Program Services	Management and General	Total
Salaries	\$ 87,022	\$ 29,008	\$ 116,030
Payroll taxes	7,001	2,334	9,335
Employee benefits	8,116	2,706	10,822
	<hr/>	<hr/>	<hr/>
<b>Total Salaries and Related Expenses</b>	102,139	34,048	136,187
Traditional media	121,946	-	121,946
Technology services	67,605	-	67,605
Communications	48,574	907	49,481
Economic development	14,204	-	14,204
Postage	11,440	-	11,440
Rent	-	10,800	10,800
Telephone	-	8,298	8,298
Visitor information services	5,161	-	5,161
Office supplies	-	4,667	4,667
Professional fees	-	4,000	4,000
Travel and meeting	3,492	-	3,492
Utilities	-	2,068	2,068
Vehicle	1,812	-	1,812
Occupancy	-	1,363	1,363
Insurance	-	1,158	1,158
	<hr/>	<hr/>	<hr/>
<b>Total Expenses Before Depreciation</b>	376,373	67,309	443,682
Depreciation	3,254	1,084	4,338
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<u>\$ 379,627</u>	<u>\$ 68,393</u>	<u>\$ 448,020</u>

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

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

	Program Services	Management and General	Total (As Restated)
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/>
<b>Total Salaries and Related Expenses</b>	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
Economic development	11,775	-	11,775
Postage	12,182	-	12,182
Rent	-	10,800	10,800
Telephone	-	7,003	7,003
Visitor information services	4,038	-	4,038
Office supplies	-	4,391	4,391
Professional fees	-	4,995	4,995
Travel and meeting	4,056	-	4,056
Utilities	-	1,766	1,766
Vehicle	978	-	978
Occupancy	-	956	956
	<hr/>	<hr/>	<hr/>
<b>Total Expenses Before Depreciation</b>	351,076	66,553	417,629
Depreciation	5,372	2,684	8,056
	<hr/>	<hr/>	<hr/>
<b>Total Expenses</b>	<u>\$ 356,448</u>	<u>\$ 69,237</u>	<u>\$ 425,685</u>

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

**STEUBEN COUNTY TOURISM BUREAU, INC.**  
**STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS**  
Years Ended December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b> <b>(As Restated)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (82,129)	\$ 40,566
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	4,338	8,056
Changes in assets and liabilities:		
Increase (decrease) in:		
Payroll withholdings and accruals	226	565
	<u>(77,565)</u>	<u>49,187</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<u>(2,500)</u>	<u>(1,874)</u>
<b>INCREASE (DECREASE) IN CASH</b>	(80,065)	47,313
<b>CASH - beginning of year</b>	<u>224,051</u>	<u>176,738</u>
<b>CASH - end of year</b>	<u>\$ 143,986</u>	<u>\$ 224,051</u>

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

**STEUBEN COUNTY TOURISM BUREAU, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2017 and 2016

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Steuben County Tourism Bureau, Inc. (Bureau) is a nonprofit 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.

**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 grants receivable, 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.

**Reclassification**

Certain reclassifications have been made to conform prior years' financial statements to the current presentation. The reclassifications have no effect on previously reported operational results.

**Subsequent Events**

Management has evaluated subsequent events through July 30, 2018, the date which the financial statements were available for issue.

2. **FIXED ASSETS**

The components of fixed assets are as follows:

	2017	2016
Furniture and equipment	\$ 40,246	\$ 37,746
Vehicle	<u>26,707</u>	<u>26,707</u>
	66,953	64,453
Accumulated depreciation	<u>55,921</u>	<u>51,583</u>
	<u>\$ 11,032</u>	<u>\$ 12,870</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 \$10,800 for 2017 and 2016.

Minimum future rental payments under the noncancelable operating leases as of December 31, 2017 for each of the next five years and in the aggregate are as follows:

2018	\$ 6,300
2019	-
2020	-
2021 and thereafter	<u>-</u>
Total lease commitments	<u>\$ 6,300</u>

**4. ADVERTISING**

Advertising costs are charged to operations as incurred and totaled \$121,946 for 2017 and \$114,735 for 2016.

**5. RETIREMENT PLAN**

The Bureau sponsors a SEP 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 2017 and \$6,022 for 2016.

**6. CREDIT RISK AND CONCENTRATIONS**

The Steuben County Tourism Bureau, Inc. received 97% of its revenue in 2017 and 98% of its revenue in 2016 from Steuben County's 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. RESTATEMENT AND PRIOR PERIOD ADJUSTMENT**

The accompanying financial statements for 2016 have been restated to correct an error in the recording of depreciation made in 2016 and prior. The effect of the restatement in 2016 was to increase depreciation expense and accumulated depreciation and decrease the change in unrestricted net assets by \$769. Unrestricted net assets at the beginning of 2016 were decreased by \$9,126 for the effects of the restatement on prior years.