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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

November 1, 2019

Board of Directors
Dearborn County Chamber Of Commerce
320 Walnut Street
Lawrenceburg, IN 47025

We have reviewed the audit report of Dearborn County Chamber Of Commerce which was opined upon by Collins Heeb & Associates, Inc., Independent Public Accountants, for the period January 1, 2017 to December 31, 2017. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Dearborn County Chamber Of Commerce 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, Collins Heeb & Associates, 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.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

DEARBORN COUNTY CHAMBER OF COMMERCE

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2017 AND 2016

COLLINS HEEB & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

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COLLINS HEEB & ASSOCIATES, INC.
CERTIFIED PUBLIC ACCOUNTANTS

4903 VINE STREET
CINCINNATI, OH 45217-1252

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Dearborn County Chamber of Commerce
Lawrenceburg, Indiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Dearborn County Chamber of Commerce (an Indiana not-for-profit organization) which comprise the statements of financial position – modified cash basis as of December 31, 2017 and 2016, the related statements of activities – 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 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 the financial statements that are free from material misstatements, 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 audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 Dearborn County Chamber of Commerce at December 31, 2017 and 2016 and its activities and cash flows for the years then ended, on the basis of accounting described in Note 2.

Other Matters

Basis of Accounting and Supplementary Information

As described in Note 2, the Chamber prepares its financial statements on the modified cash basis; accordingly, accounts receivable are not recorded as income until collected and certain expenses are recorded when paid rather than when the obligation is incurred, except that the statements include a provision for depreciation of property and equipment. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of operating expenses – modified cash basis and functional revenue and expenses – modified cash basis, although not considered necessary for a fair presentation of financial position or results of operations, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements mentioned and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Collins Heeb & Associates, Inc

Cincinnati, Ohio
October 19, 2018

DEARBORN COUNTY CHAMBER OF COMMERCE
 STATEMENTS OF FINANCIAL POSITION – MODIFIED CASH BASIS

December 31, 2017 and 2016

<u>ASSETS</u>	<u>2017</u>	<u>2016</u>
Current assets:		
Cash:		
United Community Bank – 0.40%	\$144,646	\$141,207
Certificates of Deposit	93,021	92,616
Dearborn Savings Bank – Savings – 0.25%	29,965	29,896
Accounts receivable – CVB	<u> -</u>	<u> 1,023</u>
Total current assets	267,632	264,742
Furniture and equipment, at cost	16,116	16,116
Less accumulated depreciation	<u>15,232</u>	<u>14,880</u>
Net furniture and equipment	<u> 884</u>	<u> 1,236</u>
Total assets	<u>\$268,516</u>	<u>\$265,978</u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Federal and state income taxes payable	\$ -	\$ -
Accrued payroll taxes withheld	<u> 1,508</u>	<u> 813</u>
Total liabilities	1,508	813
Net assets – unrestricted	<u>267,008</u>	<u>265,165</u>
Total liabilities and net assets	<u>\$268,516</u>	<u>\$265,978</u>

See accompanying notes to financial statements.

DEARBORN COUNTY CHAMBER OF COMMERCE
 STATEMENTS OF ACTIVITIES – MODIFIED CASH BASIS

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Changes in unrestricted net assets:		
Support and revenue:		
Membership	\$120,225	\$119,783
Function revenue	41,608	34,019
City of Lawrenceburg	-	-
Insurance royalties	1,605	1,635
Ad Pack sales	850	1,200
Advertising – Directory	2,225	475
Interest	1,239	1,404
Miscellaneous	-	4
Dearborn County Economic Development	<u>-</u>	<u>-</u>
	167,752	158,520
Operating expenses	<u>165,909</u>	<u>175,810</u>
Increase (decrease) in unrestricted net assets	1,843	(17,290)
Net assets, beginning of year	<u>265,165</u>	<u>282,455</u>
Net assets, end of year	<u>\$267,008</u>	<u>\$265,165</u>

See accompanying notes to financial statements.

DEARBORN COUNTY CHAMBER OF COMMERCE

STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flow from operating activities:		
Increase (decrease) in unrestricted net assets	\$ 1,843	\$ (17,290)
Depreciation	352	358
(Increase) decrease in:		
Accounts receivable	1,023	(1,023)
Increase (decrease) in:		
Federal and state income taxes	-	-
Accounts payable and payroll taxes	<u>695</u>	<u>154</u>
Net cash provided by (used in) operating activities	3,913	(17,801)
Cash flows from investing activities:		
Expenditures for furniture and equipment	<u>-</u>	<u>-</u>
Net cash provided by (used in) investing activities	-	-
Net increase (decrease) in cash	3,913	(17,801)
Cash at beginning of year	<u>263,719</u>	<u>281,520</u>
Cash at end of year	<u><u>\$267,632</u></u>	<u><u>\$263,719</u></u>

See accompanying notes to financial statements.

DEARBORN COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

1. Nature of operations

Organization – Dearborn County Chamber of Commerce was incorporated in the State of Indiana as a not-for-profit organization on September 18, 1987. The Chamber's purpose is to advance business and development in Dearborn County, Indiana. The Chamber has a full-time executive director to organize, direct and lead the efforts of promoting development within Dearborn County, Indiana.

2. Summary of significant accounting policies

Basis of financial presentation - The Chamber maintains its books, records and accounts on the modified cash basis and prepares its tax returns on the modified cash basis. Under this basis the accounts receivable are recorded as income when collected rather than when earned; accounts payable and expenses are generally recorded when paid rather than when incurred. The accompanying financial statements are prepared on the modified cash basis and therefore present the Chamber's assets and liabilities resulting from cash transactions and its revenue received and expenses paid and its changes in cash, except that the statements include a provision for depreciation of furniture and equipment, and accrued payroll taxes.

Income earned but not collected and expenses incurred but not paid are not included in the financial statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Estimates in financial statements – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Fund accounting – To insure observance of limitations and restrictions placed on the use of resources available to the Chamber, the accounts of the Chamber are maintained in accordance with the principles of fund accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Accordingly, all financial transactions have been recorded and reported by fund groups.

The financial position of the Chamber is reported in one self-balancing fund group, as follows:

Unrestricted operating funds, which represent the portion of expendable funds that are available for support of the Chamber of Commerce programs.

Cash and cash equivalents – The Chamber considers cash and cash equivalents to include cash on hand, cash in banks, certificates of deposit and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

DEARBORN COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

2. Summary of significant accounting policies (continued)

Cash and cash equivalents (continued)

Certificates of deposit consist of the following:

	<u>2017</u>	<u>2016</u>
United Community Bank – 0.60%	\$62,914	\$62,647
First Financial Bank – 0.60%	<u>30,107</u>	<u>29,969</u>
	\$93,021	\$92,616
	=====	=====

Concentrations of credit risk – Financial instruments that potentially subject the Chamber to concentrations of credit risk consist principally of temporary cash. The Chamber places its temporary cash with two financial institutions. The financial institution's deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000. Uninsured cash balances were none at December 31, 2017 and 2016.

Revenue recognition – The Chamber records unrestricted revenue from fund raising and membership when received. Restricted revenue from grants, which are reimbursement of the actual costs of the programs are recorded as such costs incur. All grants and fund raising are considered available for unrestricted use unless specifically restricted by the donor. Revenue funds and grants received in advance for future programs and costs are recorded as restricted funds.

Investment income – Investment income is recorded when earned and is considered available for unrestricted purposes unless specifically restricted by the donor.

Income taxes – The Chamber is exempt from federal and state income taxes and accordingly no provision for income taxes has been made in the financial statements on the income from the Chamber's exempt activities. The Chamber's non-profit tax returns for the years 2015 through 2017 are open for income tax audits.

Advertising – The Chamber expenses advertising costs as incurred. Total advertising expense including marketing, electronic media, and printing was \$4,255 in 2017 and \$8,026 in 2016.

Property and equipment – The Chamber capitalizes at cost all expenditures for furniture and equipment. Repairs and maintenance are expensed currently.

Depreciation – The cost of furniture and equipment is depreciated on the straight-line method for all assets over the estimated useful lives of the assets. The ranges of depreciable lives for major asset classes are as follows:

Furniture and fixtures	5 - 10 years
Computer equipment	5 years

DEARBORN COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

3. Lease commitments

The Chamber leases office space on a month-to-month basis from the Dearborn County Convention, Visitor and Tourism Bureau. The monthly lease payments were none in 2017 and 2016. The annual rental expense was none for the years ended December 31, 2017 and 2016.

4. Employee benefit plans

The Chamber has a retirement plan for all full time employees whereby the Chamber contributes \$2,500 per eligible employee into a Simple IRA account. The plan does not provide for employee contributions. An eligible employee may elect to have the \$2,500 applied toward health insurance or the Simple IRA.

The Chamber also provides life and disability insurance benefits for eligible employees. Employee benefits expense is allocated among the Chamber of Commerce and Visitors Bureau. The Chamber's portion of the retirement and benefits expense was \$2,948 in 2017 and \$3,740 in 2016.

5. Subsequent events

The Chamber has evaluated subsequent events through October 19, 2018, the date the financial statements were issued. No significant events have occurred through this date requiring adjustment to the financial statements or disclosures.

6. Contingent liabilities

In the normal course of business the Chamber has incurred various commitments.

In cases where losses are possible but not probable, it is the Chamber's belief that their ultimate resolution will not have a material effect on the Chamber's financial position as of December 31, 2017 and 2016, or the results of its operations for the years then ended.

DEARBORN COUNTY CHAMBER OF COMMERCE

NOTES TO FINANCIAL STATEMENTS

December 31, 2017

7. Responsibilities for financial statements

The financial statements of Dearborn County Chamber of Commerce were prepared in accordance with the comprehensive basis of accounting principles for organizations on the modified cash basis. The integrity and consistency of these financial statements, and of other data presented in this report, are the responsibility of the Chamber and properly include some amounts that are based upon estimates and judgments.

The Chamber is further responsible for maintaining a system of internal controls, including internal accounting control, that provides an appropriate division of responsibility and is designed to assure that the books and records reflect the transactions of the Chamber and that its established policies and procedures are carefully followed. The system is constantly reviewed for its effectiveness and is augmented by written policies and guidelines, and the careful selection and training of qualified personnel.

SUPPLEMENTARY INFORMATION

DEARBORN COUNTY CHAMBER OF COMMERCE

OPERATING EXPENSES – MODIFIED CASH BASIS

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Salaries	\$ 81,652	\$ 82,558
Payroll taxes	7,450	7,339
Employee benefits	2,948	3,740
Travel and entertainment	2,305	2,243
Electronic Media	3,355	6,170
Internet communication	3,675	4,777
Office supplies and expense	1,040	1,895
Postage	195	1,506
Bank and credit card charges	1,726	1,242
Insurance/bonding	-	251
Board expenses	835	766
Telephone	600	600
Printing	900	1,856
Dues/subscriptions and fees	1,416	2,717
Depreciation	352	358
Bookkeeping	1,840	1,965
Function expenses	41,501	41,242
Small business development	3,563	5,495
Accounting fees	3,600	1,200
Membership directory	3,876	3,853
Newsletter	585	825
Newsprint	3,279	3,932
Expense adjustment	<u>(784)</u>	<u>(720)</u>
	<u>\$165,909</u>	<u>\$175,810</u>
	=====	=====

SUPPLEMENTARY INFORMATION

DEARBORN COUNTY CHAMBER OF COMMERCE

FUNCTION REVENUE AND EXPENSES – MODIFIED CASH BASIS

Years ended December 31, 2017 and 2016

<u>2017</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Income (Loss)</u>
Golf Outing	\$ 9,373	\$11,263	\$ (1,890)
Get Energized	4,245	1,419	2,826
Legislation Luncheon	2,350	1,131	1,219
Job Fair	1,925	2,429	(504)
Lunch and Learn	30	115	(85)
Annual Dinner	15,585	15,114	471
Leadership	4,050	1,174	2,876
Member Appreciation	-	3,597	(3,597)
Women of Distinction	<u>4,050</u>	<u>5,259</u>	<u>(1,209)</u>
	<u>\$41,608</u>	<u>\$41,501</u>	<u>\$ 107</u>

<u>2016</u>	<u>Revenue</u>	<u>Expenses</u>	<u>Income (Loss)</u>
Golf Outing	\$ 5,685	\$ 9,464	\$ (3,779)
Get Energized	3,905	2,154	1,751
Legislation Luncheon	2,550	244	2,306
Job Fair	3,397	7,923	(4,526)
Annual Dinner	14,732	12,656	2,076
Member Appreciation	-	3,439	(3,439)
Women of Distinction	<u>3,750</u>	<u>5,362</u>	<u>(1,612)</u>
	<u>\$34,019</u>	<u>\$41,242</u>	<u>\$ (7,223)</u>