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February 8, 2023

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

We have reviewed the audit report of Dearborn County Chamber of Commerce, Inc. which was opined upon by Munninghoff, Lange & Co., Independent Public Accountants, for the period January 1, 2019 to December 31, 2019. Per the *Independent Auditor's Report,* the financial statements included in the report present fairly the financial condition of Dearborn County Chamber of Commerce, Inc. as of December 31, 2019 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Munninghoff, Lange & Co. prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2019 AND 2018

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.

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MUNNINGHOFF, LANGE & CO.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying Statements of Financial Position – Modified Cash Basis of the Dearborn County Chamber of Commerce, Inc. (an Indiana not-for-profit organization) as of December 31, 2019 and 2018, the related Statements of Activities – 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; 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 audits 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.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position – modified cash basis of Dearborn County Chamber of Commerce, Inc. at December 31, 2019 and 2018 and its activities – modified cash basis, functional expenses – modified cash basis, and cash flows for the years then ended, on the basis of accounting described in Note 1.

Other Matters

Basis of Financial Presentation

As described in Note 1, 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.

Supplementary Information

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of 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.

Munninghoff Lange & Co.

Covington, KY
November 9, 2020

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.
STATEMENTS OF FINANCIAL POSITION
MODIFIED CASH BASIS
December 31, 2019 and 2018

ASSETS

	2019	2018
Current Assets		
Cash and cash equivalents	$ 230,521	$ 274,402
Total current assets	230,521	274,402
Property and Equipment		
Furniture and equipment	17,965	16,116
	17,965	16,116
Less accumulated depreciation	16,162	15,584
Net furniture and equipment	1,803	532
Total assets	$ 232,324	$ 274,934

LIABILITIES AND NET ASSETS

Liabilities		
Accrued payroll taxes	$ 1,286	$ 1,503
Total liabilities	1,286	1,503
Net Assets		
Net assets – without donor restrictions	231,038	273,431
Total liabilities and net assets	$ 232,324	$ 274,934

See accompanying notes.

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.
STATEMENTS OF ACTIVITIES
MODIFIED CASH BASIS
Years ended December 31, 2019 and 2018

	2019	2018
Support and revenue		
Membership	$ 114,707	$ 116,950
Function revenue	44,736	46,599
Ad Pack sales	1,550	1,200
Advertising – Directory	2,200	2,600
Insurance royalties	1,190	1,740
Interest	1,440	1,250
Total support and revenue	165,823	170,339
Expenses		
Operating expenses	208,216	163,916
Increase (decrease) in net assets - without donor restrictions	(42,393)	6,423
Net assets - without donor restrictions, beginning of year	273,431	267,008
Net assets - without donor restrictions, end of year	$ 231,038	$ 273,431

See accompanying notes.

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
MODIFIED CASH BASIS
Year ended December 31, 2019

	Program	Management and General	Fundraising	Total
Salaries	$ 86,829	$ -	$ -	$ 86,829
Payroll taxes	7,950	-	-	7,950
Employee benefits	244	-	-	244
Travel and entertainment	2,670	-	-	2,670
Internet communication	-	3,866	-	3,866
Office supplies and postage	-	1,893	-	1,893
Bank and credit card charges	-	2,771	-	2,771
Insurance/bonding	-	1,460	-	1,460
Board expenses	1,177	-	-	1,177
Telephone	-	800	-	800
Printing	-	112	-	112
Dues and subscriptions	-	1,617	-	1,617
Depreciation	-	578	-	578
Function expenses	52,795	-	-	52,795
Small business development and leadership	5,837	-	-	5,837
Accounting fees	-	10,000	-	10,000
Membership directory	4,713	-	-	4,713
Newsletter and newsprint	4,092	-	-	4,092
Advertising	4,356	-	-	4,356
Equipment	199	-	-	199
Miscellaneous	-	142		142
Community support	1,495	-	-	1,495
Charitable contributions	12,620	-	-	12,620
	$ 184,977	$ 23,239	$ -	$ 208,216

See accompanying notes.

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
MODIFIED CASH BASIS
Year ended December 31, 2018

	Program	Management and General	Fundraising	Total
Salaries	$ 82,500	$ -	$ -	$ 82,500
Payroll taxes	7,637	-	-	7,637
Employee benefits	1,210	-	-	1,210
Travel and entertainment	3,511	-	-	3,511
Internet communication	-	4,005	-	4,005
Office supplies	-	1,134	-	1,134
Postage	-	-	-	-
Bank and credit card charges	-	1,897	-	1,897
Insurance/bonding	-	710	-	710
Board expenses	1,038	-	-	1,038
Telephone	-	794	-	794
Printing	-	420	-	420
Dues and subscriptions	-	1,715	-	1,715
Depreciation	-	352	-	352
Function expenses	23,410	-	-	23,410
Small business development and leadership	6,468	-	-	6,468
Accounting fees	-	5,243	-	5,243
Membership directory	4,560	-	-	4,560
Newsletter and newsprint	2,959	-	-	2,959
Advertising	4,860	-	-	4,860
Website design	7,937	-	-	7,937
Strategic planning	813	-	-	813
Equipment	743	-	-	743
	$ 147,646	$ 16,270	$ -	$ 163,916

See accompanying notes.

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.
STATEMENTS OF CASH FLOWS
MODIFIED CASH BASIS
Years ended December 31, 2019 and 2018

	2019	2018
Cash flow from operating activities		
Increase (decrease) in net assets - without donor restrictions	$ (42,393)	$ 6,423
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities		
Depreciation	578	352
Changes in assets and liabilities		
Increase (decrease) in:		
Accrued payroll taxes	(217)	(5)
Net cash from operating activities	(42,032)	6,770
Cash flows from investing activities		
Expenditures for furniture and equipment	(1,849)	-
Net cash from investing activities	(1,849)	-
Net change in cash and cash equivalents	(43,881)	6,770
Cash and cash equivalents - beginning of year	274,402	267,632
Cash and cash equivalents - end of year	$ 230,521	$ 274,402

See accompanying notes.

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2019 and 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations
Dearborn County Chamber of Commerce, Inc. (The Chamber) 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.

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 is 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.

New Accounting Pronouncements
Presentation of Financial Statements of Not-for-Profit Entities
In August 2016, the FASB issued ASU No. 2016-14, "Presentation of Financial Statements of Not-for-Profit Entities" ("ASU 2016-14"). ASU 2016-14 amends the current reporting model for not-for-profit organizations and requires certain additional disclosures. The significant changes include:

- Requiring the presentation of two net asset classes classified as "net assets without donor restrictions" and "net assets with donor restrictions",
- Modifying the presentation of underwater endowment funds and related disclosures;
- Requiring the use of the placed-in-service approach to recognize the satisfactions of restrictions on gifts used to acquire or construct long-lived assets, absent explicit donor stipulations otherwise;
- Requiring that all not-for profits present an analysis of expenses by function and nature in a separate statement or in notes to the financial statements;
- Requiring disclosure of quantitative and qualitative information on liquidity;
- Presenting investment return net of external and direct internal investment expenses; and
- Modifying other financial statement reporting requirements and disclosures intended to increase the usefulness to the reader.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The organization classifies its net assets in the following category:

Net Assets without Donor Restrictions
Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Directors and management, for the Chamber to utilize in any of its programs or supporting services. Net assets without donor restrictions may be designated for specific purposes by the Chamber's Board of Directors or may be limited by legal requirements or contractual agreements with outside parties. None of the assets are subject to donor-imposed restrictions.

Use of Estimates
The preparation of financial statements in conformity with the modified cash basis of accounting 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.

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.

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.

Certificates of deposit consist of the following:

	2019	2018
Civista Bank	$ 63,609	$ 63,273
First Financial Bank	30,137	30,122
	$ 93,746	$ 93,395

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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, 2019 and 2018.

Donated Services

Donated services are normally reflected as revenue in the financial statements at their estimated value with a corresponding charge to expense. No amounts are reflected for donated services unless an objective basis is available to measure the value of such services.

No amounts have been reflected in the accompanying financial statements for donated services because no objective basis is available to measure the value of such services. Donated services represent volunteer hours for work performed as the Chamber's Board of Directors.

Property and Equipment

The Chamber capitalizes at cost all expenditures for furniture and equipment. Repairs and maintenance are expensed currently. The cost of furniture and equipment is depreciated on the straight-line method for all assets over the estimated useful lives of the assets. Depreciation expense for 2019 and 2018 was approximately $600. The ranges of depreciable lives for major asset classes are as follows:

Furniture and fixtures	5 - 10 years
Computer equipment	5 years

Income Taxes

The Chamber is exempt from federal and state income taxes under IRC Section 501(c)(3) and accordingly no provision for income taxes has been made in the financial statements on the income from the Chamber's activities. The Chamber's tax filings are subject to audit by various taxing authorities. The Chamber's federal income tax returns for 2017, 2018, and 2019 remain open to examination by the Internal Revenue Service.

Advertising

The Chamber expenses advertising costs as incurred. Total advertising expense including marketing, electronic media, and printing was $4,468 and $13,037 in 2019 and 2018, respectively.

NOTE 2 – LEASE COMMITMENTS

The Chamber leases office space on a month-to-month basis from the Dearborn County Convention, Visitor and Tourism Bureau free of charge. There was no annual rent expense for years ended December 31, 2019 or 2018.

NOTE 3 – 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 $244 and $1,210 in 2019 and 2018, respectively.

NOTE 4 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Chamber's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

	2019	2018
Financial assets at year-end	$ 230,521	$ 274,402
Less those unavailable for general expenditures within one year, due to:		
Donor-restricted for expenditures	-	-
Financial assets available to meet cash needs for general expenditures within one year	$ 230,521	$ 274,402

NOTE 5 – RESPONSIBILITIES FOR FINANCIAL STATEMENTS

The financial statements of the Dearborn County Chamber of Commerce, Inc. 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.

NOTE 5 – RESPONSIBILITIES FOR FINANCIAL STATEMENTS (CONT'D)

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.

NOTE 6 – SUBSEQUENT EVENTS

Subsequent to year end, the Coronavirus (COVID-19) has affected the Chamber's operating area. Governments worldwide are reacting to the pandemic through emergency measures which include travel bans, closing all non-essential businesses for an undetermined length of time, self-imposed quarantines, and social distancing. These measures have led to disruptions in supply chains including the prioritization of essential grocery and medical supplies. Governments are enacting monetary and fiscal interventions to limit the economic impact of this pandemic. At this time, it is too early to know how long this pandemic will last or the extent of its impact on the economy. Due to the uncertainty it is not possible to estimate the impact the pandemic will have on the Chamber. The Chamber is responding to the situation to limit, as much as possible, the impact on its operations.

The Chamber has evaluated subsequent events through November 9, 2020, the date the financial statements were issued. No significant events have occurred through this date requiring adjustment to the financial statements or disclosures.

SUPPLEMENTARY INFORMATION

DEARBORN COUNTY CHAMBER OF COMMERCE, INC.
SUPPLEMENTARY INFORMATION
FUNCTION REVENUE AND EXPENSES
MODIFIED CASH BASIS
Years ended December 31, 2019 and 2018

2019	Revenue	Expenses	Income (Loss)
Golf Outing	$ 9,551	$ 10,033	$ (482)
Get Energized	3,250	1,445	1,805
Legislation Luncheon	2,600	14	2,586
Job Fair	500	1,101	(601)
Lunch and Learn	2,595	2,199	396
Annual Dinner	16,715	28,811	(12,096)
Leadership	6,300	-	6,300
Member Appreciation	-	3,709	(3,709)
Women of Distinction	3,225	5,483	(2,258)
	$ 44,736	$ 52,795	$ (8,059)

2018	Revenue	Expenses	Income (Loss)
Golf Outing	$ 6,860	$ 9,988	$ (3,128)
Get Energized	3,525	1,391	2,134
Legislation Luncheon	2,630	15	2,615
Job Fair	1,400	2,104	(704)
Lunch and Learn	2,690	453	2,237
Annual Dinner	18,281	1,248	17,033
Leadership	6,263	-	6,263
Member Appreciation	-	3,948	(3,948)
Women of Distinction	4,950	4,263	687
	$ 46,599	$ 23,410	$ 23,189