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June 2, 2023

Board of Directors  
Dearborn County Convention, Visitor & Tourism Commission Inc.  
320 Walnut Street  
Lawrenceburg, IN 47025

We have reviewed the audit report of Dearborn County Convention, Visitor & Tourism Commission Inc. which was opined upon by Munninghoff, Lange & Co., Independent Public Accountants, for the period January 1, 2020 to December 31, 2020. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Dearborn County Convention, Visitor & Tourism Commission Inc. as of December 31, 2020, 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 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 cursive script that reads "Tammy R. White".

Tammy R. White, CPA  
Deputy State Examiner

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020 AND 2019**

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC.**

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## INDEPENDENT AUDITOR'S REPORT

The Commissioners  
Dearborn County Convention, Visitor & Tourism Commission, Inc.  
Lawrenceburg, Indiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Dearborn County Convention, Visitor & Tourism Commission, Inc. (an Indiana not-for-profit organization), which comprise the statements of financial position – modified cash basis as of December 31, 2020 and 2019, 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.

**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 Convention, Visitor & Tourism Commission, Inc. at December 31, 2020 and 2019, and its activities – modified cash basis, functional expenses – modified cash basis and cash flows – modified cash basis 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 Commission 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 financial 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.



Covington, Kentucky  
August 31, 2021

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC  
STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS  
December 31, 2020 and 2019**

**ASSETS**

	<b>2020</b>	<b>2019</b>
<b>Current Assets</b>		
Civista Bank	\$ 1,550,849	\$ 396,265
Certificates of deposit	1,372,799	1,360,467
Dearborn County Auditor's office	821,805	1,968,876
Due from Chamber of Commerce	1,645	2,230
Prepaid rent	-	4,489
	<u>3,747,098</u>	<u>3,732,327</u>
<b>Investments</b>		
Investment in Dearborn Community Foundation	12,490	11,993
	<u>12,490</u>	<u>11,993</u>
<b>Property and Equipment</b>		
Van	-	15,300
Furniture and equipment	112,470	112,470
Leasehold improvements	21,907	21,907
	<u>134,377</u>	<u>149,677</u>
Less accumulated depreciation	(134,377)	(149,498)
	<u>-</u>	<u>179</u>
Net property and equipment	-	179
	<u>-</u>	<u>179</u>
Total assets	<u>\$ 3,759,588</u>	<u>\$ 3,744,499</u>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>		
FUTA payable	\$ 210	\$ 210
Payroll taxes withheld	5,145	2,029
	<u>5,355</u>	<u>2,239</u>
Total liabilities	5,355	2,239
	<u>5,355</u>	<u>2,239</u>
<b>Net Assets</b>		
Net assets – without donor restrictions	3,754,233	3,742,260
	<u>3,754,233</u>	<u>3,742,260</u>
Total liabilities and net assets	<u>\$ 3,759,588</u>	<u>\$ 3,744,499</u>

See accompanying notes.

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC  
STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS  
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Support and Revenue</b>		
Innkeeper tax	\$ 325,831	\$ 509,835
Riverboat revenue	467,669	536,890
Interest income	17,484	9,031
Investment income	1,043	1,564
Auditor of state income	-	78,260
Gain on sale of fixed asset	2,200	-
Miscellaneous/grants	343	347
	<hr/>	<hr/>
Total support and revenue	814,570	1,135,927
	<hr/>	<hr/>
<b>Operating Expenses</b>		
Tourism	755,689	928,632
Management and general	46,908	62,121
	<hr/>	<hr/>
Total operating expenses	802,597	990,753
	<hr/>	<hr/>
Increase in unrestricted net assets	11,973	145,174
	<hr/>	<hr/>
Net assets - without donor restrictions, beginning of year	3,742,260	3,597,086
	<hr/>	<hr/>
Net assets - without donor restrictions, end of year	<u>\$ 3,754,233</u>	<u>\$ 3,742,260</u>

See accompanying notes.

**DEARBORN COUNTY CONVENTION, VISITOR & TOURISM COMMISSION, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS**  
**Year Ended December 31, 2020**

	<u>Tourism</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Director	\$ 63,461	\$ 7,051	\$ -	\$ 70,512
Administrative assistant	17,271	4,318	-	21,589
Event Coordinator	44,110	-	-	44,110
VC office manager	11,938	11,938	-	23,876
Part-time help	48,194	-	-	48,194
Payroll taxes	14,396	1,599	-	15,995
Employee benefits	24,592	2,732	-	27,324
Office supplies and expenses	4,348	4,348	-	8,696
Postage and mailings	4,671	-	-	4,671
Travel and entertainment	1,682	-	-	1,682
Telephone and communications	4,260	473	-	4,733
Leisure, advertising and printing	139,889	-	-	139,889
Group/meetings	118,734	-	-	118,734
Promotional	10,685	-	-	10,685
Websites	14,543	-	-	14,543
Tourism projects	91,523	-	-	91,523
Social media	65,702	-	-	65,702
Rent	48,479	5,386	-	53,865
Electricity and water	5,474	608	-	6,082
Repairs and maintenance	14,733	1,637	-	16,370
Professional fees	6,458	6,457	-	12,915
Liability insurance	-	-	-	-
Investment fees	546	-	-	546
Miscellaneous	-	182	-	182
Depreciation	-	179	-	179
	<u>\$ 755,689</u>	<u>\$ 46,908</u>	<u>\$ -</u>	<u>\$ 802,597</u>

See accompanying notes.

**DEARBORN COUNTY CONVENTION, VISITOR & TOURISM COMMISSION, INC**  
**STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS**  
**Year Ended December 31, 2019**

	<u>Tourism</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Director	\$ 62,264	\$ 6,918	\$ -	\$ 69,182
Administrative assistant	25,644	6,411	-	32,055
Event Coordinator	43,936	-	-	43,936
VC office manager	16,756	16,755	-	33,511
Part-time help	68,585	-	-	68,585
Payroll taxes	17,042	1,894	-	18,936
Employee benefits	27,952	3,106	-	31,058
Office supplies and expenses	6,083	6,082	-	12,165
Postage and mailings	8,209	-	-	8,209
Travel and entertainment	8,199	-	-	8,199
Telephone and communications	4,766	530	-	5,296
Leisure, advertising and printing	150,176	-	-	150,176
Group/meetings	130,304	-	-	130,304
Promotional	18,869	-	-	18,869
Websites	12,708	-	-	12,708
Tourism projects	169,405	-	-	169,405
Social media	83,917	-	-	83,917
Rent	48,479	5,386	-	53,865
Electricity and water	5,277	586	-	5,863
Repairs and maintenance	12,084	1,343	-	13,427
Professional fees	7,977	7,977	-	15,954
Liability insurance	-	3,840	-	3,840
Depreciation	-	1,293	-	1,293
	<u>\$ 928,632</u>	<u>\$ 62,121</u>	<u>\$ -</u>	<u>\$ 990,753</u>

See accompanying notes.

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC  
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS  
Years Ended December 31, 2020 and 2019**

	<u>2020</u>	<u>2019</u>
<b>Cash flows from operating activities</b>		
Increase in net assets - without donor restrictions	\$ 11,973	\$ 145,174
Adjustments to reconcile increase (decrease) in net assets to net cash from operating activities:		
Depreciation	179	1,293
(Gain) on sale of fixed asset	(2,200)	-
Net investment (income) loss	(497)	(1,564)
Changes in assets and liabilities		
(Increase) decrease in:		
Due from affiliates	585	(2,230)
Prepaid rent	4,489	-
Increase (decrease) in:		
Payroll taxes withheld	3,116	(918)
Net cash from operating activities	<u>17,645</u>	<u>141,755</u>
<b>Cash Flows from investing activities</b>		
Proceeds from sale of fixed assets	<u>2,200</u>	<u>-</u>
Net cash from investing activities	<u>2,200</u>	<u>-</u>
Net increase in cash and cash equivalents	19,845	141,755
Cash and cash equivalents at beginning of year	<u>3,725,608</u>	<u>3,583,853</u>
Cash and cash equivalents at end of year	<u>\$ 3,745,453</u>	<u>\$ 3,725,608</u>

See accompanying notes.

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2020 and 2019**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Operations**

The Dearborn County Convention, Visitor & Tourism Bureau was formed in the State of Indiana as a not-for-profit organization on September 18, 1987 as part of the Dearborn County, Indiana Chamber of Commerce, Inc. The Commission's purpose is to promote and encourage conventions, tourism and festivals within Dearborn County, Indiana. The Commission has a full-time staff to operate the Visitors' Commission and Convention Center.

On July 12, 2019, the Commission incorporated itself under the name Dearborn County Convention, Visitor & Tourism Commission, Inc. as an Indiana nonprofit corporation. The Commission obtained its tax-exempt status as a 501 © (3) of the Internal Revenue Code.

**Basis of Financial Presentation**

The Commission 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 receivables 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 Commission'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 accordance 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.

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2020 and 2019**

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

**Cash and Cash Equivalents**

The Commission 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:

		<u>2020</u>	<u>2019</u>
First Financial Bank	– .15%	\$ 303,810	\$ 303,506
FCN Bank	– .15%	548,295	545,072
Civista Bank	– .10%	<u>520,694</u>	<u>511,889</u>
		<u>\$ 1,372,799</u>	<u>\$ 1,360,467</u>

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Commission to concentrations of credit risk consist principally of temporary cash investments. Certificates of deposit are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Commission has a cash savings account, which is kept under the control of the Dearborn County Auditor’s office. The balance is insured by Section 130 of Indiana State law for funds for public monies and kept in an interest-bearing account at Civista Bank. The Commission has a checking account and savings at various local banks. The Commission’s uninsured cash balances total \$2,173,648 at December 31, 2020 and \$1,110,467 at December 31, 2019.

**Revenue Recognition**

The Commission records unrestricted revenue from fund raising and grants when received. All grants and fund raising are considered available for unrestricted use unless specifically restricted by the donor.

**Investment Income**

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

**Cost Allocation**

The financial statements report certain categories of expenses that are attributable to more than one program or support function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include meetings, salaries, and travel, which are allocated by their nature included in administrative and operating expenses in the supplemental information.

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2020 and 2019**

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

**Income Taxes**

The Commission 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 fund's activities.

**Advertising**

The Commission expenses advertising costs as incurred. Total advertising expense including marketing and printing was \$139,889 in 2020 and \$150,176 in 2019.

**Property and Equipment**

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

**Depreciation**

The cost of the van, 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:

Van	5 years
Furniture and equipment	5 - 10 years
Computer equipment and software	3 - 5 years

**NOTE 2 - EMPLOYEE BENEFIT PLANS**

The Commission has a retirement plan for all full-time employees whereby the Commission contributes \$6,000 per eligible employee into a Simple IRA account. The plan does provide for employee contributions. An eligible employee may elect to have the \$6,000 applied toward health insurance, the Simple IRA or additional compensation.

The Commission also provides life and disability insurance benefits for eligible employees. Employee benefits expense is allocated among the Convention, Visitor & Tourism Commission. The Commission's portion of the retirement and benefits expense was \$27,324 in 2020 and \$31,058 in 2019.

**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2020 and 2019**

**NOTE 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The following reflects the Commission’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.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end	\$3,745,453	\$3,725,608
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	<u>\$3,745,453</u>	<u>\$3,725,608</u>

**NOTE 4 - LEASE COMMITMENTS**

Leases by the Commission are summarized as follows:

<u>Description of property</u>	<u>Monthly lease amount</u>	<u>Lessor</u>	<u>Lease term</u>
320 Walnut St.	\$4,489	L & S Investments, LLC	Yearly

The monthly rent is paid by the Commission in the amount of \$4,489.

Aggregate rentals under operating leases were \$53,865 in 2020 and 2019. At December 31, 2021 the aggregate future minimum rentals on operating leases were as follows:

2021	\$53,865
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**DEARBORN COUNTY CONVENTION,  
VISITOR & TOURISM COMMISSION, INC.  
NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2020 and 2019**

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

The Commission's industry is affected by conditions in the tourism industry as well as general economic conditions. In 2020, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", resulted in governments worldwide enacting emergency measures to protect its employees through social distancing and remote working to maintain its operations. Additionally, the Commission participated in programs available to assist in maintaining their workforce. At present, the duration and impact of COVID-19 outbreak remains unknown. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Commission in future periods.

**NOTE 6 - SUBSEQUENT EVENTS**

The Commission has evaluated subsequent events through August 31, 2021, the date on which the financial statements were available to be issued. No significant events have occurred through this date requiring adjustment to the financial statements or disclosure.

**NOTE 7 - RESPONSIBILITIES FOR FINANCIAL STATEMENTS**

The financial statements of Dearborn County Convention, Visitor & Tourism Commission, 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 Commission and properly include some amounts that are based upon estimates and judgments.

The Commission 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 Commission 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.