

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2021

TABLE OF CONTENTS

	PAGE
Independent Auditors' Report	1
 FINANCIAL STATEMENTS	
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis	2
Statement of Activities and Changes in Net Assets – Modified Cash Basis	3
Statement of Functional Expenses – Modified Cash Basis	4
Statement of Cash Flows – Modified Cash Basis	5 - 6
Notes to Financial Statements	7 - 11



Estep • Doctor
& Company, PC

Certified Public Accountants & Consultants

Your success is our goal.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Anderson Madison County Visitors Bureau, Inc.
Anderson, Indiana

We have audited the accompanying financial statements of Anderson Madison County Visitors Bureau, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets—modified cash basis as of December 31, 2021, and the related statements of support, revenue, and expenses—modified cash basis and the statements of functional expenses and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 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 Anderson Madison County Visitors Bureau, Inc. as of December 31, 2021, and its support, revenue, and expenses for the year 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 this matter.

*Estep * Doctor & Company, P. C.*

Muncie, Indiana

June 13, 2022

FINANCIAL STATEMENTS

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
STATEMENT OF ASSETS, LIABILITIES & NET ASSETS -
MODIFIED CASH BASIS
DECEMBER 31, 2021

ASSETS

	<u>2021</u>
CURRENT ASSETS	
Cash	\$ <u>57,098</u>
Total Current Assets	\$ <u>57,098</u>
PROPERTY AND EQUIPMENT	
Land	\$ 4,500
Building and improvements	896,195
Furniture and equipment	223,655
Automobiles	<u>57,803</u>
	\$ 1,182,153
Less: Accumulated depreciation	<u>(730,831)</u>
Total Property and Equipment	\$ <u>451,322</u>
TOTAL ASSETS	<u><u>\$ 508,420</u></u>

See Accompanying Notes and Independent Accountants' Audit Report

LIABILITIES AND NET ASSETS

	<u>2021</u>
CURRENT LIABILITIES	
Accrued payroll and payroll taxes	\$ <u>3,846</u>
Total Current Liabilities	\$ <u>3,846</u>
Total Liabilities	\$ <u>3,846</u>
NET ASSETS	
Without donor restrictions	\$ <u>504,574</u>
Total Net Assets	\$ <u>504,574</u>
 TOTAL LIABILITIES AND NET ASSETS	 \$ <u><u>508,420</u></u>

See Accompanying Notes and Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
STATEMENT OF ACTIVITIES & CHANGES IN NET ASSETS -
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021		
	WITHOUT DONOR RESTRICTIONS	WITH DONOR RESTRICTIONS	TOTAL
REVENUES			
Commission contract	\$ 500,000	\$ 0	\$ 500,000
Special allocation income	52,653	0	52,653
PPP loan income	44,424	0	44,424
Bridal guide sales	7,700	0	7,700
Gain (loss) on sale of asset	<u>(1,940)</u>	<u>0</u>	<u>(1,940)</u>
 Total Revenues	 <u>\$ 602,837</u>	 <u>\$ 0</u>	 <u>\$ 602,837</u>
EXPENSES			
Programs	\$ 635,830	\$ 0	\$ 635,830
Support services administration	<u>20,895</u>	<u>0</u>	<u>20,895</u>
 Total Expenses	 <u>\$ 656,725</u>	 <u>\$ 0</u>	 <u>\$ 656,725</u>
INCREASE (DECREASE) IN NET ASSETS			
	\$ (53,888)	\$ 0	\$ (53,888)
 Net assets, beginning of year	 <u>558,462</u>	 <u>0</u>	 <u>558,462</u>
 NET ASSETS, END OF YEAR	 <u><u>\$ 504,574</u></u>	 <u><u>\$ 0</u></u>	 <u><u>\$ 504,574</u></u>

See Accompanying Notes and Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
STATEMENT OF FUNCTIONAL EXPENSES -
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAMS			TOTAL
	PROGRAM PROMOTIONS	OPERATIONS	GENERAL & ADMINISTRATIVE	
Salaries	\$ 215,796	\$ 0	\$ 0	\$ 215,796
Employee benefits	27,915	0	0	27,915
Payroll taxes	<u>18,520</u>	<u>0</u>	<u>0</u>	<u>18,520</u>
Total Salaries and Related Payroll Expenses	\$ 262,231	\$ 0	\$ 0	\$ 262,231
Advertising	58,573	0	0	58,573
Dues and subscriptions	23,253	0	0	23,253
Website	11,646	0	0	11,646
Sponsorships and grants	57,590	0	0	57,590
Event expense	6,350	0	0	6,350
Equipment lease	0	3,853	0	3,853
Community relations	579	0	0	579
Conferences, conventions, and meetings	5,903	0	1,725	7,628
Insurance	0	5,730	0	5,730
Group promotions and printed materials	19,289	0	0	19,289
Professional fees	0	0	19,170	19,170
Office and postage	2,624	7,703	0	10,327
Repairs and maintenance	0	77,418	0	77,418
Tourism	317	0	0	317
Telephone	7,040	0	0	7,040
Travel	994	0	0	994
Utilities	0	13,113	0	13,113
1931 Ford Model A Huckster	<u>357</u>	<u>0</u>	<u>0</u>	<u>357</u>
Total Expenses Before Depreciation	\$ 456,746	\$ 107,817	\$ 20,895	\$ 585,458
Depreciation	<u>71,267</u>	<u>0</u>	<u>0</u>	<u>71,267</u>
Total Expenses	<u>\$ 528,013</u>	<u>\$ 107,817</u>	<u>\$ 20,895</u>	<u>\$ 656,725</u>

See Accompanying Notes and Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 560,353
Other payments received	44,424
Cash paid to employees and suppliers	<u>(582,478)</u>

Net Cash Provided by Operating Activities \$ 22,299

CASH FLOWS FROM INVESTING ACTIVITIES

Capital expenditures	<u>\$ (18,212)</u>
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Net Cash Used in Investing Activities \$ (18,212)

Net increase in cash and cash equivalents \$ 4,087

Cash and cash equivalents at beginning of year 53,011

Cash and cash equivalents at end of year \$ 57,098

See Accompanying Notes and Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
STATEMENT OF CASH FLOWS -
MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2021

**RECONCILIATION OF DECREASE IN NET ASSETS TO NET
CASH PROVIDED BY OPERATING ACTIVITIES**

Decrease in net assets	\$ <u>(53,888)</u>
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:	
Depreciation	\$ 71,267
(Gain) loss on sale of property and equipment	1,940
Change in current assets and current liabilities:	
Increase (decrease) in accrued payroll and payroll taxes	<u>2,980</u>
Total Adjustments	<u>\$ 76,187</u>
Net Cash Provided by Operating Activities	<u><u>\$ 22,299</u></u>

See Accompanying Notes and Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Anderson Madison County Visitors Bureau, Inc. (the Bureau), a not-for profit organization, was incorporated in Indiana in 1982, to serve as the working body of the Anderson/Madison County Visitors and Convention Commission (the Commission). The Bureau's function is to promote Anderson and Madison County to visitors and potential conventions, meetings, and sporting events. The main revenue source for the Bureau is an annual funding agreement with the Commission. The Commission receives funds from the Madison County 5% Innkeeper's Tax, levied pursuant to Madison County Ordinance 2-0-82.

Basis of Accounting

The financial statements of Anderson Madison County Visitors Bureau, Inc. have been prepared on the modified cash basis of accounting, which is a basis of accounting different from generally accepted accounting principles. Revenues and expenses of the Bureau are recognized on the basis of cash receipts and disbursements. Accordingly, revenue is recorded when it is received, rather than when it is earned. Similarly, expenses are recognized when paid, instead of when the obligation is incurred.

Financial Statement Presentation

The Bureau's financial statements are presented following Financial Accounting Standards Board (FASB) ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The Bureau is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions.

Net assets without donor restrictions: These net assets include expendable resources over which the Organization's Board of Directors has discretionary control and are used to carry out the Bureau's operations in accordance with its bylaws.

Net assets with donor restrictions: These net assets include resources that are subject to donor-imposed restrictions. For the Bureau, these are special allocations received from the Commission to cover specific expenditures. The restriction expires when the assets are used for the restricted purpose. They are then reclassified to net assets without donor restrictions.

Equipment and Depreciation

Equipment is recorded at fair market value at the date of donation or at cost if purchased. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, which range from 5 to 10 years. It is the Bureau's policy to capitalize assets costing \$500 or more. Depreciation expense for the year ended December 31, 2021 is \$71,267.

See Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Donated Materials and Services

During the year ended December 31, 2021, volunteers may have contributed significant amounts of time to the Bureau. These services do not meet the requirement of recognition in the financial statements in accordance with FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made* and are not included in the financial statements. Donated materials and equipment, when received, are reflected as contributions in the accompanying financial statements at their estimated fair market values at date of receipt.

Cash Equivalents

Cash and cash equivalents include bank accounts as well as certificates of deposit purchased with a maturity of three months or less. Interest income on the certificates of deposit is recorded as income when earned.

Support and Revenue

The Bureau reports gifts of cash and other assets as support with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. All contributions are considered available for use without restrictions, unless specifically restricted by the donor.

Estimates

The preparation of financial statements 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.

Advertising Costs

Advertising and promotion costs are generally charged to operations in the year incurred and totaled \$58,573 for the year ended December 31, 2021.

See Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Functional Classification

Expenses are classified according to the functional area to which they primarily relate. Wages are allocated based on estimate of time spent on various activities. The functional areas used to classify expenses are as follows:

Promotions	This functional area is charged with expenses directly identifiable and related to specific events, projects and activities that promote visitors and conventions to Madison County.
Operations	This functional area is charged with all expenses not directly chargeable to Promotion or Administrative categories. Expenses relating to both the managerial administration and promotions are reflected in the category.
Administrative	This functional area is charged with staff compensation not allocated to promotions, related payroll taxes and fringe benefits, interest expense, outside accounting services and the costs of the Bureau's annual meeting.

Income Taxes

The Bureau is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code. However, income from certain activities not directly related to the Bureau's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Bureau qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Bureau evaluates all significant tax positions as required by accounting principles generally accepted in the United States of America. As of December 31, 2021 the Bureau does not believe that it has taken any positions that would require the recording of any additional tax liability.

The Bureau's federal and state tax returns for the current and prior three years are subject to examination by the taxing authorities.

2. INVESTMENTS

No investments were held at December 31, 2021.

See Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

3. FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of fair value hierarchy under FASB ASC 820 are described below.

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

No investments were held by the Bureau as of December 31, 2021.

4. SUBSEQUENT EVENTS

For the financial statements, the Bureau evaluated subsequent events through June 13, 2022, the date which the financial statements were available to be issued.

5. CONCENTRATIONS

The Bureau's cash is deposited in various financial institutions. Cash accounts at banks are insured by the FDIC for up to \$250,000. The Bureau did not hold any balances in excess of insured limits for the year ended December 31, 2021.

The Bureau receives substantially all of its revenue from one source, the Anderson/Madison County Visitors and Convention Commission, as described in Note 1.

6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are comprised of revenues and contributions received with donor-imposed use or time restrictions in place which have not been met or which time has not passed. No net assets with donor restrictions are currently held by the Bureau.

See Independent Accountants' Audit Report

ANDERSON MADISON COUNTY VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

7. RETIREMENT PLAN

The Bureau has a simplified employee pension plan that covers substantially all employees. The plan covers all employees who are 21 years of age or older and who have completed 6 months of service. The annual contribution is 10% of the eligible employee's compensation. Contributions to the retirement plan totaled \$26,223 in 2021.

8. RELATED PARTIES

The Anderson/Madison County Visitors and Convention Commission (the Commission) provides annual funding for the Bureau. Both entities have common board of director leadership and therefore common control. Under the 2021 funding agreement with the Commission, the Bureau received \$500,000 in regular allocations for the year ended December 31, 2021.

9. LIQUIDITY

The Bureau has financial assets available within one year of the Statement of Financial Position date consisting of cash in the amount of \$57,098 as of December 31, 2021. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the Statement of Financial Position date.

See Independent Accountants' Audit Report