



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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November 30, 2009

Board of Directors
Orange County Convention
& Visitors Bureau, Inc.
8291 W. Beechwood Ave.
French Lick, IN 47432

We have reviewed the audit report prepared by Brad Parrott, CPA, Independent Public Accountant, for the period January 1, 2007 to December 31, 2007. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Orange County Convention & Visitors Bureau, Inc., as of December 31, 2007, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.
FRENCH LICK, INDIANA

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2007

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS:	
Statement of Assets, liabilities and net assets	4
Statement of Support, revenues, expenses	5
Notes to Financial Statements	6-7

BRAD PARROTT
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Orange County Convention & Visitors Bureau, Inc.
French Lick, Indiana

I have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of Orange County Convention & Visitors Bureau, Inc. (*a not-for-profit organization*), as of December 31, 2007 and the related statement of revenue and expenses – modified cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

As described in note 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Orange County Convention & Visitors Bureau, Inc. as of December 31, 2007 and its revenue and expenses for the year then ended, on the basis of accounting described in note 1.

 CPA

Brad Parrott
Certified Public Accountant

April 30, 2008

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS

DECEMBER 31, 2007

ASSETS

Cash on deposit	\$ 21,286
Property and Equipment (Net of accumulated depreciation of \$ 11,951)	<u>296,154,</u>
TOTAL ASSETS	\$ <u>317,440</u>

LIABILITIES

Withholding and payroll tax liabilities	\$ 2,803
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NET ASSETS

Net assets	<u>314,637</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>317,440</u>

See accompanying notes to financial statements.

ORANGE COUNTY CONVENTION & VISITORS BUREAU
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 YEAR ENDED DECEMBER 31, 2007

REVENUES:	
Support and Other Revenues	\$ 750,650
Interest Income	<u>1,034</u>
Total Revenues	751,684
EXPENSES:	
Advertising	75,324
Creative Development	30,376
Product Publicity	8,836
Co-op Marketing	7,545
Community Awareness	5,093
Depreciation Expense	3,860
Direct Sales	8,515
Expense Accounts	7,458
Group Tour Expense	65,758
Health Insurance	11,295
Insurance	2,206
Interest Expense	641
Legal and Professional	4,600
Miscellaneous	68
Office Expense	10,561
Payroll Tax	7,506
Promotion	20,515
Public Relations	36,952
Salaries – Executive Director	42,166
Salaries – Other staff	48,542
Supplies	284
Telephone	6,620
Travel	4,721
Trade Associations	920
Utilities	<u>15,277</u>
Total Expenses	425,639
Excess of revenues over expenses	<u>326,045</u>
Net assets, beginning of the year	(11,408)
Net assets, end of the year	\$ <u>314,637</u>

See accompanying notes to financial statements.

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007

Note 1- Summary of Significant Accounting Policies

Nature of Activities

Orange County Convention & Visitors Bureau, Inc. (hereinafter referred to as "the Organization") was established in order to promote conventions and tourism in Orange County, Indiana.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. This method differs from generally accepted accounting principles.

Support and revenue are recognized when received by the Organization and expenses are recognized when paid.

Property and equipment are recorded as assets and depreciated as described below.

Liabilities consist of withholding taxes and other tax liabilities related to payroll.

Property and Equipment

Under the modified cash basis, property and equipment are carried at cost. Depreciation is recognized using the straight-line method at rates designed to depreciate the cost of assets over their estimated useful lives. Repairs and maintenance are expensed when incurred.

The Organization does not have a formal capitalization policy.

Federal and Indiana Income Taxes

No provision is shown for Federal or Indiana income taxes due to the Organization having been granted exemption from taxation as a not-for-profit organization under Section 501 (c)(6) of the Internal Revenue Code.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2007
(Continued)

Note 2-- Property and Equipment

Property and equipment, at December 31, 2007, is comprised of the following:

	<u>2007</u>
Land and building	\$ 300,000
Office equipment	<u>8,105</u>
	308,105
Less accumulated depreciation	<u>11,951</u>
Net property and equipment	\$ <u>296,154</u>

Note 3 – Contingency

The Organization is primarily funded by support and revenues awarded by agencies of the State and local communities. A significant reduction in the level of this support, if it were to occur, would have a serious effect on the Organization's programs and activities.

Note 4 – Related party transaction

During the year, the Organization entered into an agreement to purchase the land and building currently housing the agency. The purchase was a related party transaction because the seller was related to the previous executive director of the Organization.