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February 1, 2010

Board of Directors
Marion Grant County Convention
and Visitors Bureau, Inc.
428 S. Washington St., Ste. 261
Marion, IN 46953

We have reviewed the audit report prepared by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. 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 Marion Grant County Convention and Visitors Bureau, Inc., as of December 31, 2008, 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

**MARION GRANT COUNTY CONVENTION
AND VISITORS BUREAU, INC.**

FINANCIAL STATEMENTS

Years Ended December 31, 2008 and 2007

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Marion Grant County Convention and Visitors Bureau, Inc.
Marion, IN

We have audited the accompanying statements of financial position – modified cash basis of Marion Grant County Convention and Visitors Bureau, Inc. (a nonprofit organization) as of December 31, 2008 and 2007 and the related statements of activities – modified cash basis and cash flows – modified cash basis for the years then ended. These financial statements are the responsibility of the Organization's management. 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 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. We believe that our audits provide a reasonable basis for our 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 accounting principles generally accepted in the United States of America.

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of Marion Grant County Convention and Visitors Bureau, Inc. as of December 31, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended, on the basis of accounting described in Note 1.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supporting statements of functional expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Dubin, Ward & DeWald, Inc.

Fort Wayne, Indiana

May 7, 2009

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENTS OF FINANCIAL POSITION - MODIFIED CASH BASIS
December 31, 2008 and 2007

	2008	2007
ASSETS		
Cash	\$ 84,230	\$ 45,361
Fixed assets - net	<u>65,873</u>	<u>29,744</u>
Total Assets	<u><u>\$ 150,103</u></u>	<u><u>\$ 75,105</u></u>
 LIABILITIES AND NET ASSETS		
Payroll withholding and accruals	\$ 2,420	\$ 2,650
Net Assets:		
Unrestricted	<u>147,683</u>	<u>72,455</u>
Total Liabilities and Net Assets	<u><u>\$ 150,103</u></u>	<u><u>\$ 75,105</u></u>

The accompanying notes are an integral part of these financial statements.

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENTS OF ACTIVITIES - MODIFIED CASH BASIS
Years Ended December 31, 2008 and 2007

	Unrestricted	Temporarily Restricted	2008 Total
CHANGES IN NET ASSETS			
Support and Revenues:			
Contributions - Grant County Innkeepers Tax	\$ 318,685	\$ -	\$ 318,685
Ticket office:			
Revenue	57,187	-	57,187
Less cost of goods sold	(54,908)	-	(54,908)
Sponsorship revenue	16,960	-	16,960
Grant revenue	-	10,000	10,000
Billboard income	600	-	600
Fees	7,830	-	7,830
Net Assets Released From Restrictions:			
Satisfaction of program requirements	10,000	(10,000)	-
Satisfaction of time requirements	-	-	-
	356,354	-	356,354
Total Support and Revenues			
Expenses:			
Program services	210,428	-	210,428
Management and general	65,023	-	65,023
Fund raising	5,675	-	5,675
	281,126	-	281,126
Total Expenses			
CHANGE IN NET ASSETS	75,228	-	75,228
NET ASSETS - beginning of year	72,455	-	72,455
NET ASSETS - end of year	\$ 147,683	\$ -	\$ 147,683

The accompanying notes are an integral part of these financial statements.

Unrestricted	Temporarily Restricted	2007 Total
\$ 256,094	\$ -	\$ 256,094
46,127	-	46,127
(44,920)	-	(44,920)
10,000	-	10,000
-	7,200	7,200
2,400	-	2,400
-	-	-
-	-	-
<u>7,200</u>	<u>(7,200)</u>	<u>-</u>
276,901	-	276,901
174,354	-	174,354
47,756	-	47,756
<u>6,444</u>	<u>-</u>	<u>6,444</u>
<u>228,554</u>	<u>-</u>	<u>228,554</u>
48,347	-	48,347
24,108	-	24,108
<u>24,108</u>	<u>-</u>	<u>24,108</u>
<u>\$ 72,455</u>	<u>\$ -</u>	<u>\$ 72,455</u>

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
Years Ended December 31, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 75,228	\$ 48,347
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Depreciation	9,904	3,451
Changes in assets and liabilities:		
Increase (decrease) in:		
Payroll withholdings and accruals	<u>(230)</u>	<u>2,650</u>
Cash Flows From Operating Activities	84,902	54,448
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	<u>(46,033)</u>	<u>(30,926)</u>
 INCREASE IN CASH	38,869	23,522
 CASH - beginning of year	<u>45,361</u>	<u>21,839</u>
 CASH - end of year	<u><u>\$ 84,230</u></u>	<u><u>\$ 45,361</u></u>

The accompanying notes are an integral part of these financial statements.

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Marion Grant County Convention and Visitors Bureau, Inc. (the Organization) is a non-profit organization located in Marion, Indiana, Grant County. The Organization was formed to promote and develop the tourism industry in Grant County for the economic growth of the community.

Taxes

The Organization is exempt from income tax under Section 501(c)(4) of the Internal Revenue Code. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

As allowed by FIN 48-3, the Organization has deferred the implementation of FIN No. 48, Accounting for Uncertainty in Income Taxes, until 2009. Currently, the Company accounts for contingencies associated with certain tax positions in accordance with SFAS No. 5, Accounting for Contingencies.

Estimates

The process of preparing financial statements in conformity with the modified cash basis of accounting requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Basis of Accounting

The Organization's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. Modifications to the cash basis include recognition of fixed assets and related depreciation and payroll tax withholdings.

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Fixed Assets

Fixed assets are stated at cost or, if donated, at fair value at the date of the gift. All items with a cost in excess of \$2,000 and a useful life in excess of five years are capitalized. The Organization follows the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. It is not the Organization's policy to imply time restrictions expiring over the useful life of donated assets. In the absence of donor-imposed restrictions on the use of the asset, gifts of long-lived assets are reported as unrestricted support.

Contributions

All contributions are considered to be available for the general operations of the Organization unless specifically restricted by the donor. Gifts of cash and other assets are reported as temporarily restricted or permanently restricted support if they are received with donor stipulations that limit their use. In the case of temporarily restricted support, when the restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. By definition, permanently restricted support must be maintained in perpetuity. Restrictions on these net assets do not expire and no assets are reclassified in the statement of activities.

Reclassifications

Certain reclassifications have been made to conform prior year's financial statements to the current presentation. The reclassifications have no effect on previously reported operational results.

2. **FIXED ASSETS**

The components of fixed assets are as follows:

	2008	2007
Office equipment	\$ 40,289	\$ 32,417
Furniture	19,717	19,717
Leasehold improvements	42,973	8,111
Software and website development	<u>10,212</u>	<u>6,911</u>
	113,191	67,156
Accumulated depreciation	<u>47,318</u>	<u>37,412</u>
	<u>\$ 65,873</u>	<u>\$ 29,744</u>

3. OPERATING LEASE

The Organization leases office space and a vehicle under operating leases expiring in various years through 2012. Total rental expense under noncancelable leases was \$13,034 for 2008 and \$16,500 for 2007. Minimum future rental payments under the noncancelable operating leases as of December 31, 2008 for each of the next five years and in the aggregate are as follows:

2009	\$	14,636
2010		14,959
2011		12,713
2012		1,913
2013 and thereafter		<u>-</u>
Total lease commitments	\$	<u>44,221</u>

4. ADVERTISING

Advertising costs are charged to operations as incurred and totaled \$51,644 for 2008 and \$54,536 for 2007.

5. RETIREMENT PLAN

The Organization has a defined contribution plan. Contributions to the plan are made for eligible employees. Contributions are 3% of the participant's compensation limited by the amount of employee contributions. Employee benefit expense under this plan was \$2,449 for 2008 and \$2,548 for 2007.

6. CONCENTRATIONS

The Marion Grant County Convention and Visitors Bureau, Inc. received over 89% of its revenue from Grant County, Indiana from collections of innkeepers tax. The innkeepers tax collected is distributed to the Organization by a legislatively formed commission comprising of business leaders in the local community. During 2007 and 2008, no other Organization received funds from the innkeepers tax collections. The commission does have the authority to transfer funds to other organizations fitting the criteria for usage.

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENTS OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2008

	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 75,606	\$ 33,854	\$ 3,386	\$ 112,846
Payroll taxes	6,168	2,762	276	9,206
Employee benefits	2,111	945	95	3,151
	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related and Related Expenses	83,885	37,561	3,757	125,203
Advertising and promotion	51,644	-	-	51,644
Attraction development and program costs	44,691	-	-	44,691
Occupancy	9,578	3,280	262	13,120
Professional fees	2,000	6,270	-	8,270
Automobile	5,037	2,158	-	7,195
Office supplies	3,165	1,459	500	5,124
Dues, subscriptions and permits	-	4,467	-	4,467
Telephone	931	1,736	805	3,472
Postage	505	1,767	252	2,524
Repairs and maintenance	-	2,007	-	2,007
Meals and entertainment	1,058	705	-	1,763
Miscellaneous	1,100	475	-	1,575
Conferences, conventions and meetings	-	167	-	167
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	203,594	62,052	5,576	271,222
Depreciation expense	6,834	2,971	99	9,904
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 210,428</u>	<u>\$ 65,023</u>	<u>\$ 5,675</u>	<u>\$ 281,126</u>

See accountants' report.

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU, INC.
STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS
Year Ended December 31, 2007

	Program Services	Management and General	Fund Raising	Total
Salaries	\$ 60,827	\$ 26,836	\$ 1,789	\$ 89,452
Payroll taxes	4,653	2,053	137	6,843
Employee benefits	2,436	1,075	71	3,582
Total Salaries and Related and Related Expenses	67,916	29,964	1,997	99,877
Advertising and promotion	54,536	-	-	54,536
Attraction development and program costs	21,090	-	-	21,090
Occupancy	13,589	5,908	197	19,694
Automobile	5,375	2,303	-	7,678
Telephone	-	-	4,189	4,189
Dues, subscriptions and permits	2,679	1,260	-	3,939
Repairs and maintenance	-	2,694	-	2,694
Postage	2,163	386	26	2,575
Meals and entertainment	874	1,258	-	2,132
Office supplies	717	1,075	-	1,792
Professional fees	2,050	1,102	-	3,152
Conferences, conventions and meetings	657	282	-	939
Miscellaneous	327	489	-	816
Total Expenses Before Depreciation	171,973	46,721	6,409	225,103
Depreciation expense	2,381	1,035	35	3,451
Total Expenses	\$ 174,354	\$ 47,756	\$ 6,444	\$ 228,554

See accountants' report.

