



STATE OF INDIANA
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November 9, 2011

Board of Directors
LaGrange County Convention
and Visitors Bureau, Inc.
780 S. Van Buren St., P.O. Box 347
Shipshewana, IN 46565

We have reviewed the audit report prepared by Baden, Gage & Schroeder, LLC, 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 LaGrange 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

Financial Statements

**LaGrange County Convention
and Visitors Bureau, Inc.**

December 31, 2008 and 2007

**LAGRANGE COUNTY CONVENTION
AND VISITORS BUREAU, INC.**

Financial Statements
December 31, 2008 and 2007

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Independent Auditors' Report

The Board of Directors
LaGrange County Convention and Visitors Bureau, Inc.
Shipshewana, Indiana

We have audited the accompanying statements of assets, liabilities and net assets - modified cash basis of the LaGrange County Convention and Visitors Bureau, Inc. (the Bureau) as of December 31, 2008 and 2007, and the related statements of revenues and expenses and changes in net assets - modified cash basis for the years then ended. These financial statements are the responsibility of the Bureau'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 have been prepared on a modified cash basis, 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 assets, liabilities, and net assets - modified cash basis of the LaGrange County Convention and Visitors Bureau, Inc. at December 31, 2008 and 2007, and its revenues and expenses and changes in net assets - modified cash basis for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2009 on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Baden, Gage & Schroeder, LLC
BADEN, GAGE & SCHROEDER, LLC

Fort Wayne, Indiana
April 13, 2009

**LAGRANGE COUNTY CONVENTION
AND VISITORS BUREAU, INC.**

Statements of Assets, Liabilities and
Net Assets - Modified Cash Basis
December 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 43,147	\$ 95,524
PROPERTY AND EQUIPMENT		
Furniture, fixtures and equipment	41,935	40,680
Transportation equipment	<u>18,085</u>	<u>18,085</u>
	60,020	58,765
Less: Accumulated depreciation	<u>35,099</u>	<u>24,532</u>
Net Property and Equipment	<u>24,921</u>	<u>34,233</u>
TOTAL ASSETS	<u>\$ 68,068</u>	<u>\$ 129,757</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Payroll taxes withheld	\$ 2,046	\$ 2,839
NET ASSETS		
Unrestricted	<u>66,022</u>	<u>126,918</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 68,068</u>	<u>\$ 129,757</u>

See Notes to Financial Statements.

**LAGRANGE COUNTY CONVENTION
AND VISITORS BUREAU, INC.**

Statements of Revenues and Expenses and
Changes in Net Assets - Modified Cash Basis
Years Ended December 31, 2008 and 2007

	2008	2007
REVENUES		
Innkeeper's Tax Commission grants	\$ 441,875	\$ 382,850
Vacation Planner advertisements	103,258	96,142
Grants	5,000	-
Interest income	512	2,536
Miscellaneous income	571	113
Total Revenues	551,216	481,641
EXPENSES		
Personnel Expenses:		
Employee medical benefits	19,715	17,701
Retirement benefits	2,591	2,633
Salaries and wages	130,304	131,389
Taxes - payroll	10,810	10,932
	163,420	162,655
Promotion and Marketing Expenses:		
Advertising and promotion	197,472	128,090
Vacation Planner	102,824	106,290
Fuel	1,673	1,506
Grants to nonprofit organizations	32,000	32,000
Internet	-	819
Postage	28,771	20,844
Telephone	4,722	5,042
Travel and seminar	14,244	18,264
Vehicle maintenance	345	656
	382,051	313,511
General and Administrative Expenses:		
Depreciation	10,566	10,562
Dues and memberships	6,301	5,457
Equipment rent, repairs and maintenance	5,540	5,208
Insurance	3,470	3,110
Legal and professional	8,608	9,065
Miscellaneous	3,150	4,851
Office supplies	4,826	4,252
Space rental and utilities	24,180	19,054
	66,641	61,559
Total Expenses	612,112	537,725
CHANGE IN NET ASSETS	(60,896)	(56,084)
NET ASSETS, BEGINNING OF YEAR	126,918	183,002
NET ASSETS, END OF YEAR	\$ 66,022	\$ 126,918

See Notes to Financial Statements.

**LAGRANGE COUNTY CONVENTION
AND VISITORS BUREAU, INC.**

Notes to Financial Statements
December 31, 2008 and 2007

Note 1. Organization and Significant Accounting Policies

Organization:

The LaGrange County Convention and Visitors Bureau, Inc. (the Bureau) is a not-for-profit organization formed for the creation of tourism in LaGrange County. The Bureau carries out this mission by fostering a climate which attracts conventions, trade shows, special events and visitors to the area and by promoting recreational facilities and special events in LaGrange County. The Bureau is governed by a volunteer board of directors.

The Bureau's major source of revenue is derived from grants from the LaGrange County Innkeeper's Tax Commission who receives its income from a tax assessed against temporary lodging located in LaGrange County, Indiana.

Basis of Accounting:

The financial statements of the Bureau have been 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. Accordingly, 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. The Bureau's basis is a modified cash basis because payroll withholdings are recognized as a liability and property and equipment expenditures are capitalized and related depreciation is recorded in the year it is incurred and recognized as expense in the year to which it relates.

Basis of Presentation:

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. However, donor restricted support whose restrictions are met in the same reporting period in which the support is received is reported as unrestricted support. There were no temporarily or permanently restricted net assets for the years ended December 31, 2008 and 2007.

Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes:

The Bureau is incorporated in the State of Indiana as a 501(c)(6) organization, and, therefore, is exempt from federal and state taxes.

**LAGRANGE COUNTY CONVENTION
AND VISITORS BUREAU, INC.**

Notes to Financial Statements (Continued)
December 31, 2008 and 2007

Note 1. Organization and Significant Accounting Policies (Continued)

Credit Risk and Concentration:

The Bureau maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits.

Property and Equipment:

Property and equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which vary from 5 to 7 years. Maintenance and repairs are charged to expense as incurred and improvements and betterments are capitalized at cost. Depreciation expense for the years ended December 31, 2008 and 2007 totaled \$10,566 and \$10,562, respectively.

Advertising Costs:

Advertising costs are charged to operations when incurred and are included in total expenses. The amounts charged in 2008 and 2007 were \$197,472 and \$128,090, respectively.

Note 2. Operating Leases

The Bureau leases its operating facility on an annual basis requiring monthly rental payments. In August 2007, the Bureau relocated and signed a new lease agreement requiring monthly payments, including utilities, of \$2,000. This agreement was renewed through August 2009 with increased monthly payments of \$2,060. Prior to moving to the new location, monthly rent expense was \$675 plus all utilities. Total lease expense, for the years ended December 31, 2008 and 2007 totaled \$24,180 and \$19,054, respectively.

The Bureau leases a postage machine on a quarter to quarter basis. The agreement requires quarterly payments of \$173. Equipment rent expense for this machine for the years ended December 31, 2008 and 2007 totaled \$1,237 and \$519, respectively.

**Report on Internal Control over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

The Board of Directors
LaGrange County Convention and Visitors Bureau, Inc.
Shipshewana, Indiana

We have audited the financial statements of LaGrange County Convention and Visitors Bureau, Inc. (the Bureau) as of and for the year ended December 31, 2008, and have issued our report thereon dated April 13, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and state agencies and is not intended to be and should not be used by anyone other than these specified parties.



BADEN, GAGE & SCHROEDER, LLC

Fort Wayne, Indiana
April 13, 2009