



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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, 2009 to December 31, 2009. 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, 2009, 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, Ltd.**

December 31, 2009 and 2008

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

Financial Statements
December 31, 2009 and 2008

INDEX

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Assets, Liabilities and Net Assets - Modified Cash Basis	2
Statements of Revenues and Expenses and Changes in Net Assets - Modified Cash Basis	3 - 4
Notes to Financial Statements	5 - 7
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	8 - 9



Certified Public Accountants • Business Consultants

Independent Auditors' Report

The Board of Directors
LaGrange County Convention and Visitors Bureau, Ltd.
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, Ltd. (the Bureau) as of December 31, 2009 and 2008, 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, Ltd. at December 31, 2009 and 2008, 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 15, 2010 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 15, 2010

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

Statements of Assets, Liabilities and
Net Assets - Modified Cash Basis
December 31, 2009 and 2008

	2009	2008
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 110,585	\$ 43,147
PROPERTY AND EQUIPMENT		
Furniture, fixtures and equipment	41,935	41,935
Transportation equipment	18,085	18,085
	60,020	60,020
Less: Accumulated depreciation	45,655	35,099
Net Property and Equipment	14,365	24,921
TOTAL ASSETS	\$ 124,950	\$ 68,068
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Payroll taxes withheld	\$ 1,847	\$ 2,046
NET ASSETS		
Unrestricted	82,615	66,022
Temporarily restricted	40,488	-
Total net assets	123,103	66,022
TOTAL LIABILITIES AND NET ASSETS	\$ 124,950	\$ 68,068

See Notes to Financial Statements.

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

Statements of Revenues and Expenses and
Changes in Net Assets - Modified Cash Basis
Years Ended December 31, 2009 and 2008

	2009	2008
UNRESTRICTED NET ASSETS		
Revenues		
Innkeeper's Tax Commission grants	\$ 422,404	\$ 441,875
Vacation Planner advertisements	79,388	103,258
Grants	-	5,000
Interest income	285	512
Miscellaneous income	-	571
Total Revenues	502,077	551,216
Expenses		
Personnel Expenses:		
Employee medical benefits	15,936	19,715
Retirement benefits	1,645	2,591
Salaries and wages	99,759	130,304
Taxes - payroll	8,164	10,810
	125,504	163,420
Promotion and Marketing Expenses:		
Advertising and promotion	154,850	197,472
Vacation Planner	88,847	102,824
Fuel	640	1,673
Grants to nonprofit organizations	25,000	32,000
Postage	15,200	28,771
Telephone	6,854	4,722
Travel and seminar	12,840	14,244
Vehicle maintenance	248	345
	304,479	382,051
General and Administrative Expenses:		
Depreciation	10,556	10,566
Dues and memberships	5,779	6,301
Equipment rent, repairs and maintenance	2,088	5,540
Insurance	3,401	3,470
Legal and professional	7,945	8,608
Miscellaneous	1,032	3,150
Office supplies	3,886	4,826
Office rental and utilities	20,814	24,180
	55,501	66,641
Total Expenses	485,484	612,112
INCREASE (DECREASE) IN UNRESTRICTED NET ASSETS	16,593	(60,896)

(Continued)

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

Statements of Revenues and Expenses and
Changes in Net Assets - Modified Cash Basis (Continued)
Years Ended December 31, 2009 and 2008

	2009	2008
TEMPORARILY RESTRICTED REVENUE		
Grants	\$ 50,000	\$ -
Net assets released from restrictions	(9,512)	-
INCREASE IN TEMPORARILY RESTRICTED NET ASSETS	40,488	-
CHANGE IN NET ASSETS	57,081	(60,896)
NET ASSETS, BEGINNING OF YEAR	66,022	126,918
NET ASSETS, END OF YEAR	\$ 123,103	\$ 66,022

See Notes to Financial Statements.

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

Notes to Financial Statements
December 31, 2009 and 2008

Note 1. Organization and Significant Accounting Policies

Organization:

The LaGrange County Convention and Visitors Bureau, Ltd. (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:

The Bureau 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.

Unrestricted Net Assets: Unrestricted net assets include expendable resources over which the Bureau's Board of Directors has discretionary control and are used to carry out the Bureaus' operations in accordance with its by-laws.

Temporarily Restricted Net Assets: Temporarily restricted net assets include resources expendable only for those purposes specified by the donor or grantor. The restrictions are satisfied either by the passage of time or by actions of the Bureau.

Permanently Restricted Net Assets: Permanently restricted net assets include resources subject to donor-imposed stipulations that they be maintained permanently by the Bureau. There were no permanently restricted net assets for the years ended December 31, 2009 and 2008.

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.

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

Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Note 1. Organization and Significant Accounting Policies (Continued)

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 income taxes.

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, 2009 and 2008 totaled \$10,556 and \$10,566, respectively.

Advertising Costs:

Advertising costs are charged to operations when incurred and are included in total expenses. The amounts charged in 2009 and 2008 were \$154,850 and \$197,472, respectively.

Subsequent Events:

Management of the Company has evaluated events and transactions for possible recognition or disclosure through April 15, 2010, the date the financial statements were available to be issued.

Note 2. Temporarily Restricted Net Assets

In 2009, the Bureau received a \$50,000 grant from the LaGrange County Council for a Major Moves project promoting the development and growth of economic development, job growth, and public safety in LaGrange County. At December 31, 2009, the Bureau had temporarily restricted net assets of \$40,488. Temporarily restricted net assets of \$9,512 were released in 2009 as expenditures were incurred relating to the specified purpose of the grant.

Note 3. Operating Leases

The Bureau leases its operating facility on an annual basis requiring monthly rental payments. The lease agreement was from August 2008 through July 2009 with monthly payments, including utilities, of \$1,662. This lease agreement was renewed through August 2010 with increased monthly payments, including utilities, of \$1,712. Subsequently, due to a decrease in the amount of space needed, rent was reduced to \$930 per month effective January 1, 2010. In addition, the Bureau signed a one year lease for a storage unit. The agreement is through December 2010 and payment was made at the commencement of the lease. Total lease expense, for the years ended December 31, 2009 and 2008 totaled \$20,814 and \$24,180, respectively.

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

Notes to Financial Statements (Continued)
December 31, 2009 and 2008

Note 3. Operating Leases (Continued)

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, 2009 and 2008 totaled \$519 and \$1,237, 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, Ltd.
Shipshewana, Indiana

We have audited the financial statements of LaGrange County Convention and Visitors Bureau, Ltd. (the Bureau) as of and for the year ended December 31, 2009, and have issued our report thereon dated April 15, 2010. 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 deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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
BADEN, GAGE & SCHROEDER, LLC

Fort Wayne, Indiana
April 15, 2010