



STATE OF INDIANA
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October 3, 2013

Board of Directors
LaGrange County Convention
and Visitors Bureau, Ltd.
350 S. Van Buren St.
Shipshewana, IN 46565

We have reviewed the audit report prepared by Baden Gage & Schroeder, LLC, Independent Public Accountants, for the period January 1, 2010 to December 31, 2010. 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, Ltd., as of December 31, 2010, 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, 2010 and 2009

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



Financial Statements
December 31, 2010 and 2009

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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, 2010 and 2009, 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. 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 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 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, 2010 and 2009, 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.

Baden, Gage & Schroeder, LLC

BADEN, GAGE & SCHROEDER, LLC

Fort Wayne, Indiana
April 11, 2011

LAGRANGE COUNTY CONVENTION AND VISITORS BUREAU, LTD.



**Statements of Assets, Liabilities and Net Assets - Modified Cash Basis
December 31, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 128,012	\$ 110,585
PROPERTY AND EQUIPMENT		
Furniture, fixtures and equipment	22,635	41,935
Transportation equipment	<u>18,085</u>	<u>18,085</u>
	40,720	60,020
Less: Accumulated depreciation	<u>34,009</u>	<u>45,655</u>
Net Property and Equipment	<u>6,711</u>	<u>14,365</u>
TOTAL ASSETS	<u>\$ 134,723</u>	<u>\$ 124,950</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Payroll taxes withheld	\$ 2,928	\$ 1,847
NET ASSETS		
Unrestricted	113,459	82,615
Temporarily restricted	<u>18,336</u>	<u>40,488</u>
Total net assets	<u>131,795</u>	<u>123,103</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 134,723</u>	<u>\$ 124,950</u>

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, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
UNRESTRICTED NET ASSETS		
Revenues		
Innkeeper's Tax Commission grants	\$ 392,500	\$ 422,404
Vacation Planner advertisements	88,450	79,388
Interest income	303	285
Special event income	5,470	-
Net assets released from restrictions	<u>22,152</u>	<u>9,512</u>
Total Revenues	508,875	511,589
Expenses		
Personnel Expenses:		
Employee medical benefits	15,936	15,936
Retirement benefits	1,704	1,645
Salaries and wages	103,039	99,759
Taxes - payroll	<u>8,428</u>	<u>8,164</u>
	129,107	125,504
Promotion and Marketing Expenses:		
Advertising and public relations	157,654	153,383
Vacation Planner	74,801	88,847
Grants to nonprofit organizations	20,842	25,000
Postage	11,938	15,200
Printing	1,777	1,467
Telephone	6,861	6,854
Travel and seminar	7,130	12,840
Vehicle fuel and maintenance	<u>2,387</u>	<u>888</u>
	283,390	304,479
General and Administrative Expenses:		
Depreciation	7,654	10,556
Dues and memberships	6,448	5,779
Equipment rent, repairs and maintenance	2,951	2,088
Insurance	3,429	3,401
Legal and professional	7,885	7,945
Miscellaneous	355	1,032
Office supplies	2,781	3,886
Office rental and utilities	<u>11,879</u>	<u>20,814</u>
	43,382	55,501
Major Moves expense	<u>22,152</u>	<u>9,512</u>
Total Expenses	<u>478,031</u>	<u>494,996</u>
INCREASE IN UNRESTRICTED NET ASSETS	30,844	16,593

(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, 2010 and 2009**

	<u>2010</u>	<u>2009</u>
TEMPORARILY RESTRICTED REVENUE		
Grants	\$ -	\$ 50,000
Net assets released due to satisfaction of purpose restriction	<u>(22,152)</u>	<u>(9,512)</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(22,152)</u>	<u>40,488</u>
TOTAL NET INCREASE IN NET ASSETS	8,692	57,081
NET ASSETS, BEGINNING OF YEAR	<u>123,103</u>	<u>66,022</u>
NET ASSETS, END OF YEAR	<u>\$ 131,795</u>	<u>\$ 123,103</u>

See Notes to Financial Statements.

LAGRANGE COUNTY CONVENTION AND VISITORS BUREAU, LTD.



Notes to Financial Statements December 31, 2010 and 2009

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, 2010 and 2009.

LAGRANGE COUNTY CONVENTION AND VISITORS BUREAU, LTD.



Notes to Financial Statements (Continued) **December 31, 2010 and 2009**

Note 1. Organization and Significant Accounting Policies (Continued)

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 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, 2010 and 2009 totaled \$7,654 and \$10,556, respectively.

Advertising Costs:

Advertising costs are charged to operations when incurred and are included in total expenses. The amounts charged in 2010 and 2009 were \$157,654 and \$153,383, respectively.

Subsequent Events:

Management of the Bureau has evaluated events and transactions for possible recognition or disclosure through April 11, 2011, 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, 2010, the Bureau had temporarily restricted net assets of \$18,336 (\$40,488 at December 31, 2009). Temporarily restricted net assets of \$22,152 (\$9,512 in 2009) were released in 2010 as expenditures were incurred relating to the specified purpose of the grant.

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



Notes to Financial Statements (Continued)
December 31, 2010 and 2009

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. The Bureau also leases an offsite storage unit on a calendar year basis with the full annual payment made at the commencement of the lease. Total lease expense, for the years ended December 31, 2010 and 2009, totaled \$11,879 and \$20,814, 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, 2010 and 2009, totaled \$692 and \$519, respectively.