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October 16, 2013

Board of Directors  
Huntington County Visitor  
& Convention Bureau, Inc.  
P.O. Box 212  
Huntington, IN 46750-0212

We have reviewed the audit report prepared by David Culp & Company, LLP, 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 Huntington County Visitor & Convention 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

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

AUDIT REPORT

DECEMBER 31, 2009 AND 2008

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To the Board of Directors  
Huntington County Visitor & Convention  
Bureau, Inc.  
Huntington, Indiana

Independent Auditor's Report

We have audited the accompanying statements of assets, liabilities and net assets - modified cash basis of Huntington County Visitor & Convention Bureau, Inc. (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of support, revenues, expenses and change in net assets - modified cash basis and functional expenses - 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 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. 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Huntington County Visitor & Convention Bureau, Inc. as of December 31, 2009 and 2008, and the changes in its net assets for the years then ended in conformity with the basis of accounting described in Note 1.

David Culp & Co. LLP  
Certified Public Accountants

Huntington, Indiana  
June 14, 2010

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

COMPARATIVE STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -

MODIFIED CASH BASIS

DECEMBER 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
<u>Current Assets:</u>		
Cash and cash equivalent - Note 1	\$ 35,261	\$ 50,281
Certificate of deposit	34,064	37,522
Investments - Note 1	<u>2,850</u>	<u>19,500</u>
Total current assets	<u>72,175</u>	<u>107,303</u>
<u>Fixed Assets - Note 1:</u>		
Buildings	171,842	93,819
Furniture and equipment	11,410	11,410
Construction in progress	<u>-</u>	<u>42,128</u>
	183,252	147,357
<u>Less:</u> Accumulated depreciation	<u>27,085</u>	<u>22,783</u>
Total fixed assets	<u>156,167</u>	<u>124,574</u>
Total assets	\$228,342 =====	\$231,877 =====

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

LIABILITIES AND NET ASSETS

	<u>2009</u>	<u>2008</u>
<u>Current Liabilities:</u>		
Current portion of long-term debt	\$ 4,854	\$ 4,651
Payroll liabilities	<u>1,506</u>	<u>1,813</u>
Total current liabilities	<u>6,360</u>	<u>6,464</u>
<u>Long-Term Liabilities:</u>		
Note payable - Note 2	49,452	54,089
<u>Less:</u> Current portion of long-term debt included in current liabilities	<u>4,854</u>	<u>4,651</u>
Total long-term liabilities	<u>44,598</u>	<u>49,438</u>
Total liabilities	<u>50,958</u>	<u>55,902</u>
<u>Net Assets:</u>		
Unrestricted	155,877	119,375
Temporarily restricted	<u>21,507</u>	<u>56,600</u>
Total net assets	<u>177,384</u>	<u>175,975</u>
Total liabilities and net assets	<u>\$228,342</u> =====	<u>\$231,877</u> =====

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

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

STATEMENT OF SUPPORT, REVENUES, EXPENSES AND

CHANGE IN NET ASSETS - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenues and gains -</u>			
Tax share	\$ 128,700	\$ -	\$128,700
Special events -			
Proceeds	12,842	-	12,842
<u>Less: Direct benefit to</u>			
donors	(9,259)	-	(9,259)
Grants	-	765	765
Interest income	977	-	977
Miscellaneous income	-	750	750
	<hr/>	<hr/>	<hr/>
Total support, revenues and gains before net assets released from restrictions	133,260	1,515	134,775
<u>Net assets released from</u>			
<u>restrictions -</u>			
Satisfaction of program requirements	36,608	(36,608)	-
	<hr/>	<hr/>	<hr/>
Total support, revenues and gains	169,868	(35,093)	134,775
<u>Expenses -</u>			
Program	79,827	-	79,827
Management and general	36,458	-	36,458
Fundraising	17,081	-	17,081
	<hr/>	<hr/>	<hr/>
Total expenses	133,366	-	133,366
<u>Change in net assets</u>	36,502	(35,093)	1,409
<u>Net Assets:</u>			
Beginning of year	119,375	56,600	175,975
	<hr/>	<hr/>	<hr/>
End of year	\$ 155,877	\$ 21,507	\$177,384
	=====	=====	=====

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

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

STATEMENT OF SUPPORT, REVENUES, EXPENSES AND

CHANGE IN NET ASSETS - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<u>Support, revenues and gains -</u>			
Tax share	\$ 152,250	\$ -	\$152,250
Special events -			
Proceeds	11,971	-	11,971
<u>Less: Direct benefit to</u>			
donors	(8,086)	-	(8,086)
Grants	-	56,600	56,600
Interest income	2,259	-	2,259
Miscellaneous income	<u>261</u>	<u>-</u>	<u>261</u>
 Total support, revenues and gains before net assets released from restrictions	 158,655	 56,600	 215,255
 <u>Net assets released from</u> <u>restrictions -</u>			
Satisfaction of program requirements	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Total support, revenues and gains	 <u>158,655</u>	 <u>56,600</u>	 <u>215,255</u>
 <u>Expenses -</u>			
Program	99,099	-	99,099
Management and general	41,535	-	41,535
Fundraising	<u>18,785</u>	<u>-</u>	<u>18,785</u>
 Total expenses	 <u>159,419</u>	 <u>-</u>	 <u>159,419</u>
 <u>Change in net assets</u>	 ( 764)	 56,600	 55,836
 <u>Net Assets:</u>			
Beginning of year	 <u>120,139</u>	 <u>-</u>	 <u>120,139</u>
 End of year	 \$ 119,375 =====	 \$ 56,600 =====	 \$175,975 =====

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

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Program</u>	<u>Manage- ment And General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries	\$27,198	\$ 18,132	\$15,109	\$ 60,439
Payroll taxes	2,424	1,616	1,347	5,387
Employee benefits - Note 3	<u>1,125</u>	<u>750</u>	<u>625</u>	<u>2,500</u>
 Total salaries and related expenses	 30,747	 20,498	 17,081	 68,326
 Printing and publications	19,440	-	-	19,440
Advertising and promotion - Note 1	4,652	-	-	4,652
Telephone	4,051	-	-	4,051
Repairs and maintenance	-	1,344	-	1,344
Depreciation - Note 1	-	4,302	-	4,302
Supplies	3,594	-	-	3,594
Travel and entertainment	2,065	-	-	2,065
Utilities	4,253	-	-	4,253
Interest	-	2,278	-	2,278
Insurance	-	2,735	-	2,735
Legal and professional	-	5,141	-	5,141
Grants	4,299	-	-	4,299
Postage	2,580	-	-	2,580
Equipment rental - Note 4	1,234	-	-	1,234
Dues and subscriptions	1,522	-	-	1,522
Education	341	-	-	341
Brochure distribution	295	-	-	295
Small equipment	-	-	-	-
Miscellaneous expense	754	-	-	754
Bank charges	-	160	-	160
 Total functional expenses	 \$79,827 =====	 \$ 36,458 =====	 \$17,081 =====	 \$133,366 =====

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

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

STATEMENT OF FUNCTIONAL EXPENSES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Program</u>	<u>Manage- ment And General</u>	<u>Fund- raising</u>	<u>Total</u>
Salaries	\$30,002	\$ 20,002	\$16,668	\$ 66,672
Payroll taxes	2,591	1,728	1,440	5,759
Employee benefits - Note 3	<u>1,218</u>	<u>812</u>	<u>677</u>	<u>2,707</u>
 Total salaries and related expenses	 33,811	 22,542	 18,785	 75,138
 Printing and publications	 17,870	 -	 -	 17,870
Advertising and promotion - Note 1	4,510	-	-	4,510
Telephone	3,469	-	-	3,469
Repairs and maintenance	-	1,490	-	1,490
Depreciation - Note 1	-	3,817	-	3,817
Supplies	4,956	-	-	4,956
Travel and entertainment	5,832	-	-	5,832
Utilities	4,105	-	-	4,105
Interest	-	2,674	-	2,674
Insurance	-	2,811	-	2,811
Legal and professional	-	8,101	-	8,101
Grants	4,000	-	-	4,000
Postage	1,823	-	-	1,823
Equipment rental - Note 4	653	-	-	653
Dues and subscriptions	2,066	-	-	2,066
Education	3,234	-	-	3,234
Brochure distribution	11,752	-	-	11,752
Small equipment	729	-	-	729
Miscellaneous expense	289	-	-	289
Bank charges	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
 Total functional expenses	 \$99,099 =====	 \$ 41,535 =====	 \$18,785 =====	 \$159,419 =====

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

NOTES TO COMPARATIVE FINANCIAL STATEMENTS

DECEMBER 31, 2009 AND 2008

Note 1: Organization and summary of significant accounting policies -

Organization - Huntington County Visitor & Convention Bureau, Inc. (the Organization) is a non-profit corporation organized for the purpose of the promotion and encouragement of conventions, trade shows, visitors, tourism, festivals, and other special events in Huntington County, State of Indiana. The Organization derives its revenue from the Huntington County Innkeepers Tax. It is therefore dependent on travel activity in Huntington County.

Basis of accounting - The Organization's policy is to prepare its financial statements on the modified cash basis of accounting. Accordingly, certain revenues and the related assets are recognized when received rather than when promised or earned, and certain expenses are recognized when paid rather than when the obligation is incurred. The modifications to the cash basis of accounting are the recording of investments at fair value, capitalization of property and equipment and recording of depreciation, recording of payroll liabilities, and recording of long-term debt obligations. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles. Interest earned on certificates of deposit is considered received when credited by the banks.

In the accompanying statements of financial position, funds have been combined into fund groups in accordance with FASB ASC 958-210-45-9, "Classification of Net Assets". Under the FASB, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: unrestricted and temporarily restricted.

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors or may otherwise be limited by contractual agreements with outside parties. Donor-imposed restrictions are reported as unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized.

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

Note 1: Organization and summary of significant accounting policies  
(Continued) -

Basis of accounting (Continued) -

Temporarily restricted - Net assets are subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time. When a donor restriction expires, that is, when a stipulated time or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Assets, Liabilities and Net Assets - Modified Cash Basis as "net assets released from restrictions".

Cash and cash equivalents - The Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Investments - Investments are carried at fair value. Substantially all investments have readily determinable values.

Fixed assets - Property and equipment are stated at cost. Donated property is recorded at its estimated fair value at the date of receipt. Depreciation is computed on the straight-line method based on the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Furniture and equipment	5- 7
Buildings	15-39

Depreciation expense totaled \$4,302 and \$3,817 for the years ended December 31, 2009 and 2008, respectively.

The carrying value of long-lived and intangible assets is reviewed annually to determine if facts and circumstances suggest that the assets may be impaired or that the useful life may need to be changed. The Organization considers internal and external factors relating to each asset in making this determination. If these factors and the projected undiscounted cash flows of the business over the remaining useful life indicate that the asset will not be recoverable, the carrying value will be adjusted to the estimated fair value.

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

Note 1: Organization and summary of significant accounting policies  
(Continued) -

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses and changes in net assets during the reporting period. Actual results could differ from those estimated.

Federal income taxes - The Organization is exempt from income tax under Section 501(c)(6) of the Internal Revenue Code, and qualifies for the 50% charitable contributions deduction limitation. The Organization has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Donated services - A substantial number of volunteers donate significant amounts of time in providing the Organization's services. No amounts have been recognized in the financial statements for these services because the criteria for recognition of such volunteer effort as contributed services has not been satisfied.

Advertising - Advertising costs are charged to operations as incurred. Total advertising costs expensed during the years ended December 31, 2009 and 2008 was \$4,652 and \$4,510, respectively.

Note 2: Note payable - The note payable consists of the following as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Mortgage note payable - Wells Fargo Bank, payable \$576 per month, including interest at 4.5% due 2013, secured by real estate.	\$49,452 =====	\$54,089 =====

Payments due on long-term debt for the years following December 31, 2009 are as follows:

HUNTINGTON COUNTY VISITOR & CONVENTION BUREAU, INC.

NOTES TO COMPARATIVE FINANCIAL STATEMENTS (CONTINUED)

DECEMBER 31, 2009 AND 2008

Note 2: Note payable (Continued) -

Year ending December 31:

2010	\$ 4,854
2011	5,011
2012	5,241
2013	<u>34,346</u>
Total	\$49,452 =====

Note 3: Employee benefits - The Organization contributes to the personal retirement plan of the Executive Director and project manager. Contributions to the Plan are based on a board approved amount, plus applicable taxes. Contributions made by the Organization totaled \$2,500 and \$2,707 for the years ended December 31, 2009 and 2008, respectively.

Note 4: Operating leases - The Organization leases equipment under a month-to-month operating lease. Total rent expense under this lease was \$1,234 and \$653 for the years ended December 31, 2009 and 2008, respectively.

Note 5: Related parties - The Organization paid \$495 for fixed assets and maintenance to a company owned by a board member for the year ended December 31, 2008.

The Organization also paid \$650 to a cleaning company operated by the Executive Director's daughter for the year ended December 31, 2008.

Note 6: Concentrations - The Organization received 95% of its support and revenues from the Huntington County Innkeepers Tax for the year ended December 31, 2009 and 71% for the year ended December 31, 2008. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organization's future programs and activities.

Note 7: Subsequent events - The Organization evaluated all events or transactions that occurred after December 31, 2009 up through June 14, 2010, the date these financial statements were issued. During this period, we did not have any material recognizable or disclosable subsequent events.