



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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June 3, 2009

Board of Directors
Marion Grant County Convention
& Visitors Bureau
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, 2007 to December 31, 2007. 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 & Visitors Bureau, as of December 31, 2007, 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
& VISITORS BUREAU**

FINANCIAL STATEMENTS

Year Ended December 31, 2007

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position – modified cash basis of Marion Grant County Convention and Visitors Bureau (a nonprofit organization) as of December 31, 2007, and the related statements of activities – modified cash basis, cash flows – modified cash basis and functional expenses – modified cash basis for the year 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 audit.

We conducted our audit 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 audit 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 as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended, on the basis of accounting described in Note 1.

Dulin, Ward & DeWald, Inc.

Marion, Indiana
June 9, 2008

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF FINANCIAL POSITION - MODIFIED CASH BASIS
December 31, 2007

ASSETS

| | |
|---------------------|--------------------------------|
| Cash | \$ 45,361 |
| Fixed assets - net | <u>29,744</u> |
| Total Assets | <u><u>\$ 75,105</u></u> |

LIABILITIES AND NET ASSETS

| | |
|---|--------------------------------|
| Payroll withholding and accruals | \$ 2,650 |
| Net Assets: | |
| Unrestricted | <u>72,455</u> |
| Total Liabilities and Net Assets | <u><u>\$ 75,105</u></u> |

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

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
Year Ended December 31, 2007

| | Unrestricted | Temporarily Restricted | Total |
|---|---------------------|-----------------------------------|------------------|
| CHANGES IN NET ASSETS | | | |
| Support and Revenues: | | | |
| Contributions - Grant County Innkeepers Tax | \$ 256,094 | \$ - | \$ 256,094 |
| Ticket office: | | | |
| Revenue | 46,127 | - | 46,127 |
| Less cost of goods sold | (44,920) | - | (44,920) |
| Sponsorship revenue | 10,000 | - | 10,000 |
| Grant revenue | - | 7,200 | 7,200 |
| Billboard income | 2,400 | - | 2,400 |
| Net Assets Released From Restrictions: | | | |
| Satisfaction of time requirements | 7,200 | (7,200) | - |
| Total Support and Revenues | 276,901 | - | 276,901 |
| Expenses: | | | |
| Resource distribution | 174,354 | - | 174,354 |
| Management and general | 47,756 | - | 47,756 |
| Fund raising | 6,444 | - | 6,444 |
| Total Expenses | 228,554 | - | 228,554 |
| CHANGE IN NET ASSETS | 48,347 | - | 48,347 |
| NET ASSETS - January 1, 2007 | 24,108 | - | 24,108 |
| NET ASSETS - December 31, 2007 | \$ 72,455 | \$ - | \$ 72,455 |

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

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
Year Ended December 31, 2007

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|---------------|
| Change in net assets | \$ 48,347 |
| Adjustments to reconcile change in net assets to cash flows from operating activities: | |
| Depreciation | 3,451 |
| Changes in assets and liabilities: | |
| Increase in: | |
| Payroll withholdings and accruals | 2,650 |
| Cash Flows From Operating Activities | 54,448 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|--------------------------|----------|
| Purchase of fixed assets | (30,926) |
|--------------------------|----------|

INCREASE IN CASH 23,522

CASH - January 1, 2007 21,839

CASH - December 31, 2007 \$ 45,361

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

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

| | Programs | Management and General | Fund Raising |
|--|--------------------------|---------------------------|------------------------|
| Salaries | \$ 60,827 | \$ 26,836 | \$ 1,789 |
| Payroll taxes | 4,653 | 2,053 | 137 |
| Employee benefits | <u>2,436</u> | <u>1,075</u> | <u>71</u> |
| Total Salaries and Related Expenses | 67,916 | 29,964 | 1,997 |
| Advertising and promotion | 54,536 | - | - |
| Attraction development and program costs | 23,140 | - | - |
| Occupancy | 13,589 | 5,908 | 197 |
| Automobile | 5,375 | 2,303 | - |
| Telephone | - | - | 4,189 |
| Dues, subscriptions and permits | 2,679 | 1,260 | - |
| Repairs and maintenance | - | 2,694 | - |
| Postage | 2,163 | 386 | 26 |
| Meals and entertainment | 874 | 1,258 | - |
| Office Supplies | 717 | 1,075 | - |
| Professional fees | - | 1,102 | - |
| Conferences, conventions and meetings | 657 | 282 | - |
| Miscellaneous | <u>327</u> | <u>489</u> | <u>-</u> |
| Total Expenses Before Depreciation | 171,973 | 46,721 | 6,409 |
| Depreciation expense | <u>2,381</u> | <u>1,035</u> | <u>35</u> |
| Total Expenses | <u>\$ 174,354</u> | <u>\$ 47,756</u> | <u>\$ 6,444</u> |

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

Total

\$ 89,452
6,843
3,582

99,877

54,536

23,140

19,694

7,678

4,189

3,939

2,694

2,575

2,132

1,792

1,102

939

816

225,103

3,451

\$ 228,554

MARION GRANT COUNTY CONVENTION AND VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS

December 31, 2007

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Marion Grant County Convention and Visitors Bureau (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.

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.

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.

Advertising

Advertising costs are charged to operations when incurred.

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. The organization does not have a formal capitalization policy and generally capitalizes assets with a life of one year or more. 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.

2. FIXED ASSETS

The components of fixed assets are as follows:

| | |
|----------------------------------|------------------|
| Office equipment | \$ 32,417 |
| Furniture | 19,717 |
| Leasehold improvements | 8,111 |
| Software and website development | <u>6,911</u> |
| | 67,156 |
| Accumulated depreciation | <u>37,412</u> |
| | <u>\$ 29,744</u> |

3. OPERATING LEASE

The Organization leases office space under an operating lease arrangement. The Organization is obligated for five years beginning March 1, 2007 in accordance with the lease agreement. The lease provides for an option to renew for an additional five years upon expiration of the initial lease term. Lease expense also includes amounts paid in 2007 for office space in their prior location. Total lease expense charged to operations was \$16,500 in 2007 and is included in occupancy in the statement of functional expenses.

Minimum future rental payments under noncancelable operating leases as of December 31, 2007 for each of the next five years and in the aggregate are as follows:

| | | |
|---------------------|----|---------------|
| 2008 | \$ | 10,455 |
| 2009 | | 10,765 |
| 2010 | | 11,092 |
| 2011 | | 11,424 |
| 2012 | | 1,913 |
| 2013 and thereafter | | <u>-</u> |
| | \$ | <u>45,649</u> |

4. 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 \$2,548 for 2007.

5. CONCENTRATIONS

The Marion Grant County Convention and Visitors Bureau received over 92% 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, 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.