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June 17, 2009

Board of Directors
Convention & Visitors Bureau
of Henry County, Inc.
2020 S. Memorial Dr., Ste. 1
New Castle, IN 47362

We have reviewed the audit report prepared by Broyles CPA, LLC, 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 Convention & Visitors Bureau of Henry County, Inc., 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

BROYLES CPA, LLC

ACCOUNTING & BUSINESS SERVICES

CONVENTION & VISITORS
BUREAU OF HENRY COUNTY, INC.

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2007

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Convention & Visitors Bureau of Henry County, Inc.
(a nonprofit corporation)
New Castle, Indiana

We have audited the accompanying statement of financial position of Convention & Visitors Bureau of Henry County, Inc. (a nonprofit corporation), as of December 31, 2007, and the related statement of activities and cash flows 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 generally accepted auditing standards. 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 provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Convention & Visitors Bureau of Henry County, Inc. as of December 31, 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

July 18, 2008
New Castle, Indiana

Broyles CPA, LLC
BROYLES CPA, LLC
Certified Public Accountants

CONVENTION & VISITORS BUREAU OF HENRY COUNTY, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007

Assets

Current assets:	
Cash and cash equivalents	\$ 29,818
Accounts receivable	15
Prepaid expenses	<u>12,450</u>
Total current assets	42,283
Fixed assets:	
Office furniture and equipment, net (note B)	<u>4,489</u>
Total fixed assets	4,489
Other assets:	
Security deposit	<u>424</u>
Total other assets	<u>424</u>
Total assets	<u><u>\$ 47,196</u></u>

Liabilities and Net Assets

Current liabilities:	
Accounts payable	\$ 1,600
Payroll liabilities	1,198
Accrued payroll	<u>1,217</u>
Total current liabilities	4,015
Net assets:	
Unrestricted net assets	43,181
Temporarily restricted net assets	-
Permanently restricted net assets	<u>-</u>
Total net assets	<u>43,181</u>
Total liabilities and net assets	<u><u>\$ 47,196</u></u>

CONVENTION & VISITORS BUREAU OF HENRY COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	Unrestricted	Permanently Restricted	Temporarily Restricted	Total
Public Support and Revenues				
Allocation from commission	\$ 115,083	\$ -	\$ -	\$ 115,083
Sponsorships	100			100
Sporting events	7,606			7,606
Interest income	155			155
Miscellaneous income	544			544
	<hr/>	<hr/>	<hr/>	<hr/>
Total public support and revenues	123,488	-	-	123,488
Expenses				
Advertising & marketing	25,721			25,721
Conferences & education	799			799
Contract labor	348			348
Depreciation	2,533			2,533
Dues & subscriptions	1,595			1,595
Employee benefits	5,511			5,511
Insurance	2,311			2,311
Meeting expenses	640			640
Office expense	2,079			2,079
Payroll taxes	4,273			4,273
Postage	324			324
Professional fees	1,783			1,783
Rent	10,678			10,678
Repairs & maintenance	309			309
Salaries & wages	46,031			46,031
Sporting event expenses	7,684			7,684
Sports coordinator contract	6,000			6,000
Travel & entertainment	3,069			3,069
Utilities	5,470			5,470
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	127,158	-	-	127,158
Change in net assets	(3,670)	-	-	(3,670)
Net assets as of beginning of year	<hr/> 46,851	<hr/>	<hr/>	<hr/> 46,851
Net assets as of end of year	<u>\$ 43,181</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,181</u>

CONVENTION & VISITORS BUREAU OF HENRY COUNTY, INC.
 STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED DECEMBER 31, 2007

Operating activities:	
Change in net assets	\$ (3,670)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	2,533
Increase in accounts receivable	(15)
Increase in prepaid assets	(220)
Increase in accounts payable	452
Increase in accrued liabilities	<u>814</u>
Net cash used in operating activities	(106)
Investing activities:	
Equipment purchases	<u>(745)</u>
Net cash used in investing activities	(745)
Net decrease in cash and cash equivalents	(851)
Cash and cash equivalents as of beginning of year	<u>30,669</u>
Cash and cash equivalents as of end of year	<u><u>\$ 29,818</u></u>
Interest paid	\$ -
Income taxes paid	\$ -

CONVENTION & VISITORS BUREAU OF HENRY COUNTY, INC.
DECEMBER 31, 2007
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Activities

Convention & Visitors Bureau of Henry County, Inc. was organized in July of 1989 as a nonprofit corporation. The purpose of the Agency is to promote economic development in Henry County through promotion and expansion of visitor and tourism industry.

Basis of Accounting

The financial statements of the Agency have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation

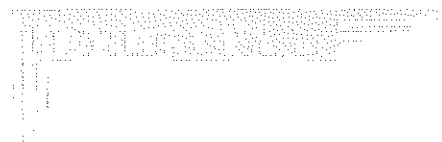
Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Agencies*. Under SFAS No. 117, the Agency is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Acquisitions of property and equipment in excess of \$500 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over five years for office equipment and seven to ten years for furniture and fixtures.



CONVENTION & VISITORS BUREAU OF HENRY COUNTY, INC.
DECEMBER 31, 2007
NOTES TO FINANCIAL STATEMENTS

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Income Taxes

The Agency is exempt from federal income taxes under Internal Revenue Code Section 501(c)(6).

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

NOTE B – PROPERTY AND EQUIPMENT:

Property and equipment at December 31, 2007 consisted of the following:

Office furniture and equipment	\$16,091
Less: Accumulated depreciation	<u>(11,602)</u>
	<u>\$ 4,489</u>

NOTE C – DONATED SERVICES, MATERIALS, AND FACILITIES:

The Agency receives donated services from a variety of unpaid volunteers assisting the Agency in its mission. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort under SFAS No. 116 have not been satisfied.

NOTE D – MAJOR FUNDING:

The Agency operates from Innkeepers taxes received and disbursed to them via the Henry County Tourism Commission. For the year ended December 31, 2007, the Agency received approximately 93% of its funding from Innkeepers taxes. Significant reductions in these allocations could result in significant reductions in service operations.

CONVENTION & VISITORS BUREAU OF HENRY COUNTY, INC.
DECEMBER 31, 2007
NOTES TO FINANCIAL STATEMENTS

NOTE E – OPERATING LEASE

On June 1, 2006, the Agency entered into a lease agreement for its office space. The current lease is scheduled to expire May 31, 2009. The current monthly rent is \$889.82.

NOTE F – RETIREMENT PLAN

Effective October 29, 2007, the Agency established a Simplified Employee Pension Plan (SEP) for all eligible employees. Contributions to this retirement plan come entirely from the Agency. For the year ending December 31, 2007, the Agency's retirement plan expense was \$732.