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June 29, 2009

Board of Directors
Greater Lafayette Convention
and Visitors Bureau, Inc.
301 Frontage Rd.
Lafayette, IN 47905

We have reviewed the audit report prepared by Reed & Company, PC, 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 Greater Lafayette Convention and Visitors Bureau, 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

Financial Report
**Greater Lafayette Convention
and Visitors Bureau, Inc.**
d/b/a Lafayette – West Lafayette
Convention & Visitors Bureau
December 31, 2007 and 2006

**Greater Lafayette Convention and Visitors Bureau, Inc.
d/b/a Lafayette - West Lafayette Convention and Visitors Bureau**

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Reed & Company, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Greater Lafayette Convention and Visitors Bureau, Inc.
Lafayette, Indiana

We have audited the accompanying statements of assets and liabilities arising from cash transactions of Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Lafayette - West Lafayette Convention and Visitors Bureau (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of cash receipts and disbursements, and changes in net assets 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 U.S. generally accepted auditing standards and *Guidelines for Examination of Entities Receiving Financial Assistance from Governmental Sources*, issued by the Indiana State Board of Accounts. 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 basis of cash receipts and disbursements, 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 assets, liabilities, and net assets of Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Lafayette - West Lafayette Convention and Visitors Bureau as of December 31, 2007 and 2006, and its recorded revenue and expenses, and the changes in its net assets for the years then ended, on the basis of accounting described in Note 1.

Reed & Company, P.C.
Lafayette, Indiana
October 2, 2008

Greater Lafayette Convention and Visitors Bureau, Inc.
d/b/a Lafayette - West Lafayette Convention & Visitors Bureau
 Statements of Assets and Liabilities Resulting from Cash Transactions
 December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash	\$ 169,631	\$ 180,780
Prepaid payroll taxes	<u>34</u>	<u>37</u>
TOTAL ASSETS	\$ <u>169,665</u>	\$ <u>180,817</u>
 LIABILITIES AND NET ASSETS		
Liabilities	\$ 0	\$ 0
Net assets, unrestricted	<u>169,665</u>	<u>180,817</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u>169,665</u>	\$ <u>180,817</u>

See Accompanying Notes to Financial Statements

Greater Lafayette Convention and Visitors Bureau, Inc.
d/b/a Lafayette - West Lafayette Convention & Visitors Bureau

Statements of Cash Receipts and Disbursements
For the Years Ended December 31, 2007 and 2006

	2007	2006
Receipts		
Tippecanoe County	\$ 850,000	\$ 800,000
Interest	733	756
	850,733	800,756
Disbursements		
Wages	254,163	243,464
Directors' per diem	3,990	3,500
Building rent	58,464	58,464
Utilities	7,169	6,817
Building and equipment maintenance	22,186	18,787
Postage	21,248	22,345
Travel	8,977	9,433
Telephone	24,810	22,777
Accounting	3,530	3,000
Promotion, advertising, and printing	272,694	265,556
Research and education	9,772	4,903
Office and operating supplies	7,609	7,837
Dues and subscriptions	13,829	14,077
Payroll taxes	20,809	20,180
Retirement	17,611	10,140
Worker's compensation insurance	799	995
Group insurance	58,685	45,521
Equipment purchases	19,218	8,425
Auto expenses	4,881	5,172
Liability insurance	3,798	4,345
Property taxes	6,924	6,390
Grants	20,719	14,048
	861,885	796,176
Excess (deficiency) of receipts over disbursements	(11,152)	4,580
Cash balance, beginning	180,780	176,394
Increase (decrease) in payroll and withholding taxes	3	(194)
Cash balance, ending	\$ 169,631	\$ 180,780

See Accompanying Notes to Financial Statements

Greater Lafayette Convention and Visitors Bureau, Inc.
d/b/a Lafayette - West Lafayette Convention & Visitors Bureau

Statements of Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Net assets, beginning	\$ 180,817	\$ 176,237
Excess (deficiency) of receipts over disbursements	<u>(11,152)</u>	<u>4,580</u>
Net assets, ending	<u>\$ 169,665</u>	<u>\$ 180,817</u>

See Accompanying Notes to Financial Statements

Greater Lafayette Convention and Visitors Bureau, Inc.
d/b/a Lafayette - West Lafayette Convention and Visitors Bureau

Notes to Financial Statements
December 31, 2007 and 2006

Note 1. Nature of Business and Significant Accounting Policies

Nature of business

Greater Lafayette Convention and Visitors Bureau, Inc., d/b/a Lafayette - West Lafayette Convention and Visitors Bureau (LWLCVB), is the marketing organization for Tippecanoe County. As the voice of the Greater Lafayette tourism industry, the LWLCVB promotes Tippecanoe County as a preferred conference, business and leisure travel destination within the community and globally. Promotion is done by producing and distributing brochures on the community, direct response advertising, attending association trade shows and actively marketing the community. By creating marketing partnerships and operating a visitor center, the LWLCVB strives to serve the needs of the community and visitors.

Method of accounting

The books of the Bureau are recorded on the cash method of accounting. Because of this method, no accruals or prepayments of income and expenses are reflected in the books of the Bureau. Accordingly, the financial statements are not intended to present the financial position and the results of operations in conformity with generally accepted accounting principles.

Concentrations of risk

The Bureau is funded by the Tippecanoe County Innkeeper's Tax, which may be impacted by the area's economic conditions and by changes in legislation. Also, the Bureau maintains cash in a demand deposit account with a federally insured bank. At times, the balance in this account may be in excess of federally insured limits.

Income taxes

Greater Lafayette Convention and Visitors Bureau, Inc. is a not-for-profit organization incorporated under the laws of the State of Indiana and is exempt from income taxes under Section 501 (c) (6) of the Internal Revenue Code.

Note 2. Leases

The Bureau leases office space under a ten-year lease extension through November 30, 2009. The rental rate for the five years beginning December 1, 2004 is \$4,872 per month. The Bureau has the option to renew the lease for an additional five years following the extension. The Bureau also has the option to purchase the building at the end of the lease extension.

Greater Lafayette Convention and Visitors Bureau, Inc.
d/b/a Lafayette - West Lafayette Convention and Visitors Bureau

Notes to Financial Statements

December 31, 2007 and 2006

Note 2. Leases (continued)

The Bureau also leases office equipment for \$445 per month under an agreement which expires in January 2009.

Total rental expense under these leases for the years ended December 31, 2007 and 2006 was \$63,827 and \$63,803, respectively.

The minimum future lease payments under these leases are as follows:

Years Ending December 31,	
2008	\$ 63,849
2009	<u>54,041</u>
	<u>\$ 117,890</u>

Note 3. Pension Plan

The Bureau maintains a pension plan which includes eligible members. The pension costs for 2007 and 2006 are \$17,611 and \$10,140, respectively.

Note 4. Local Funding

The Bureau is funded by the Tippecanoe County Innkeeper's Tax. The amount is based on an annual budget approved by the county council, and the funds are disbursed to the Bureau in quarterly allotments. Funding for the years ended December 31, 2007 and 2006 was \$850,000 and \$800,000, respectively.

Note 5. Subsequent Event

The Tippecanoe County Innkeeper's Tax legislation has been amended in 2008. Effective July 1, 2008, the Bureau will begin receiving a lower percentage of the distributions from the innkeeper's tax fund. In anticipation of this reduction, the Bureau's Board of Directors has approved a revised 2008 budget of \$865,000, which is approximately 11% less than the original 2008 budget.