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July 8, 2009

Board of Directors
LaPorte County Convention
& Visitors Bureau
1503 S. Meer Road
Michigan City, IN 46360

We have reviewed the audit report prepared by Applegate & Company, 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 LaPorte 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

LAPORTE COUNTY CONVENTION &
VISITORS BUREAU

ANNUAL REPORT
December 31, 2007

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APPLEGATE & COMPANY

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REPORT OF INDEPENDENT AUDITORS

Board of Directors
LaPorte County Convention & Visitors Bureau
Michigan City, Indiana

We have audited the accompanying statements of assets, liabilities and fund balance arising from cash transactions of the LaPorte County Convention & Visitors Bureau as of December 31, 2007 and 2006 and the related statements of revenue collected, expenses paid, and changes in fund balance for the years then ended. These financial statements are the responsibility of the LaPorte County Convention & Visitors Bureau. 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 audits 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, the LaPorte County Convention & Visitors Bureau's policy is to prepare its financial statements on a cash basis of accounting. Accordingly, the accompanying financial statements are not intended to present financial position and change in net assets in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and fund balance arising from cash transactions of the LaPorte County Convention & Visitors Bureau as of December 31, 2007 and 2006 and the revenue collected, expenses paid and changes in fund balance for the years then ended, on the basis of accounting described in Note 1.


APPLEGATE & COMPANY
Certified Public Accountants

Michigan City, Indiana
August 25, 2008

LAPORTE COUNTY CONVENTION &
VISITORS BUREAU

STATEMENTS OF REVENUE COLLECTED, EXPENSES PAID, AND CHANGES IN FUND BALANCE
For the years ended December 31, 2007 and 2006

	<u>2 0 0 7</u>		<u>2 0 0 6</u>	
	<u>Amount</u>	<u>% To Total Income</u>	<u>Amount</u>	<u>% To Total Income</u>
<u>REVENUES COLLECTED</u>				
Innkeepers tax	\$ 957,658	63.69%	\$ 785,533	56.92%
Gaming tax	376,752	25.06	423,763	30.71
Visitors guide	99,132	6.59	113,036	8.19
Distribution services revenue	30,951	2.06	30,564	2.21
Interest revenue	26,789	1.78	16,257	1.18
Miscellaneous revenue	12,387	.82	15,644	1.13
Adjustments to income			(4,736)	(.34)
Total income	<u>1,503,669</u>	<u>100.00</u>	<u>1,380,061</u>	<u>100.00</u>
<u>EXPENSES PAID</u>				
Program service expenses	494,543	32.89	401,977	29.13
General and administrative	807,013	53.67	738,549	53.51
Total operating expenses	<u>1,301,556</u>	<u>86.56</u>	<u>1,140,526</u>	<u>82.64</u>
<u>EXCESS OF REVENUE COLLECTED OVER EXPENSES PAID</u>				
	202,113	<u>13.44%</u>	239,535	<u>17.36%</u>
<u>FUND BALANCE AT BEGINNING OF YEAR</u>				
	<u>964,755</u>		<u>725,220</u>	
<u>FUND BALANCE AT END OF YEAR</u>				
	<u>\$1,166,868</u>		<u>\$ 964,755</u>	

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

LAPORTE COUNTY CONVENTION &
VISITORS BUREAU

STATEMENTS OF ASSETS, LIABILITIES AND FUND BALANCE
ARISING FROM CASH TRANSACTIONS
December 31, 2007 and 2006

	<u>ASSETS</u>	<u>2007</u>	<u>2006</u>
<u>CURRENT ASSETS</u>			
Cash and cash equivalents		<u>\$1,042,918</u>	<u>\$825,297</u>
<u>PROPERTY AND EQUIPMENT (Note 1)</u>			
Land		45,000	45,000
Building and improvements		174,937	174,937
Office furnishings and equipment		39,711	39,711
Vehicle		<u>19,835</u>	<u>19,835</u>
Total cost		279,483	279,483
Accumulated depreciation		<u>155,519</u>	<u>140,025</u>
Net property and equipment		<u>123,964</u>	<u>139,458</u>
Total assets		<u>\$1,166,882</u>	<u>\$964,755</u>
<u>LIABILITIES AND FUND BALANCE</u>			
<u>LIABILITIES</u>			
Sales tax payable		\$ 14	_____
<u>FUND BALANCE</u>			
Fund balance		<u>1,166,868</u>	<u>\$964,755</u>
Total liabilities and fund balance		<u>\$1,166,882</u>	<u>\$964,755</u>

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

LAPORTE COUNTY CONVENTION &
VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITY - LaPorte County Convention & Visitors Bureau is a not-for-profit organization located in LaPorte County, Indiana. The Bureau promotes tourism and provides information on current events in LaPorte County. The Bureau receives most of its revenue from the local inn-keepers tax and gaming tax.

ACCOUNTING METHOD - The records of the LaPorte County Convention & Visitors Bureau are maintained on a cash basis of accounting. Under this method of accounting, with the exception of recording depreciation, transactions are recorded only as cash is received or disbursed. Consequently, certain revenue and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when the obligation is incurred.

PROPERTY AND EQUIPMENT - Land, building, office furnishings, and equipment are stated at cost. Depreciation is computed according to estimated useful lives of the respective assets on the straight-line method as follows:

Building	31-1/2 - 39 years
Office equipment and furnishings	5 - 10 years
Vehicles	5 years

When properties are retired or otherwise disposed of, the appropriate accounts are relieved of cost and accumulated depreciation, and

- Continued -

LAPORTE COUNTY CONVENTION &
VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2007 and 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

any resultant gains or losses are credited or charged to income.

Depreciation expense was \$15,494 and \$14,654 for the years ended December 31, 2007 and 2006, respectively.

USE OF ESTIMATES - The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - INCOME TAXES

The Bureau is a not-for-profit corporation that is exempt from federal and state income tax under Section 501(c)(6) of the Internal Revenue Code and a similar section of the state income tax law.

NOTE 3 - DEFINED CONTRIBUTION PLAN

The Bureau contributed to a defined contribution plan administered by Putnam Fiduciary Trust for the years ended December 31, 2007 and 2006. For each qualifying employee who elects to contribute a minimum \$10 per pay period of his or her salary, the Bureau will, in turn, contribute an amount equal to 5% of his or her wages.

- Continued -

LAPORTE COUNTY CONVENTION &
VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
December 31, 2007 and 2006

NOTE 3 - DEFINED CONTRIBUTION PLAN (Continued)

The Bureau's defined contribution plan expense for the years ended December 31, 2007 and 2006 was \$26,248 and \$32,202, respectively.

NOTE 4 - COMMITMENTS

The Bureau has entered into various leases having terms exceeding one year for 2007. The minimum rentals for these leases are as follows:

For the year ended December 31, 2008	\$24,670
2009	16,412
2010	10,445
2011	<u>6,342</u>
Total	<u>\$57,869</u>

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The Bureau maintains its cash balances in a local financial institution. At December 31, 2007, the Bureau's cash balances totaled \$960,598. The balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. The remaining balance was insured by the state of Indiana's Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

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**Board of Directors
LaPorte County Convention &
Visitors Bureau
LaPorte, Indiana**

Our audits were for the purpose of forming an opinion on the basic financial statements of LaPorte County Convention & Visitors Bureau as of December 31, 2007 and 2006 and for the years then ended, taken as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the procedures applied in auditing the basic financial statements and, accordingly, we express no opinion on it.


APPLEGATE & COMPANY
Certified Public Accountants

Michigan City, Indiana
August 25, 2008

LAPORTE COUNTY CONVENTION &
VISITORS BUREAU

SCHEDULES OF EXPENSES PAID

For the years ended December 31, 2007 and 2006

	<u>2 0 0 7</u>		<u>2 0 0 6</u>	
	<u>Amount</u>	<u>% to Income</u>	<u>Amount</u>	<u>% to Income</u>
Program service expenses				
Printing expense	\$ 107,645	7.16%	\$ 113,791	8.25%
Research and development	16,505	1.10	3,500	.25
Advertising expense	245,506	16.33	207,655	15.05
Sponsorship expense	30,109	2.00	21,675	1.57
Distribution expense	11,872	.79	3,866	.28
Licenses and permits	1,595	.11	881	.06
Technology expense	61,992	4.12	32,312	2.34
Program expense	<u>19,319</u>	<u>1.28</u>	<u>18,297</u>	<u>1.33</u>
Total program service expenses	<u>494,543</u>	<u>32.89</u>	<u>401,977</u>	<u>29.13</u>
General and administrative expenses				
Salaries and wages	415,718	27.65	372,156	26.97
Contract labor	9,810	.65	3,250	.24
Employee benefits	88	.01	109	.01
Recruiting expense	7,165	.48	338	.02
Payroll taxes	37,183	2.47	32,863	2.38
Group insurance	62,265	4.14	49,040	3.55
Training	925	.06	2,509	.18
Employer retirement expense	26,248	1.75	32,202	2.33
Dues and subscriptions	19,228	1.28	14,995	1.09
Depreciation	15,494	1.03	14,654	1.06
Seminar expense	7,648	.51	5,285	.38
Office supplies	6,704	.44	5,815	.42
Lease expense	28,835	1.92	24,785	1.80
Utilities	11,098	.74	10,439	.76
Telephone	17,051	1.13	13,052	.94
Small tools and supplies	34,969	2.32	10,595	.77
Postage	30,186	2.01	30,473	2.21
Maintenance and repairs	37,159	2.47	46,199	3.35
Insurance	7,038	.47	11,667	.85
Professional services	8,870	.59	17,031	1.23
Travel	21,991	1.46	12,357	.89
Charges and fees	888	.06	496	.03
Miscellaneous expense	<u>452</u>	<u>.03</u>	<u>28,239</u>	<u>2.05</u>
Total general and administrative expenses	<u>807,013</u>	<u>53.67</u>	<u>738,549</u>	<u>53.51</u>
Total expenses	<u>\$1,301,556</u>	<u>86.56%</u>	<u>\$1,140,526</u>	<u>82.64%</u>