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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

July 8, 2009

Board of Directors  
Marshall County Convention  
and Visitors Bureau, Inc.  
220 N. Center Street  
Plymouth, IN 46563

We have reviewed the audit report prepared by Zehner, Maloy & Associates, CPA's, LLC, Independent Public Accountants, for the period January 1, 2006 to December 31, 2006. 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 Marshall County Convention and Visitors Bureau, Inc., as of December 31, 2006, 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

**MARSHALL COUNTY CONVENTION AND VISITORS  
BUREAU, INC.**

**FINANCIAL STATEMENTS**

**December 31, 2006**

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

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**ZEHNER, MALOY  
& ASSOCIATES**

● Certified Public Accountants, L.L.C. ●

*Member American Institute of Certified Public Accountants  
Member Indiana Certified Public Accountants*

**INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Marshall County Convention and Visitors Bureau, Inc.

We have audited the accompanying statement of financial position of Marshall County Convention and Visitors Bureau, Inc. (an Indiana non-profit organization) as of December 31, 2006, and the related statements 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 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 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 Marshall County Convention and Visitors Bureau, Inc., as of December 31, 2006, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Zehner, Maloy & Associates, CPAs, L.L.C.*

Logansport, Indiana  
November 8, 2007

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF FINANCIAL POSITION

As of December 31, 2006

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents	\$ 243,221
Innkeeper Tax Receivable	22,470
Total Current Assets	<u>265,691</u>

EQUIPMENT, at Cost

Office Furniture and Equipment	10,156
Less: Accumulated Depreciation	<u>(6,162)</u>
	<u>3,994</u>

\$ 269,685

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Current Maturities of Long-Term Debt	\$ 1,030
Accounts Payable	
Trade	3,662
Employee	1,651
Withheld and Accrued Payroll Taxes	868
Total Current Liabilities	<u>7,211</u>

LONG-TERM DEBT, Less Current Maturities

1,180

Total Liabilities

8,391

NET ASSETS

Unrestricted Net Assets	261,294
	<u>261,294</u>

\$ 269,685

See Notes to Financial Statements.

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2006

SUPPORT AND REVENUE	
Innkeeper Tax	\$ 178,136
Interest Income	6,197
Total Support and Revenue	<u>184,333</u>
UNRESTRICTED EXPENSES	
Salaries and Wages	37,429
Payroll Taxes	2,966
Publications/Promotions/Research	33,637
Co-op Marketing	5,000
Dues and Subscriptions	6,748
Group Sales	9,639
Insurance	9,816
Office Maintenance	875
Printing/Postage/Brochure Distribution	10,220
Rent	4,800
Telephone	3,588
Travel/Mileage Expense	5,970
Depreciation	1,896
Public Relations	1,000
Interest	151
Other Expenses	3,198
Total Unrestricted Expenses	<u>136,933</u>
INCREASE IN NET ASSETS	47,400
NET ASSETS AT BEGINNING OF YEAR	<u>219,894</u>
NET ASSETS AT END OF YEAR	<u>\$ 267,294</u>

See Notes to Financial Statements.

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF CASH FLOWS  
For The Year Ended December 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES	
Increase in Net Assets	\$ 41,400
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	1,896
Increase (Decrease) in Current Assets--	
Innkeeper Tax Receivable	738
(Increase) Decrease in Current Liabilities--	
Accounts Payable	4,254
Withheld and Accrued Payroll Taxes	(21)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>48,267</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Equipment	<u>(1,014)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(1,014)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on Long-Term Debt	<u>(975)</u>
NET CASH USED BY FINANCING ACTIVITIES	<u>(975)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	46,278
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>196,943</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 243,221</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	
Cash Paid During the Year for:	
Interest	\$ 151

See Notes to Financial Statements.

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows:

- 1) Nature of Operations - Marshall County Convention and Visitors Bureau, Inc. (the Organization) is located in Plymouth, Indiana and promotes and encourages the development and growth of conventions, trade shows, visitors or special events in Marshall County, Indiana. The Organization's support comes from Marshall County in the form of an Innkeepers Tax.
- 2) Equipment - Equipment owned by the organization is carried at cost, less accumulated depreciation. Depreciation is computed using the double-declining balance method over the estimated useful lives of the assets, which generally range from 5 to 7 years. Expenditures for maintenance, repairs, and certain elements of renewals are charged to operations as incurred. Additions and betterments are capitalized.
- 3) Income Taxes - The organization is a not-for-profit organization exempt from federal and state taxation under Internal Revenue code Section exemption 501 (c) (6) and incorporated under the Indiana General Not-for-Profit Act. Accordingly, there are no provisions for state and federal income taxes.
- 4) Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. This will 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 revenues and expenses during the reporting period. Actual results could differ from these estimates.
- 5) Basis of Presentation - The financial statement presentation follows the recommendation of the Financial Accounting Standards Board in its Financial Accounting Standards (SFAS) # 117, *Financial Statements of Not-for-Profit Organizations*, Under SFAS #117, the Organization 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.
- 6) Cash Flow Statement - For the purposes of the statement of cash flows, the Organization considers all highly-liquid instruments purchased with a maturity of three months or less to be cash equivalents.

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -CONTINUED

7) Donated Services - No amounts have been recorded in the financial statements for donated services. The Organization generally pays for most services requiring specific expertise.

NOTE B - LONG-TERM DEBT

The Organization along with another not-for-profit organization purchased a copier jointly by obtaining a long-term note. The original amount of the loan was \$8,066 with monthly payments of \$188 through January 2009 at an interest rate of 5.49%. The Organization has recorded one half of the loan balance and one half of the cost of the copier on their financial statements. The Organization would be liable for the entire remaining balance of the loan if the other organization does not pay their portion of the note.

Current maturities for the remaining term of the loan are as follows: 2007 \$1,030; 2008 \$1,088; 2009 \$93.

NOTE C - LEASE

The Organization operates in a building it is leasing from the city of Plymouth. The lease is an annual lease with monthly lease payments of \$400. Rent expense for 2006 was \$4,800.

NOTE D - CONCENTRATION OF CREDIT RISK

The Organization maintains accounts at a local bank. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$100,000. Deposits at this institution exceeded the FDIC limits by \$26,546 at December 31, 2006.