



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

B39433

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)

October 6, 2011

Board of Directors  
Spencer County Tourism  
Commission, Inc.  
39 N. Kringle Place  
Santa Claus, IN 47579

We have reviewed the audit report prepared by Krueger & Associates, CPA's, LLC, Independent Public Accountants, for the period January 1, 2008 to December 31, 2008. 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 Spencer County Tourism Commission, Inc., as of December 31, 2008, 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

**SPENCER COUNTY TOURISM  
COMMISSION, INC.  
Santa Claus, Indiana**

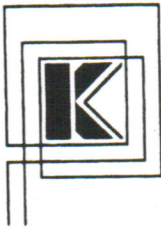
**FINANCIAL STATEMENTS  
For the Years Ended December 31, 2008 and 2007**

**SPENCER COUNTY TOURISM COMMISSION, INC.**  
**Santa Claus, Indiana**

**TABLE OF CONTENTS**

**PAGE**

AUDITORS' REPORT.....	1
EXHIBIT A STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS.....	2
EXHIBIT B STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS.....	3
NOTES TO FINANCIAL STATEMENTS.....	4 - 5
SCHEDULES OF PROGRAM ACTIVITY.....	6



# Krueger & Associates, CPA's, LLC

1845 Newton Street • Jasper, Indiana 47546 • (812) 482-4454 • (812) 482-4459 Fax

To the Board of Directors  
Spencer County Tourism Commission, Inc

We have audited the accompanying statements of assets, liabilities, and net assets—modified cash basis of Spencer County Tourism Commission, Inc. (a nonprofit organization as of December 31, 2008 and 2007, and the related statements of support, revenue, and expenses—modified cash basis 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 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, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basis financial statements of Spencer County Tourism Commission, Inc. taken as a whole. The accompanying schedule of program activity is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Spencer County Tourism Commission, Inc. as of December 31, 2008 and 2007, and its support, revenue, and expenses for the years then ended, on the basis of accounting described in note 1.

*Krueger & Associates CPA's, LLC*

Krueger & Associates, CPA's, LLC

Jasper, Indiana  
September 23, 2009

**SPENCER COUNTY TOURISM COMMISSION, INC.**  
**Santa Claus, Indiana**

EXHIBIT A

STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -  
MODIFIED CASH BASIS

ASSETS	December 31	
	2008	2007
<b>CURRENT ASSETS</b>		
Cash - checking	\$132,107	\$98,661
Security Deposit	200	200
Total Current Assets	132,307	98,861
<b>PROPERTY AND EQUIPMENT</b>		
Equipment	23,554	21,648
Less accumulated depreciation	(19,817)	(15,815)
Total property and equipment	3,737	5,833
<b>OTHER ASSETS</b>		
Prepaid rent	15,522	18,576
TOTAL ASSETS	\$151,566	\$123,270
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accrued payroll taxes	\$3,732	\$2,247
TOTAL LIABILITIES	3,732	2,247
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	147,834	121,023
TOTAL NET ASSETS	147,834	121,023
TOTAL LIABILITIES AND NET ASSETS	\$151,566	\$123,270

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

**SPENCER COUNTY TOURISM COMMISSION, INC.**  
**Santa Claus, Indiana**

EXHIBIT B

STATEMENT OF REVENUE, EXPENSES AND  
 CHANGES IN NET ASSETS - MODIFIED CASH BASIS  
 For the Years Ended December 31,

	2008	2007
<b>SUPPORT AND REVENUE</b>		
Project contributions	\$33,925	\$39,251
Inn keeper tax	279,786	257,734
Miscellaneous	0	1,650
Interest	242	395
Total Support and Revenue	313,953	299,030
 <b>Expenses</b>		
Wages	104,311	100,860
Depreciation	4,002	1,978
Advertising	44,313	55,969
Postage/shipping	7,299	5,954
Promotional materials	19,871	35,623
Office supplies	8,913	4,387
Promotional events & projects	3,507	6,325
Internet/web services	75	2,675
Phone	4,033	3,847
Meals/travel expense	9,316	2,635
Fees, dues & subscriptions	6,672	6,015
Contract labor	45,991	18,154
Professional fees	0	990
FICA tax expense	12,388	7,987
Employment taxes	792	896
Insurance	7,951	6,300
Pension plan	2,548	2,831
Rent	3,054	2,799
Miscellaneous	2,106	826
Total Expenses	287,142	267,051
Increase in Net Assets	26,811	31,979
Net assets - Beginning of year	121,023	89,044
Net assets - End of year	\$147,834	\$121,023

The accompanying notes are an integral part of the financial statements

## SPENCER COUNTY TOURISM COMMISSION, INC.

### NOTES TO THE FINANCIAL STATEMENTS December 31, 2008 and 2007

#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Nature of Organization**

Spencer County Tourism Commission, Inc. was incorporated as a non-profit corporation in the State of Indiana for the purpose of overseeing the disbursement of funds generated by the Spencer County Innkeeper's Tax in a fair and impartial manner that will promote the development and growth of the tourism industry in Spencer County with an emphasis on overnight tourism business.

##### **Basis of Presentation**

The Commission's financial statements are presented on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. However, donor restricted support whose restrictions are met in the same reporting period in which the support is received is reported as unrestricted support.

##### **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.

##### **Fund Accounting**

The accounts of the commission's are maintained in accordance with the principles of fund accounting. The cost of the Commission's program have been reported on a functional basis.

##### **Cash Equivalents**

The Commission considers all highly liquid investments with a maturity of three month or less to be cash equivalents.

**SPENCER COUNTY TOURISM COMMISSION, INC.**

**NOTES TO THE FINANCIAL STATEMENTS  
December 31, 2008 and 2007**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

**Property and depreciation**

Office furniture is recorded at cost or at estimated market value at the time of receipt in case of donated equipment. Depreciation is computed by the declining balance method over the estimated useful lives of the respective asset accounts as follows:

Leasehold Improvements	5-39 years
Furniture and Fixtures	5-10

**Federal and State Income Taxes**

The Commission is recognized as a nonprofit corporation under Section 501 of the Internal Revenue Code by both the state and federal taxing authorities. Therefore, no provision for federal or state income taxes is included in the financial statements. The Commission is other than a private foundation.

**Property and Equipment**

The costs and related accumulated depreciation of property and equipment consisted of the following as of December 31,

	<u>2008</u>	<u>2007</u>
Furniture and equipment	\$ 23,554	\$ 21,648
Less accumulated depreciation	<u>(19,817)</u>	<u>(15,815)</u>
Net carrying value	<u>\$ 3,737</u>	<u>\$ 5,833</u>

Depreciation charged to expense for the 12 months ended December 31, 2008 and 2007, was \$4,002 and \$1,978, respectively, computed on a declining balance.

**Advertising**

The Commission expenses all advertising costs when incurred.

NOTE 2: CONCENTRATIONS OF CREDIT RISK

The Commission maintains cash balances at one financial institution. Cash balances at this institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and \$100,000 in 2008 and 2007, respectively. There were no uninsured balances at December 31, 2008 and 2007.

See independent auditor's report.

**SUPPLEMENTAL INFORMATION**

**SPENCER COUNTY TOURISM COMMISSION, INC.**  
**Santa Claus, Indiana**

SCHEDULES OF PROGRAM ACTIVITY -  
MODIFIED CASH BASIS  
For the Years Ended December 31,

	Visitors Bureau	Rest Stop	2008	2007
<b>SUPPORT AND REVENUE</b>				
Project contributions	\$0	\$33,925	\$33,925	\$39,251
Inn keeper tax	279,786	0	279,786	257,734
Miscellaneous	0	0	0	1,650
Interest	242	0	242	395
Total Support and Revenue	<u>280,028</u>	<u>33,925</u>	<u>313,953</u>	<u>299,030</u>
<b>Expenses</b>				
Wages	61,781	42,530	104,311	100,860
Depreciation	4,002	0	4,002	1,978
Advertising	44,313	0	44,313	55,969
Postage/shipping	7,299	0	7,299	5,954
Promotional materials	19,871	0	19,871	35,623
Office supplies	8,818	95	8,913	4,387
Promotional events & projects	3,507	0	3,507	6,325
Internet/web services	75	0	75	2,675
Phone	3,674	359	4,033	3,847
Meals/travel expense	9,204	112	9,316	2,635
Fees, dues & subscriptions	6,672	0	6,672	6,015
Contract labor	45,991	0	45,991	18,154
Professional fees	0	0	0	990
FICA tax expense	8,901	3,487	12,388	7,987
Employment taxes	354	438	792	896
Insurance	7,951	0	7,951	6,300
Pension plan	2,548	0	2,548	2,831
Rent	3,054	0	3,054	2,799
Miscellaneous	2,106	0	2,106	826
Total Expenses	<u>240,121</u>	<u>47,021</u>	<u>287,142</u>	<u>267,051</u>
Increase (decrease) in Net Assets	<u>\$39,907</u>	<u>(\$13,096)</u>	<u>\$26,811</u>	<u>\$31,979</u>

See independent auditor's report.