



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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October 14, 2011

Board of Directors
Marshall County Convention
and Visitors Bureau, Inc.
220 N. Center St.
P.O. Box 669
Plymouth, IN 46563

We have reviewed the audit report prepared by Chambers & Co., CPA, LLC, Independent Public Accountants, for the period January 1, 2007 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 Marshall County Convention and Visitors Bureau, Inc., as of December 31, 2008 and 2007, and the results of its operations for the periods 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, 2008 and 2007

CHAMBERS & CO., CPA, LLC
Certified Public Accountants
210 Fifth Street
Logansport, Indiana 46947

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CHAMBERS & CO., LLC
Certified Public Accountants
210 Fifth Street
Logansport, Indiana 46947

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Marshall County Convention and Visitors Bureau, Inc. (a nonprofit organization) as of December 31, 2008 and 2007, and the related statements of activities and cash flows 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 combined 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, 2008 and 2007, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Chambers & Co, CPA, LLC

Logansport, Indiana
February 2, 2010

Member of the American Institute of
Certified Public Accountants and the Indiana CPA Society

MARSHALL COUNTY CONVENTION AND
VISITORS BUREAU, INC

STATEMENTS OF FINANCIAL POSITION

December 31, 2008 and 2007

ASSETS			
		2008	2007
CURRENT ASSETS			
CASH AND CASH EQUIVALENTS	\$	<u>1,531.40</u>	\$ <u>1,858.71</u>
TOTAL CURRENT ASSETS		1,531.40	1,858.71
FURNITURE AND EQUIPMENT, AT COST			
OFFICE FURNITURE AND EQUIPMENT		17,034.63	17,034.63
LESS: ACCUMULATED DEPRECIATION		<u>16,949.31</u>	<u>16,697.23</u>
TOTAL FURNITURE AND EQUIPMENT, NET		85.32	337.40
TOTAL ASSETS	\$	<u><u>1,616.72</u></u>	\$ <u><u>2,196.11</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
WITHHELD AND ACCRUED PAYROLL TAXES	\$	<u>1,407.07</u>	\$ <u>1,059.88</u>
TOTAL CURRENT LIABILITIES		1,407.07	1,059.88
LONG-TERM LIABILITIES			
TOTAL LONG-TERM LIABILITIES		<u>.00</u>	<u>.00</u>
TOTAL LIABILITIES		1,407.07	1,059.88
NET ASSETS			
UNRESTRICTED NET ASSETS		<u>209.65</u>	<u>1,136.23</u>
TOTAL NET ASSETS		<u>209.65</u>	<u>1,136.23</u>
TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>1,616.72</u></u>	\$ <u><u>2,196.11</u></u>

(SEE ACCOMPANYING NOTES)

MARSHALL COUNTY CONVENTION AND
VISITORS BUREAU, INC

STATEMENTS OF ACTIVITIES

For the Years ended December 31, 2008 and 2007

CHANGES IN UNRESTRICTED NET ASSETS:

SUPPORT AND REVENUE	2008	2007
INNKEEPER'S TAX	\$ 164,000.00	\$ 170,000.00
INTEREST INCOME	12.84	7.82
OTHER INCOME	.00	167.00
TOTAL SUPPORT AND REVENUE	<u>164,012.84</u>	<u>170,174.82</u>
 EXPENSES		
SALARIES AND WAGES	48,499.92	41,932.92
PAYROLL TAXES	3,974.61	3,484.54
PUBLICATIONS/PROMOTIONS/RESEARCH	44,192.20	37,445.60
CO-OP MARKETING	.00	5,000.00
DUES AND SUBSCRIPTIONS	5,660.00	7,365.00
GROUP SALES	7,621.80	9,923.71
INSURANCE	10,650.08	10,015.72
OFFICE MAINTENANCE	2,250.00	2,000.00
PRINTING/POSTAGE/BROCHURE DISTRIBUTION	8,093.34	10,943.36
RENT	4,800.00	4,800.00
TELEPHONE	3,499.94	3,471.77
TRAVEL/MILEAGE EXPENSE	5,804.61	5,595.87
PUBLIC RELATIONS	1,000.00	1,180.94
DEPRECIATION	252.08	362.72
GRANT EXPENSE	1,750.00	4,786.50
LEGAL & ACCOUNTING	3,489.28	507.14
OFFICE DEVELOP. & EQUIP.	2,093.78	3,380.25
RETIREMENT	8,000.00	8,000.00
WEBSITE	.00	3,477.44
SUBCONTRACT	2,000.00	2,000.00
MISCELLANEOUS	298.78	.00
EDUCATION	1,009.00	204.00
TOTAL EXPENSES	<u>164,939.42</u>	<u>165,877.48</u>
 INCREASE/(DECREASE) IN UNRESTRICTED NET ASSETS		
	(926.58)	4,297.34
 NET ASSETS AT BEGINNING OF YEAR		
	<u>1,136.23</u>	<u>(3,161.11)</u>
 NET ASSETS AT END OF YEAR		
	<u>\$ 209.65</u>	<u>\$ 1,136.23</u>

(SEE ACCOMPANYING NOTES)

MARSHALL COUNTY CONVENTION AND
VISITORS BUREAU, INC

STATEMENTS OF CASH FLOWS

For the Years ended December 31, 2008 and 2007

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES:		
CHANGE IN NET ASSETS	\$ (926.58)	\$ 4,297.34
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
DEPRECIATION	252.08	362.72
(INCREASE)/DECREASE IN CURRENT LIABILITIES--		
ACCOUNTS PAYABLE - TRADE	.00	(3,662.34)
ACCOUNTS PAYABLE - EMPLOYEE	.00	(1,008.00)
WITHHELD AND ACCRUED PAYROLL TAXES	347.19	191.88
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES:	(327.31)	181.60
CASH FLOWS FROM INVESTING ACTIVITIES:		
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES:	.00	.00
CASH FLOWS FROM FINANCING ACTIVITIES:		
PRINCIPAL PAYMENTS ON LONG-TERM DEBT	.00	(2,210.00)
NET CASH PROVIDED/(USED) BY FINANCING ACTIVITIES:	.00	(2,210.00)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS:	(327.31)	(2,028.40)
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF PERIOD	1,858.71	3,887.11
CASH AND CASH EQUIVALENTS AS OF END OF PERIOD	\$ 1,531.40	\$ 1,858.71

(SEE ACCOMPANYING NOTES)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Convention and Tourism Committee (the Committee).

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, temporary restricted net assets, and permanently restricted assets.

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.

Furniture and Equipment

Purchased furniture and equipment is capitalized at cost. Donations of furniture and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Furniture and equipment are depreciated using the declining balance method over the estimated useful lives of the assets, which generally range from five to seven years. Expenditures for maintenance, repairs, and certain elements of renewals are charged to operations as incurred. Additions and betterments are capitalized.

Depreciation expense for the years ended December 31, 2008 and 2007 was \$252 and \$363, respectfully.

(Continued)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS
December 31, 2008 and 2007
(Continued)

Income Taxes

The Organization is a not-for-profit organization exempt from federal and state taxation under Internal Revenue Code Section 501(c)(6) and incorporated under the Indiana General Not-for-Profit Act. Accordingly, there are no provisions for federal and state income taxes.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Organization considers all highly-liquid instruments purchased with a maturity date of three months or less to be cash equivalents.

Donated Services

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

Advertising

The Organization expenses advertising costs as they are incurred. The total advertising expenses for the years ended December 31, 2008 and 2007 was \$44,192 and \$37,446, respectfully.

Donor-Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

NOTE B 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 the years ended December 31, 2008 and 2007 was \$4,800 and \$4,800, respectfully.

NOTE C FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amounts reported for cash and cash equivalents approximate fair value because of the short maturities of those instruments.

(Continued)

MARSHALL COUNTY CONVENTION AND VISITORS BUREAU, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008 and 2007

(Continued)

NOTE D RELATED PARTY

The Organization's board of directors are appointed by the Marshall County Convention and Tourism Committee (Committee). The purpose of the Organization is to carry out the day to day activities of the Committee. The Committee provided \$164,000 and \$170,000 to the Organization for the years ended December 31, 2008 and 2007, respectfully. The Committee's support comes from the Marshall County's Innkeeper's Tax.

NOTE E RETIREMENT PLAN

The Organization makes discretionary contributions to a retirement plan for the Executive Director. For the years ended December 31, 2008 and 2007 the payments totaled \$8,000 and \$8,000, respectfully.

NOTE F COMMITMENT

On December 11, 2008, the Organization committed to Northern Indiana Tourism Development Commission to participate in its 2009 Regional Marketing Program. The total amount of the committment is \$34,500; half of which must be paid by April 30, 2009 and the remaining half must be paid by July 31, 2009. Each participant will receive regional and county exposure at various locations in northern Indiana and access to any name and database information generated by the regional ads.