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October 16, 2013

Board of Directors
Wayne County Convention
and Tourism Bureau, Inc.
5701 National Road East
Richmond, IN 47374

We have reviewed the audit report prepared by Fennimore & Associates, PC, Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. 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 Wayne County Convention and Tourism Bureau, Inc., as of December 31, 2009, 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

WAYNE COUNTY CONVENTION AND
TOURISM BUREAU, INC.

FINANCIAL STATEMENTS

December 31, 2009 and 2008

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.

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Independent Auditor's Report

Board of Directors
The Wayne County Convention and Tourism Bureau, Inc.
Richmond, Indiana

We have audited the accompanying statement of financial position of The Wayne County Convention and Tourism Bureau, Inc. as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of The Wayne County Convention and Tourism Bureau, Inc.'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 The Wayne County Convention and Tourism Bureau, Inc. of December 31, 2009 and 2008, 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.

Fennimore & Associates PC

Richmond, Indiana
March 12, 2010

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Statement of Financial Position
For the Year Ended December 31, 2009 and 2008

	2009	2008
ASSETS		
CURRENT ASSETS:		
Cash	\$ 193,259	\$ 213,490
Government Receivable	77,683	-
Inventory	10,579	10,579
Prepaid Assets	16,783	6,054
Total Current Assets	298,305	230,123
PROPERTY AND EQUIPMENT		
Land & Building	870,993	870,993
Furniture & Fixtures	62,771	74,681
Interstate Signage	18,448	18,448
Vehicles	24,717	15,429
	976,930	979,551
Less Accumulated Depreciation	(263,952)	(257,734)
Net Property and Equipment	712,978	721,817
TOTAL ASSETS	\$ 1,011,283	\$ 951,940
 LIABILITIES & NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 4,100	\$ 11,163
Accrued Expenses	-	2,553
Current Portion of Long Term Debt		1,691
Total Current Liabilities	4,100	15,407
Unrestricted Net Assets	1,007,183	936,533
TOTAL LIABILITIES AND NET ASSETS	\$ 1,011,283	\$ 951,940

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Statement of Activities
For the Year Ended December 31, 2009 and 2008

	2009	2008
REVENUE:		
Appropriations	\$ 466,100	\$ 499,259
State Tourism Income	2,330	27,961
Miscellaneous Income	132	-
Gift Shop Sales (Net of Cost of Goods Sold)	3,395	5,814
Interest Income	1,490	2,783
Total Unrestricted Revenue	473,447	535,817
ADMINISTRATIVE EXPENSES:		
Salaries	61,500	62,000
Outside Services	18,802	28,944
Ancillary Services	-	-
Travel and Mileage	7,054	8,168
Payroll Taxes	5,194	5,235
Office Supplies	8,826	11,849
Utilities	10,265	9,882
Legal and Accounting Fees	12,288	13,111
Insurance - Personnel	6,083	4,900
Telephone	5,123	5,259
Insurance - Business	5,823	5,491
Retirement	6,000	6,000
Office Equipment and Furniture	477	779
Depreciation	18,852	19,941
	166,286	181,558
PROMOTION EXPENSES:		
Salaries	133,470	135,450
Convention & Tourism Marketing	40,970	56,185
Welcome Center Wages	4,343	19,573
Project Development	1,090	46,116
Postage and Freight	6,647	10,440
Payroll Taxes	10,183	14,105
Insurance - Personnel	10,763	9,623
Telephone	4,960	5,332
Volunteer Expenses	1,865	3,751
Retirement	15,000	12,500
Public Relations	2,256	7,538
Dues and Memberships	2,509	3,262
Out of Town Expenses	243	981
Source Publications	201	1,257
Miscellaneous	1,817	2,547
Training and Education	50	1,127
Printing and Duplication	145	12,368
	236,512	342,156
Total Expenses	402,798	523,715
Change in Net Assets	70,650	12,102
Beginning Unrestricted Net Assets	\$ 936,533	\$ 924,431
Ending Unrestricted Net Assets	\$ 1,007,183	\$ 936,533

WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Statement of Cash Flows
For the Year Ended December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
OPERATING ACTIVITIES:		
Change in net assets	70,650	12,102
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Loss on Disposal of Assets	70	-
Depreciation	<u>18,852</u>	<u>19,941</u>
	89,571	32,043
 Changes in operating assets and liabilities:		
Increase in accounts receivable	-	422
Decrease/Increase in appropriation receivable	(77,683)	-
Decrease/Increase in prepaids	(10,729)	(6,054)
Decrease/Increase in inventory	-	(2,954)
Decrease in deposits	-	-
Increase in accounts payable	(7,063)	447
Decrease in accrued expenses	<u>(2,553)</u>	<u>2,148</u>
Net Cash Used in Operating Activities	(8,457)	26,051
 INVESTING ACTIVITIES:		
Purchase of equipment	(10,082)	(11,049)
Purchase of building & improvements	<u>-</u>	<u>(446)</u>
Net Cash Used in Investing Activities	(10,082)	(11,495)
 FINANCING ACTIVITIES:		
Payments on lease	<u>(1,691)</u>	<u>(2,028)</u>
Net Cash Provided by Financing Activities	(1,691)	(2,028)
 NET INCREASE/DECREASE IN CASH	(20,231)	12,528
 CASH--beginning of year	<u>213,490</u>	<u>200,963</u>
 CASH--end of year	<u><u>193,259</u></u>	<u><u>213,490</u></u>

THE WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.
Notes to Financial Statements
Year Ended December 31, 2009 and 2008

NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization –The Wayne County Convention and Tourism Bureau, Inc. (The Bureau) is an Indiana not-for-profit organization whose primary purpose is to promote the development and growth of the convention and tourism industry in Wayne County, Indiana. They incorporated under the laws of the State of Indiana in 1990. The Bureau is funded by an annual allocation of the "innkeeper taxes" by the Wayne County Council. The "innkeeper taxes" are collected by Wayne County Treasurer from Wayne County hotels, motels, campgrounds and other miscellaneous lodging facilities in Wayne County, Indiana.

Basis of Accounting – The financial statements of The Bureau have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Net Asset Classifications – The financial statements have been prepared in conformity with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted and permanently restricted. All net assets of The Bureau, including any board-designated or appropriated amounts, are unrestricted.

Cash – Cash consists of bank deposits in federally insured accounts and petty cash.

Property and Equipment – Equipment is carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line and accelerated methods over the useful lives of the assets. Routine repairs and maintenance are expensed when incurred.

The Bureau reviews its long assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable in accordance with Statement of Financial Accounting Standards FASB No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. Recoverability of assets held and used in measured by a comparison of the carrying amount of an asset to undiscounted expected cash flows. Future events could cause the Bureau to conclude the impairment indicators exist and that long-lived assets may be impaired.

Financial Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that 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 income and expenses during the reporting period. Actual results could differ from those estimated.

Functional Allocation of Expenses – The costs of providing the promotion of tourism have been provided on a functional basis in the statement of activities. Costs are allocated between administrative and promotion based on evaluations of the related activities. Administrative expenses include those expenses that are not directly identifiable with the promotion of tourism, but provide for the overall support and direction of the Bureau.

Income Taxes – The Organization is exempt from federal and state income taxes under Section 501(c)(6) of the U.S. Internal Revenue Code and under similar state provisions.

THE WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.

Notes to Financial Statements

Year Ended December 31, 2009 and 2008

**NOTE A – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
(Continued)**

Donated Services – A substantial number of volunteers donate significant amounts of time to the activities of the Bureau. No amounts have been included in the financial statements for the value of this donated time since the value is not determinable.

Promotional Expenses – Marketing and promotional costs are expensed as incurred. Promotional expenses were \$ 236,512 and \$ 342,156 for the year ended December 31, 2009 and 2008, respectively. Further, the costs associated with the biennial production and publication of The Bureau's Visitor Guide to Richmond, Wayne County, Indiana are expensed, net of nominal third-party advertising revenue, as incurred.

Inventories - Inventory consists of Welcome Center retail items, brochures and excess office supplies stated at cost.

NOTE B – PROPERTY AND EQUIPMENT

The Organization's property and equipment are as follows:

	Balance 12/31/09	Balance 12/31/08
Land	257,600	257,600
Building	480,144	480,144
Building Improvement	133,249	133,249
Interstate Signage	18,448	18,448
Vehicles	24,717	15,429
Furniture & fixtures	62,771	74,681
Total Cost	<u>976,930</u>	<u>979,551</u>
Less Accumulated Depreciation	<u>(263,952)</u>	<u>(257,734)</u>
	<u>712,978</u>	<u>721,817</u>

NOTE C – LEASE COMMITMENTS

Beginning in 2009, the Bureau is obligated under a month-to-month lease with Ikon Financial Services for the lease of a copier. The lease agreement requires a monthly payment of \$169.08.

In 2006, the Bureau entered a lease for a vehicle for \$408 per month under a lease agreement that expires in 2010. In October, 2009, the Bureau purchased the vehicle from the lessee in exchange for cancellation of the lease agreement. Lease expense for the vehicle was \$ 4,080 and \$4,896 for 2009 and 2008.

THE WAYNE COUNTY CONVENTION AND TOURISM BUREAU, INC.

Notes to Financial Statements

Year Ended December 31, 2009 and 2008

Note D – RICHMOND WELCOME CENTER CONTRACT

The Bureau entered into a contract with the Indiana Department of Commerce to provide services at the Welcome Center on July 1, 2003. The contract renewed every two years and expired January, 2009 due to state budget cuts. The contract required the Bureau to provide the day to day operation of the center, hire and employ all staff, and have the Welcome Center operational seven days a week for a minimum of 45 hours and a maximum of 55 hours per week. Welcome Center payments under the contract are \$2,330 per month of which a minimum of \$600 is required to be spent on Internet access.

NOTE E – RETIREMENT PLAN

The Bureau maintains an informal retirement plan, which covers all full-time employees completing one year of service. Under the plan, contributions are treated as extra compensation and are paid to each qualified employee at the end of the year, the employee can then deposit that amount into an IRA. Contribution amounts are determined by the policy set by the governing Board. The retirement contribution for each of the years ended December 31, 2009 and 2008 was \$21,000 and \$18,500.

NOTE F – WAYNE COUNTY CONVENTION AND TOURISM BUILDING

The building located at the present site of the Welcome Center, was recorded as a contribution at the fair market value on October 28, 2006 as represented by the independent sale negotiation with the unrelated owners of the premise, less the cash paid by the Bureau. In 1980, an agency of the Wayne County government named the Board of Managers of the Wayne County Convention and Tourism Bureau was created for the sole purpose of promoting the development and growth of the convention and tourism industry in Wayne County. On September 22, 2006, that Board of Managers pledged a portion of the Innkeepers Tax to the direct payment of debt service on and for the bonds, which were used to purchase the building given to the Bureau. Although the Board of Managers is a separate organized body of the county government, the financial impact on future cash flow of the Bureau is directly related.