



STATE OF INDIANA
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February 5, 2015

Board of Directors
Orange County Convention & Visitors Bureau, Inc.
8291 W. Beechwood Avenue
French Lick, IN 47432

We have reviewed the audit report prepared by Krueger & Associates, CPA's, LLC, for the period January 1, 2012 to December 31, 2012. 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 Orange County Convention & Visitors Bureau, Inc., as of December 31, 2012, 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.

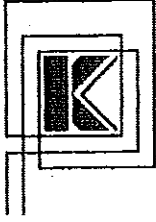
Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

**ORANGE COUNTY CONVENTION &
VISITORS BUREAU, INC.
French Lick, Indiana**

**FINANCIAL STATEMENTS
For the Years Ended December 31, 2012 and 2011**

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.
French Lick, Indiana

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Krueger & Associates, CPA's, LLC

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Orange County Convention & Visitors Bureau, Inc.

We have audited the accompanying statements of assets, liabilities, and net assets—modified cash basis of Orange County Convention & Visitors Bureau, Inc. (a nonprofit organization) as of December 31, 2012 and 2011 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 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Orange County Convention & Visitors Bureau, Inc. as of December 31, 2012 and 2011, 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
April 4, 2013

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.
French Lick, Indiana

EXHIBIT A

**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS**
December 31, 2012 and 2011

ASSETS

	2012	2011
CURRENT ASSETS		
Cash in bank	\$1,381,332	\$1,248,889
Total Current Assets	1,381,332	1,248,889
 PROPERTY AND EQUIPMENT		
Property and equipment	350,140	350,140
Less accumulated depreciation	(59,844)	(48,182)
Total property and equipment	290,296	301,958
TOTAL ASSETS	\$1,671,628	\$1,550,847

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accrued payroll taxes	\$3,094	\$3,944
TOTAL LIABILITIES	3,094	3,944
 NET ASSETS		
Unrestricted		
Undesignated	1,668,534	1,546,903
TOTAL NET ASSETS	1,668,534	1,546,903
TOTAL LIABILITIES AND NET ASSETS	\$1,671,628	\$1,550,847

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

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.
French Lick, Indiana

EXHIBIT B

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

	2012	2011
SUPPORT AND REVENUE		
Support and other revenues	\$764,484	\$819,882
Interest income	2,845	5,377
Total Support and Revenue	767,329	825,259
Expenses		
Marketing expense	369,561	410,699
Event sponsorship	36,625	29,000
Insurance	2,640	3,472
Equipment lease expense	8,266	15,318
Office equipment expense	1,944	1,243
Legal and professional	3,975	10,310
Memberships and dues	10,055	9,523
Property taxes	67	3,176
Repairs and maintenance	7,611	10,100
Salaries	80,388	79,634
Executive director	51,385	50,000
Employee benefits	15,092	17,282
Payroll taxes	12,400	10,898
Supplies	11,129	14,921
Telephone	6,765	7,725
Travel	11,003	13,578
Utilities	5,131	5,381
Depreciation expense	11,661	11,661
Total Expenses	645,698	703,921
 (Decrease) in Net Assets	 121,631	 121,338
Net assets - Beginning of year	1,546,903	1,425,565
Net assets - End of year	\$1,668,534	\$1,546,903

The accompanying notes are an integral part of the financial statements

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.

NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012 AND 2011

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Orange County Convention & Visitors Bureau, Inc. (hereinafter referred to as "the Organization") was established in order to promote conventions and tourism in Orange County, Indiana.

Basis of Presentation

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

Cash Equivalents

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

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

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 straight line method over the estimated useful lives of the respective asset accounts as follows:

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

Furniture, equipment, and leasehold improvements are capitalized at cost. It is the Organization's policy to capitalize expenditures for these items in excess of \$1,000 and have a useful life in excess of one year. Maintenance and repairs that do not improve or extend the useful lives of the respective assets are currently expensed.

The Organization leases certain items of office equipment. The lease payments are expensed when paid.

Federal and State Income Taxes

The Organization 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 Organization 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>2012</u>	<u>2011</u>
Land, building and improvement	\$345,442	\$345,442
Furniture and equipment	<u>4,698</u>	<u>4,698</u>
	350,140	350,140
Less accumulated depreciation	<u>(59,844)</u>	<u>(48,182)</u>
Net carrying value	<u>\$290,296</u>	<u>\$301,958</u>

Depreciation charged to expense for the 12 months ended December 31, 2012 and 2011, was \$11,661 and \$11,661, respectively, computed on a declining balance.

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

Advertising

The Organization expenses all advertising costs when incurred.

Date of Management's Review

Management has evaluated subsequent events through April 4, 2013, the date on which the financial statements were available to be issued.

NOTE 2: CONCENTRATIONS OF CREDIT RISK

The Organization maintains cash balances at various financial institutions. Cash balances at these institutions are insured by the Federal Deposit Insurance Corporation up to \$250,000 in 2012 and 2011. At December 31, 2012 and 2011, uninsured balances consisted of \$538,485 and \$194,448, respectively.

NOTE 3: INCOME TAXES

There are no material tax positions taken by the Organization which require recognition or disclosure under the provisions of FASB ASC 740 (formerly Fin 48) "Accounting for Uncertainty in Income Taxes." The Organization's federal and state income tax returns for all years after 2009 are subject to examination by taxing authorities.

NOTE 4: CONTINGENCIES

The Organization is primarily funded by support and revenues awarded by agencies of the State and local communities. A significant reduction in the level of this support, if it were to occur, would have a serious effect on the Organization's programs and activities.

The Organization has pledged \$200,000 to be used by the county for road improvements. The Organization expect to apply for additional innkeeper tax monies to replace the \$200,000 pledged.

ORANGE COUNTY CONVENTION & VISITORS BUREAU, INC.

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2012 and 2011

NOTE 5: RELATED PARTY TRANSACTIONS

The Organization purchases services and products from a company owned by a current board member. The purchases involved are for computer and office technology support and service, and are disclosed to, and approved by, the board of directors.

NOTE 6: RETIREMENT PLAN

The Company has a defined contribution plan that covers all employees with at least one year of service and 21 years of age. The amount of contribution to the plan is determined annually by the Company's management, at its sole discretion. In the event that a participant terminates his employment with the Company prior to the completion of the vesting period, amounts accumulated in the participant's trust account are forfeited. Retirement plan expense for the years ended December 31, 2012 and 2011 was \$3,683 and \$3,152, respectively.