

#16014

INDEPENDENCE VISITOR CENTER CORPORATION

Financial Statements and Supplementary Information

***WITH REPORTING REQUIREMENTS
FOR OMB CIRCULAR A-133***

Year Ended June 30, 2008

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INDEPENDENCE VISITOR CENTER CORPORATION

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Independent Auditors' Report

Board of Directors
Independence Visitor Center Corporation
Philadelphia, Pennsylvania

We have audited the accompanying statement of financial position of Independence Visitor Center Corporation (a nonprofit organization) as of June 30, 2008 and the related statements of activities and changes in net assets and of cash flows for the year then ended. These financial statements are the responsibility of the Corporation'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, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. These 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 Independence Visitor Center Corporation as of June 30, 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 2008, on our consideration of Independence Visitor Center Corporation's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Independence Visitor Center Corporation taken as a whole. The accompanying schedule of expenditures of federal awards for the year ended June 30, 2008 is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133 ("OMB"), *Audits of States, Local Governments and Non-Profit Organizations*, 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.

Philadelphia, Pennsylvania
November 19, 2008

INDEPENDENCE VISITOR CENTER CORPORATION
STATEMENT OF FINANCIAL POSITION
June 30, 2008

ASSETS	
Current Assets	
Cash and Cash Equivalents	\$ 1,806,334
Restricted Cash and Cash Equivalents	1,557,850
Accounts Receivable	345,735
Grants Receivable	737,500
Prepaid Expenses	<u>44,401</u>
Total Current Assets	4,491,820
Investments, at Fair Value	<u>7,281,422</u>
Total Assets	<u><u>\$ 11,773,242</u></u>
 LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts Payable and Accrued Expenses	\$ 667,865
Retainage Payable	2,055
Deferred Revenue	<u>111,770</u>
Total Liabilities, all current	<u>781,690</u>
Net Assets	
Unrestricted	7,269,737
Temporarily Restricted	1,721,815
Permanently Restricted	<u>2,000,000</u>
Total Net Assets	<u>10,991,552</u>
Total Liabilities and Net Assets	<u><u>\$ 11,773,242</u></u>

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

INDEPENDENCE VISITOR CENTER CORPORATION
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2008

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Support and Revenues				
Grant Income	\$ -	\$ 5,320,481	\$ -	\$ 5,320,481
RACP Revenues	-	1,158,780	-	1,158,780
Partner Funding	369,871	-	-	369,871
Facility Rentals	205,484	-	-	205,484
Concession Sales	1,307,376	-	-	1,307,376
Visitor Services, net of cost of tickets	229,049	-	-	229,049
Other Income	56,348	-	-	56,348
Operating Interest Income	69,808	-	-	69,808
Investment Income (Loss), net of investment expenses	(500,083)	52,147	-	(447,936)
Net Assets Released from Restrictions	6,168,283	(6,168,283)	-	-
Total Support and Revenues	7,906,136	363,125	-	8,269,261
Expenses				
Program				
Operating Expenses	2,405,541	-	-	2,405,541
Mall Landscape Completion Project	4,580,324	-	-	4,580,324
Special DCED Projects	713,221	-	-	713,221
General and Administrative	817,473	-	-	817,473
Total Expenses	8,516,559	-	-	8,516,559
Increase (Decrease) in Net Assets	(610,423)	363,125	-	(247,298)
Net Assets, beginning of year	7,880,160	1,358,690	2,000,000	11,238,850
Net Assets, end of year	\$ 7,269,737	\$ 1,721,815	\$ 2,000,000	\$ 10,991,552

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

**INDEPENDENCE VISITOR CENTER CORPORATION
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2008**

Cash Flows from Operating Activities	
Decrease in Net Assets	\$ (247,298)
Adjustments to Reconcile Decrease in Net Assets to	
Net Cash Used in Operating Activities:	
Realized and Unrealized Losses on	
Marketable Securities	650,018
(Increase) Decrease in Operating Assets:	
Accounts Receivable	(360,887)
Contributions Receivable	268,983
Grants Receivable	(238,481)
Prepaid Expenses	29,526
Increase (Decrease) in Operating Liabilities:	
Accounts Payable and Accrued Expenses	(424,244)
Retainage Payable	(162,815)
Deferred Revenue	40,339
	<hr/>
Net Cash Used in Operating Activities	(444,859)
	<hr/>
Cash Flows from Investing Activities	
Proceeds from Sales of Investments	2,044,825
Purchases of Investments	(2,194,473)
Increase in Restricted Cash and Cash Equivalents	(256,688)
	<hr/>
Net Cash Used in Investing Activities	(406,336)
	<hr/>
Net Decrease in Cash and Cash Equivalents	(851,195)
	<hr/>
Cash and Cash Equivalents, beginning of year	2,657,529
	<hr/>
Cash and Cash Equivalents, end of year	\$ 1,806,334
	<hr/> <hr/>

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

**INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION

Organization

Independence Visitor Center Corporation ("IVCC"), a Pennsylvania not-for-profit corporation, was established in February 1998 to develop and operate the Independence Visitor Center ("Center") on Independence Mall in Philadelphia. Independence Mall is a part of Independence National Historical Park, a flagship in the array of national parks administered by the National Park Service ("NPS"). The Center provides to visitors and area residents orientation and information relating to the Park, the surrounding historic district, the City and the Greater Philadelphia region. In undertaking this responsibility, IVCC works in close cooperation with the National Park Service, the City of Philadelphia, the Commonwealth of Pennsylvania and other stakeholders. In accordance with a separate agreement, NPS has engaged IVCC to manage the Center.

Basis of Presentation

The accompanying financial statements are prepared using the accrual basis of accounting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of IVCC's significant accounting policies consistently applied in the preparation of the accompanying financial statements is as follows:

Management's Judgments and Accounting Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results could differ from those estimated amounts.

Classification of Net Assets

Resources in the accompanying financial statements are classified for accounting and reporting purposes into classes of net assets according to the existence or absence of donor-imposed restrictions.

The accompanying financial statements include the following classes of net assets:

- *Unrestricted*

Unrestricted net assets are used to account for funds which have not been restricted by donors.

INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Net Assets (continued)

- ***Temporarily Restricted***

IVCC reports gifts of cash and other assets as 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 and changes in net assets as net assets released from restrictions.

- ***Permanently Restricted***

Permanently restricted net assets are subject to donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by IVCC. Use of the related income and gains may be unrestricted or restricted by the donor.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue in the period the promise to give is received. All contributions are considered available for unrestricted use unless specifically restricted by donor request. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire within the fiscal year in which the contributions are received.

Investments

Investments in marketable and debt securities are stated at quoted market value. Realized and unrealized gains and losses are charged or credited to the statement of activities and changes in net assets.

Cash and Cash Equivalents

For the purpose of the statements of cash flows, IVCC considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents and available for current use.

INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

IVCC has not capitalized any land, building, improvements or equipment in the current financial statements. The land, building and related improvements are owned by NPS, and therefore are not the property of IVCC. It has been IVCC's policy to expense other property and equipment, such as computers and office equipment, as these items are not considered material to the organization.

Income Taxes

IVCC is exempt from federal income taxes under Section (501)(c)(3) of the Internal Revenue Code, as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

Advertising Costs

IVCC expenses advertising costs as incurred. Total advertising expenses for the year ended June 30, 2008 were \$143,651.

Retainage Payable

In accordance with accepted practice within the construction industry, IVCC retained 10% of amounts billed for contracted construction costs incurred for various projects. This liability will be paid upon satisfactory completion of the projects.

Deferred Revenue

Deferred revenue consists of downpayments received for facility rental contracts to be held after the statement of financial position date, which will be recognized as revenues when the related events take place.

Program Expenses

IVCC considers all costs associated with the operation of the Visitor Center building to be program expenses and, accordingly, such expenses are recorded when incurred. Program expenses include labor, marketing, maintenance, utilities and other expenses related to Visitor Center operations.

**INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Expenses (continued)

DCED Special Projects on the statement of activities and changes in net assets for the year ended June 30, 2008 consists of the following grants:

July 4 th	\$ 127,925
Operations	179,171
Other	10,952
Professional Services	125,000
Promotions	100,002
Security	125,255
Neshaminy	<u>44,916</u>
	<u>\$ 713,221</u>

NOTE 3 - CASH AND CASH EQUIVALENTS

As of June 30, 2008, cash and cash equivalents and restricted cash and cash equivalents consist of the following:

Unrestricted cash accounts	
Payroll	\$ 118,560
Operating	<u>1,687,774</u>
Total unrestricted cash	<u>1,806,334</u>
Current restricted cash accounts	
Ben Franklin Museum	402,924
Lincoln's Great Fair	42,144
City Hall Visitor Center	27,438
Security grant	105,230
NPS operating	419,032
Mall landscaping	553,461
Mummer's program	<u>7,621</u>
Current assets, restricted cash	<u>1,557,850</u>
Total cash and cash equivalents	<u>\$3,364,184</u>

**INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 3 - CASH AND CASH EQUIVALENTS (CONTINUED)

IVCC maintains its cash balances in financial institutions located in Philadelphia, Pennsylvania which, at times, exceed federally insured limits. IVCC has not experienced any losses on those accounts and believes that it is not exposed to any significant risk on cash deposits.

Certain governmental agencies and foundations may require cash to be maintained in separate accounts as part of the grant agreement between these agencies/foundations and IVCC.

Donor restricted cash for construction consists of grant money specifically used for construction and landscaping expenditures of the mall area around IVCC.

NOTE 4 - INVESTMENTS

Investment Portfolio

As of June 30, 2008, the composition of investments stated at fair value, consists of the following:

Cash and money markets	\$ 499,574
Certificates of deposit	45,000
Bonds	2,173,452
Corporate equities	<u>4,563,396</u>
	<u>\$7,281,422</u>

IVCC accounts for all investment income as an increase in unrestricted net assets unless a donor or law specifies otherwise.

Investment income for investments, cash and cash equivalents, and restricted cash and cash equivalents, current assets are comprised of the following for the year ended June 30, 2008:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Unrealized/realized losses	(\$650,018)	\$ -	(\$650,018)
Interest and dividends	207,653	52,147	259,800
Less: investment advisory fees	(57,718)	-	(57,718)
Total investment income (loss)	<u>(\$500,083)</u>	<u>\$52,147</u>	<u>(\$447,936)</u>

**INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008**

NOTE 5 - RESTRICTIONS OF NET ASSETS

As of June 30, 2008, temporarily restricted net assets are available for the following purposes:

DCED	\$ 214,745
Mummer's program	7,083
NPS operating	325,884
Mall landscaping	663,946
Underground Museum	402,924
William Penn – Lincoln's Great Fair	<u>107,233</u>
	<u>\$1,721,815</u>

Net assets released from donor restrictions during the year ended June 30, 2008 were as follows:

DCED	\$ 713,221
Mummer's program	14,872
NPS operating	681,783
Mall landscaping	4,402,824
Underground Museum	8,809
William Penn – Lincoln's Great Fair	77,791
Friends of Independence (Block 1)	<u>268,983</u>
	<u>\$6,168,283</u>

Permanently restricted net assets consist of Endowment Fund investments to be held indefinitely, the income from which is classified as unrestricted net assets. Permanently restricted net assets were \$2,000,000 as of June 30, 2008.

NOTE 6 - RELATED PARTY TRANSACTIONS

Representatives of the Governor of the Commonwealth of Pennsylvania, The Pew Charitable Trusts and the City of Philadelphia are Board members of IVCC. Total amounts received from these organizations for the year ended June 30, 2008 was \$3,713,481.

INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 6 - RELATED PARTY TRANSACTIONS (CONTINUED)

In a Memorandum of Understanding ("MOU") dated May 12, 2005 among the Philadelphia Convention and Visitors Bureau ("PCVB"), Greater Philadelphia Tourism Marketing Corporation ("GPTMC"), and IVCC, whereas PCVB is designated as the Tourism Promotion Agency ("TPA") by the City of Philadelphia and as such is entitled to receive from the Commonwealth of Pennsylvania certain funds disbursed by the Commonwealth to the TPA to conduct comprehensive destination marketing and advertising to stimulate travel and tourism within its locale, PCVB shall pay IVCC payments equal to 21.2% of the TPA money received each year. The President of IVCC serves on the Board of the PCVB. For the year ended June 30, 2008, IVCC has received \$369,871 under this MOU.

The National Park Service ("NPS") and IVCC have substantially established an operating agreement between the parties whereas IVCC will administer and manage the property. The agreement calls for the NPS to make an annual payment of \$850,000 to IVCC in exchange for the services provided by the IVCC as more fully described in the agreement. Consequently, these funds are accounted for in the temporarily restricted class of net assets. Payments are subject to annual federal appropriations. A representative of the NPS serves as a non voting member on the Board of Directors.

NOTE 7 - GRANTS RECEIVABLE

Grants receivable consisted of the following as of June 30, 2008:

Department of Community & Economic Development	\$525,000
National Park Service	<u>212,500</u>
	<u>\$737,500</u>

This entire amount is due to be received within one year, and therefore is classified as a current asset.

NOTE 8 - CONTINGENCIES

Grants received by IVCC require the fulfillment of certain conditions as set forth in the various grant agreements. Failure to fulfill the conditions could result in the return of the funds to the grantor.

INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE 9 - PENSION PLAN

IVCC has a 403(b) plan for all eligible employees. There is no matching contribution required by the plan.

SUPPLEMENTARY INFORMATION

Independent Auditors' Report on Supplementary Information

Board of Directors
Independence Visitor Center Corporation
Philadelphia, Pennsylvania

Our report on our audit of the financial statements of Independence Visitor Center Corporation as of and for the year ended June 30, 2008 appears on pages 1 and 2. This audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying supplementary information shown on pages 15 and 16 is presented only for supplementary analysis purposes 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.



Philadelphia, Pennsylvania
November 19, 2008

**INDEPENDENCE VISITOR CENTER CORPORATION
OPERATING EXPENSES
YEAR ENDED JUNE 30, 2008**

Operating Expenses

Equipment Rental	\$ 41,931
Insurance	115,596
Marketing	112,183
Payroll and Related Costs	930,946
Professional Services	634,580
Repairs and Maintenance	240,843
Utilities	<u>329,462</u>
Total Operating Expenses	<u><u>\$ 2,405,541</u></u>

See accompanying notes to financial statements.

**INDEPENDENCE VISITOR CENTER CORPORATION
GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED JUNE 30, 2008**

General and Administrative

Bad Debt	\$ 2,989
Miscellaneous	9,559
Office Supplies	31,285
Payroll and Related Costs	491,940
Postage	10,537
Printing	18,313
Professional Development	22,292
Program Events	34,447
Subscriptions	19,816
Talent and Costumed Characters	114,836
Travel and Entertainment	59,133
Interest Expense	<u>2,326</u>

Total General and Administrative Expenses \$ 817,473

See accompanying notes to financial statements.

INDEPENDENCE VISITOR CENTER CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED JUNE 30, 2008

<u>Federal Grantor/Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Grant Period</u>	<u>Expenditures</u>
U.S. Department of the Interior Pass-through the National Park Service	Unknown	NER-INDE-5300-016	7/1/07 - 6/30/08	<u>\$ 681,783</u>

See notes to schedule of expenditures of federal awards.

**SUPPLEMENTARY INFORMATION IN ACCORDANCE WITH THE
REQUIREMENTS OF OMB CIRCULAR A-133**

INDEPENDENCE VISITOR CENTER CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2008

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of IVCC and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - CFDA NUMBERS

The granting agency could not provide specific Federal CFDA numbers to be included in the schedule of expenditures of federal awards.

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

Board of Directors
Independence Visitor Center Corporation
Philadelphia, Pennsylvania

We have audited the financial statements of Independence Visitor Center Corporation (a nonprofit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated November 19, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Independence Visitor Center Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Independence Visitor Center Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Independence Visitor Center Corporation's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is no more than a remote likelihood that a misstatement of the Organization's financial statements that is more than inconsequential will not be prevented or detected by the Organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Organization's internal control.

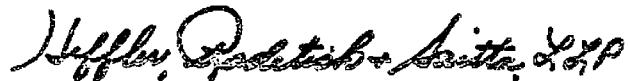
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Independence Visitor Center Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of Independence Visitor Center Corporation in a separate letter dated November 19, 2008.

This report is intended for the information and use of Independence Visitor Center Corporation's finance committee, Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Philadelphia, Pennsylvania
November 19, 2008

**Independent Auditors' Report on Compliance With Requirements
Applicable to Each Major Program and on Internal Control Over
Compliance in Accordance With OMB Circular A-133**

Board of Directors
Independence Visitor Center Corporation
Philadelphia, Pennsylvania

Compliance

We have audited the compliance of Independence Visitor Center Corporation with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2008. Independence Visitor Center Corporation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Independence Visitor Center Corporation's management. Our responsibility is to express an opinion on Independence Visitor Center Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Independence Visitor Center Corporation's compliance with those requirements and performing such other procedures as considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Independence Visitor Center Corporation's compliance with those requirements.

In our opinion, Independence Visitor Center Corporation complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

Internal Control Over Compliance

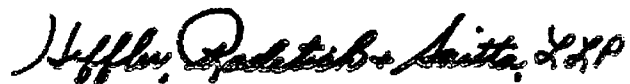
The management of Independence Visitor Center Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to its federal program. In planning and performing our audit, we considered Independence Visitor Center Corporation's internal control over compliance with requirements that could have a direct and material effect on the major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that an instance of noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of Independence Visitor Center Corporation's Board of Directors, management, federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties.



Philadelphia, Pennsylvania
November 19, 2008