

FINANCIAL STATEMENTS

**CLERMONT COUNTY
CONVENTION AND VISITORS
BUREAU**

Years ended December 31, 2000 and 1999

FLYNN & COMPANY PSC, INC.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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The Board of Trustees
Clermont County Convention and Visitors Bureau
Batavia, Ohio

We have reviewed the independent auditor's report of the Clermont County Convention and Visitors Bureau, Clermont County, prepared by Flynn & Company PSC, Inc., for the audit period January 1, 2000 through December 31, 2000. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Clermont County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

September 28, 2001

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**Clermont County Convention
And Visitors Bureau**

Financial Statements

Years ended December 31, 2000 and 1999

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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees
Clermont County Convention and Visitors Bureau
Batavia, OH

We have audited the accompanying statement of financial position of Clermont County Convention and Visitors Bureau as of December 31, 2000 and 1999, and the related statements of activities, retained earnings, 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 financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clermont County Convention and Visitors Bureau as of December 31, 2000 and 1999, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have issued a report dated July 3, 2001, on our consideration of the Clermont County Convention and Visitors' Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Flynn & Company, PSC, Inc.

July 3, 2001

CLERMONT COUNTY CONVENTION
AND VISITORS BUREAU

Statements of Financial Position

December 31, 2000 and 1999

ASSETS

	December 31	
	2000	1999
Cash and cash equivalents	\$22,657	\$81,812
Accounts Receivable-lodging tax	35,248	16,988
Accounts Receivable-historical contract	3,000	5,094
Total Current Assets	60,905	103,894
Building	214,275	-
Land	35,725	-
Office Improvements	7,817	-
Furniture and Fixtures	22,474	5,482
Less accumulated depreciation	8,840	1,212
	271,451	4,270
Total assets	\$332,356	\$108,164

LIABILITIES AND NET ASSETS

Accounts Payable	\$4,707	\$14,894
Accrued Payroll and Payroll Taxes	2,744	1,289
Current Portion of Mortgage Payable	4,344	-
Total Current Liabilities	11,795	16,183
Long Term Mortgage Payable	193,479	-
Total Liabilities	205,274	16,183
Net Assets		
Unrestricted	127,082	91,981
Total net assets	127,082	91,981
Other liabilities	\$332,356	\$108,164

See accompanying notes.

Clermont County Convention and Visitors Bureau

Statements of Activities

	Year ended December 31	
	2000	1999
REVENUE		
Lodging tax	\$270,244	\$214,098
Historical contract	36,000	35,700
Interest income	1,061	2,632
Rental income	400	1,110
Miscellaneous	583	1,391
Total Revenue	308,288	254,931
EXPENSES		
Payroll and payroll taxes	90,016	76,854
Benefits	18,543	15,811
Chamber contract fee	-	-
Rent and utilities	8,820	19,106
Marketing	11,807	18,878
Historical contract	43,298	36,022
Bicentennial	600	2,845
Technology	3,063	2,188
Printing	2,954	2,040
Professional fees	7,432	12,222
Advertising	4,480	8,290
Office supplies	2,867	5,712
Booths, fees and dues	5,867	9,100
Telephone	9,993	8,010
Office equipment and maintenance	5,722	7,013
Mortgage, Taxes & Insurance	13,303	-
Building Maintenance	11,803	-
Depreciation	7,628	1,130
Travel and meetings	8,132	9,101
Insurance	3,934	2,089
Automobile	5,347	6,512
Postage	1,298	933
Miscellaneous	6,280	2,214
Total Expenses	273,187	246,070
Change in net assets	35,101	8,861
Net assets at beginning of year	91,981	83,120
Net assets end of year	\$127,082	\$91,981

See accompanying notes to financial statements.

Clermont County Convention and Visitors Bureau

Statements of Cash Flows

	2000	1999
Cash Flows From Operating Activities		
Increase in net assets	\$34,704	\$8,861
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	7,628	1,130
Increase in accounts receivable	(16,166)	(726)
Increase in accounts payable	(10,187)	10,385
Increase in accrued payroll and accrued payroll taxes	1,455	1,289
Increase in mortgage payable	198,220	-
Net cash provided by operating activities	215,654	20,939
 Cash Flows From Investing Activities		
Purchases of property and equipment	(274,809)	(2,512)
Net cash used in investing activities	(274,809)	(2,512)
 Net Increase in Cash and Cash Equivalents	(59,155)	18,427
Cash and Cash Equivalents at Beginning of Year	81,812	63,385
Cash and Cash Equivalents at End of Year	\$22,657	\$81,812

See accompanying notes.

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clermont County Convention and Visitors Bureau is an Ohio nonprofit organization. Its purpose is to promote special events and encourage travel and tourism in Clermont County.

RECOGNITION OF DONATED ITEMS

The organization 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 as net assets released from restrictions. Restricted contributions received and expended in the same period are treated as unrestricted as permitted under SFAS No. 116. The organization received no restricted support in 2000 or 1999.

The organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The organization received no gifts of land, building or equipment in 2000 or 1999.

BASIS OF PRESENTATION

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets- Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization.

The organization presently has only unrestricted net assets.

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed assets are stated at cost at date of acquisition or fair market value at date of donation. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the property. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

INCOME TAXES

The bureau was organized as a tax-exempt organization under IRS Code Section 501 (c) (6), therefore it incurs no federal income tax. The exempt function for which it was organized is to provide information to visitors and to encourage tourism within Clermont County. The organization is not a private foundation.

The county provides revenues to the Bureau from its lodging tax imposed on motels and hotels located in Clermont County.

ADVERTISING COSTS

Advertising costs are charged to operations when incurred. Advertising costs charged to income were \$4,480 and \$8,290 for the years ended December 31, 2000 and 1999.

USE OF 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.

FUNCTIONAL EXPENSES

The cost of providing various programs and other activities have been summarized on a functional basis below. These costs have been allocated among the programs and supporting services benefited based on estimates made by management.

	2000	1999
Program services	\$203,519	\$194,912
General and administrative	70,065	51,158
Total expenses	<u>\$273,584</u>	<u>\$246,070</u>

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECLASSIFICATION

Certain reclassifications have been made to the 1999 financial statements in order to conform to the 2000 presentation.

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents includes cash and interest-bearing deposits with original maturities of less than 90 days.

NOTE 2-DONATED SERVICES

There have been no amounts reflected in the financial statements for donated services due to the lack of an objective basis for measuring the value of such services. However, a number of volunteers have donated amounts of their time in the organization's program.

NOTE 3-OPERATING LEASE

The organization leases a copier under operating leases. The lease for the copier expires in May 2003. Total lease expense under all operating leases for 2000 and 1999 was \$10,318 and \$21,781, respectively.

Future minimum lease payments are as follows:

2001	\$3,141
2002	3,141
2003	1,309

NOTE 4-PENSION PLAN

The organization participates in a simplified employee pension plan that covers all full-time employees of the Convention and Visitors Bureau. The Plan provides that the organization shall make a contribution determined by the Board of Trustees. Pension expense for 2000 and 1999 was \$6,248 and \$5,718, respectively.

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT
AUDITING STANDARDS*.

Board of Trustees
Clermont County Convention and Visitors Bureau

We have audited the financial statements of Clermont County Convention and Visitors Bureau as of and for the year ended December 31, 2000, and have issued our report thereon dated July 3, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Clermont County Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Clermont County Convention and Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters

Board of Trustees
Clermont County Convention and Visitors Bureau
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involving the internal control over financial reporting, which we have reported to management of Clermont County Convention and Visitors Bureau in a separate letter dated July 3, 2001.

This report is intended for the information of the Board of Directors, management and the State of Ohio Office of the Auditor. However, this report is a matter of public record and its distribution is not limited.

Flynn & Company PSC, Inc.

July 3, 2001



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OFFICE OF THE AUDITOR

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CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

CLERMONT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
OCTOBER 9, 2001**