

Athens County Convention and Visitors Bureau, Inc.

Athens County

Regular Audit

January 1, 2000 Through December 31, 2001

Fiscal Years Audited Under GAGAS: 2000 & 2001

BALESTRA & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639 E-Mail: mbalcpa@bright.net



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
Columbus, Ohio 43215

Telephone 614-466-4514
800-282-0370

Facsimile 614-728-7398
www.auditor.state.oh.us

Board of Trustees
Athens County Convention and Visitor's Bureau, Inc.
607 East State Street
Athens, Ohio 45701

We have reviewed the Independent Auditor's Report of the Athens County Convention and Visitor's Bureau, Inc., Athens County, prepared by Balestra & Company, for the audit period January 1, 2000 through December 31, 2001. 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 Athens County Convention and Visitor's Bureau, Inc. is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

May 17, 2002

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Athens County Convention and Visitors Bureau, Inc.
Athens County
January 1, 2000 through December 31, 2001

Table of Contents

Independent Auditors' Report	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance	2
Notes to the Financial Statements	3
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5

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Ohio Society of Certified Public Accountants

Independent Auditors' Report

Board of Trustees
Athens County Convention and Visitors Bureau, Inc.
607 East State Street
Athens, Ohio 45701

We have audited the accompanying financial statements of the Athens County Convention and Visitors Bureau, Inc., (the "Bureau") as of and for the years ended December 31, 2001 and 2000, as listed in the table of contents. These financial statements are the responsibility of the Bureau'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. 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.

As discussed in Note 1, the Bureau prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and fund cash balances of the Bureau for the years ended December 31, 2001 and 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2002, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Balestra & Company

Balestra & Company

March 21, 2002

ATHENS COUNTY CONVENTION AND VISITORS BUREAU, INC.
ATHENS COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
Cash Receipts		
Intergovernmental	\$254,983	\$237,487
Interest	3,157	2,948
Miscellaneous	<u>13,389</u>	<u>7,102</u>
Total Cash Receipts:	271,529	247,537
 Cash Disbursements:		
Current:		
Payroll Related	136,127	112,663
Advertising/Promotional	78,599	75,243
Utilities	12,438	13,089
Administrative	27,278	30,686
Miscellaneous	<u>17,662</u>	<u>10,722</u>
Total Cash Disbursements:	272,104	242,403
 Total receipts over/(under) cash disbursements:	 (575)	 5,134
 Fund cash balance, January 1:	 <u>125,566</u>	 <u>120,432</u>
 Fund cash balance, December 31:	 <u><u>\$124,991</u></u>	 <u><u>\$125,566</u></u>

The notes to the financial statements are an integral part of this statement.

Athens County Convention and Visitors Bureau, Inc.
Notes to the Financial Statements
For the Fiscal Years Ended December 31, 2001 and December 31, 2000

Note 1 - Summary of Significant Accounting Policies

A. Description of the Corporation

The Bureau is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The Bureau is funded primarily by the City of Athens and Athens County from lodging taxes assessed and collected by those governments and distributed to the Bureau. These taxes are collected from hotels and motels within Athens County and are required to be used to promote tourism and travel in Athens County. The corporation receives about one half of these collected taxes.

The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

B. Basis of Accounting

These financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. Cash and Investments

The certificates of deposit are valued at cost.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

E. Federal Income Taxes

The Bureau qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

F. Budgetary Process

The Bureau is not subject to the provisions of Section 5705 of the Revised Code as property tax revenues are not utilized to finance its operations. However, under the Bureau's policy, the Director provides the Board of Trustees with an annual budget that is used as a guideline to control the disbursements of the Bureau.

Athens County Convention and Visitors Bureau, Inc.
Notes to the Financial Statements
For the Fiscal Years Ended December 31, 2001 and December 31, 2000

Note 2 - Equity in Pooled Cash and Investments

The carry amount of cash and investments at December 31, 2001 and 2000, was as follows:

<u>Deposits:</u>	<u>2001</u>	<u>2000</u>
Checking account	\$45,315	\$48,288
Money market account	62,869	61,350
Certificates of deposit	<u>16,807</u>	<u>15,928</u>
Total Cash Deposits:	\$124,991	\$125,566

Deposits are insured by the Federal Depository Insurance Corporation.

Note 3 - Lodging Tax

Lodging tax is assessed and collected by the City of Athens and Athens County on all hotels and motels within their respective jurisdiction. These taxes are required to be used to promote travel and tourism in the area. The Bureau pays operational and promotional expenses from these funds. In 2001 and 2000, the Bureau received Lodging Tax in the amount of \$190,217 and \$177,369, respectively, from Athens County and \$64,766 and \$60,118, respectively, from the City of Athens.

Note 4 - Risk Management

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and Omissions

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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
Athens County Convention and Visitors Bureau, Inc.
607 East State Street
Athens, Ohio 45701

We have audited the financial statements of the Athens County Convention and Visitors Bureau, Inc. (the "Bureau") as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 21, 2002. 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.

Compliance

As part of obtaining reasonable assurance about whether the 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 and 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 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 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 involving the internal control over financial reporting, which we have reported to the management of the Bureau in a separate letter dated March 21, 2002.

This report is intended solely for the information and use of the audit committee, management and Board of Trustees and is not intended to be and should not be used by any one other than these specified parties.

Balestra & Company

Balestra & Company

March 21, 2002



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OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

ATHENS COUNTY CONVENTION & VISITORS BUREAU, INC.

ATHENS 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
MAY 30, 2002**