

**CLINTON COUNTY CONVENTION & VISITORS BUREAU
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS AND
CASH BALANCES
DECEMBER 31, 2003 AND 2002
TOGETHER WITH
AUDITOR'S REPORT**



**Auditor of State
Betty Montgomery**

Board of Trustees
Clinton County Convention & Visitors Bureau
13 North South
Wilmington, Ohio 45177

We have reviewed the Independent Auditor's Report of the Clinton County Convention & Visitors Bureau, prepared by Stephenson and Warner, Inc., for the audit period January 1, 2002 to December 31, 2003. 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 Clinton County Convention & Visitors Bureau is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

July 9, 2004

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CLINTON COUNTY CONVENTION & VISITORS BUREAU

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STEPHENSON AND WARNER, INC.
Certified Public Accountants

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Members of:

A.I.C.P.A.
O.S.C.P.A.

Independent Auditor's Report

To Board of Trustees of
Clinton County Convention & Visitors Bureau
Wilmington, Ohio

We have audited the accompanying statements of cash receipts and disbursements and cash balances arising from cash transactions of Clinton County Convention & Visitors Bureau for the years ended December 31, 2003 and 2002. 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 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 the 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 basis of cash receipts and disbursements, 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 receipts and disbursements arising from cash transactions of Clinton County Convention & Visitors Bureau for the years ended December 31, 2003 and 2002, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2004 on our consideration of Clinton County Convention & Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

STEPHENSON AND WARNER, INC.
Certified Public Accountants

June 23, 2004

Clinton County Convention & Visitors Bureau
Statements of Cash Receipts and Disbursements and Cash Balances
For the Years Ended December 31, 2003 and 2002

	<u>2003</u>	<u>2002</u>
Cash receipts		
Lodgers' tax – Clinton County	\$ 114,299	\$ 99,068
Lodgers' tax – City of Wilmington	59,616	62,459
Miscellaneous income	281	5
Interest income	<u>261</u>	<u>554</u>
Total cash receipts	174,457	162,086
Cash disbursements		
Compensation and related	68,086	67,725
Advertising, marketing and promotion	22,483	16,473
Trade shows and seminars	5,397	4,619
Rent	12,000	12,000
Postage	8,295	7,209
Office supplies and related	9,346	7,574
Utilities	10,154	10,018
Contributions	1,095	-
Travel and entertainment	4,411	5,599
Equipment	1,941	-
Telephone	3,527	3,340
Memberships and subscriptions	3,361	3,458
Equipment purchases and lease payments	5,127	4,999
Repairs	591	158
Property and liability insurance	1,609	1,454
Professional services	880	3,368
Miscellaneous	538	544
Building and equipment maintenance	2,379	1,931
Printing and reproduction	17,988	9,863
Research	110	900
Website development and related	1,370	312
Licenses and permits	140	120
Bank and finance service charges	<u>330</u>	<u>55</u>
Total cash disbursements	<u>181,158</u>	<u>161,719</u>
Excess (deficit) of cash receipts over disbursements	(6,701)	367
Cash balance, beginning	<u>48,264</u>	<u>47,897</u>
Cash balance, ending	<u>\$ 41,563</u>	<u>\$ 48,264</u>

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

CLINTON COUNTY CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

Nature of Operations – The Clinton County Convention & Visitors Bureau, the Organization, is a not-for-profit corporation formed under the laws of the State of Ohio. The purpose of the Organization is to promote and publicize the City of Wilmington and Clinton County, Ohio, to attract tourists into the County for their consumption of goods and services provided by the City’s and County’s hospitality industry and the general business community.

Note 1 – Significant Accounting Policies

Basis of Accounting – The Organization’s Statements of Cash Receipts and Disbursements and Cash Balances were prepared 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. The cash basis of accounting records cash receipts and cash disbursements. Cash receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying Statements of Cash Receipts and Disbursements and Cash Balances are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Income Taxes – The Organization is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code.

Note 2 – Cash

The balances were:

	<u>2003</u>	<u>2002</u>
Petty cash	\$ 200	\$ 200
Checking account with Fifth Third Bank	18,342	2,730
Savings account with Fifth Third Bank	<u>23,021</u>	<u>45,334</u>
	<u>\$ 41,563</u>	<u>\$ 48,264</u>

Note 3 – Cash Receipts

The Organization’s primary source of cash receipts is from the City of Wilmington Hotel Lodging Excise Tax (3%) and Clinton County Motel/Hotel Bed Tax (3%).

The Organization entered into an agreement with the City of Wilmington in 1997 to promote and publicize the City and to bring patronage to the City’s businesses. The Code of Regulation requires that the amounts allocated to the Organization will be appropriated by City Council in its annual appropriations ordinance and may be amended as requested by the appropriate authority and approved by City Council.

The Organization entered into an agreement with Clinton County in 1997 to promote and publicize the County and to bring patronage to the County’s businesses. The Code of Regulation states that the amounts available to the Organization will be based on the proceeds collected less amounts for certain expenses and appropriations to any township or municipality which does not have and hotel lodging excise tax.

Note 4 – Lease Obligations

The Organization leases office space located at 13 North South Street in Wilmington, Ohio from R.L.R. Investments. The lease commenced in April 2001 and terminates in March 2004. The rent amount is \$36,000 payable in installments of \$1,000 per month. The Organization is required to pay the utility expenses and provide liability insurance coverage. The lease was subsequently renewed for the period April 2004 to March 2007 at \$1,200 per month.

The Organization leased a new copier from IKON Office Solutions, Inc. in June 2003. The lease will terminate in June 2006. The minimum monthly lease payments are \$297, which provides for 5,000 prints per month. The print charge is \$.018 per print above the monthly 5,000 prints.

The Organization leases a postage machine from Pitney Bowes. The lease commenced August 2001 and will terminate in August 2004. The monthly payment is \$133 for 3 years.

Future minimum payments are:

2004	\$ 16,628
2005	15,564
2006	13,782
2007	<u>3,000</u>
	<u>\$ 48,974</u>

Note 5 – Concentration of Receipts

The Organization obtains all of its support from the City of Wilmington and Clinton County Hotel Lodging Excise Tax.

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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***

To Board of Trustees of
Clinton County Convention & Visitors Bureau
Wilmington, Ohio

We have audited the statements of cash receipts and disbursements and cash balances of Clinton County Convention & Visitors Bureau as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 23, 2004. We conducted our audits 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 Clinton County Convention & Visitors Bureau's statements of cash receipts and disbursements and cash balances is 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 as 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 audits, we considered Clinton County Convention & Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the statements of cash receipts and disbursements and cash balances 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.

STEPHENSON AND WARNER, INC.
Certified Public Accountants

This report is intended for the information of the Board of Trustees, management, and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

STEPHENSON AND WARNER, INC.
Certified Public Accountants

June 23, 2004



**Auditor of State
Betty Montgomery**

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CLINTON COUNTY CONVENTION AND VISITORS BUREAU

CLINTON 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
JULY 27, 2004**