



**Auditor of State  
Betty Montgomery**



**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Lima/Allen County Convention and Visitors Bureau  
Allen County  
147 North Main Street  
Lima, Ohio 45801

To the Board of Trustees:

We have audited the accompanying Statement of Financial Position of the Lima/Allen County Convention and Visitors Bureau, Allen County (the Bureau), as of and for the years ended December 31, 2004 and 2003, and the related statement of activities and cash flows for the year then ended. 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 Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 the Lima/Allen County Convention and Visitors Bureau, Allen County, as of December 31, 2004 and 2003, and the changes in net assets and its cash flows for the years 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 our report dated June 20, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

June 20, 2005

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**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**STATEMENT OF FINANCIAL POSITION  
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

<b>ASSETS</b>	<b>2004</b>	<b>2003</b>
<b>Current Assets:</b>		
Cash and Cash Equivalents	\$483,629	\$432,115
Accounts Receivable - Other	76,768	75,619
Prepaid Expenses		8,000
Prepaid Special Events		1,515
Due Diligence LJB		5,664
	<hr/>	<hr/>
Total Current Assets	560,397	522,913
<b>Property and Equipment</b>		
Furniture & Equipment	20,448	19,553
Less Accumulated Depreciation	(18,178)	(15,116)
Total Property and Equipment	<hr/> 2,270	<hr/> 4,437
<b>Other Assets:</b>		
Deposit - OBWC	94	94
Total Other Assets	<hr/> 94	<hr/> 94
Total Assets	<hr/> <hr/> \$562,761	<hr/> <hr/> \$527,444

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities:</b>		
Due to LACC	2,412	2,198
Accounts Payable	835	831
Account Payable - Allen County Commissioners	34,436	30,712
Other Payables	16,912	16,089
Sales Tax Collected	26	65
EBP - Employee Fund	3	45
EBP - 401K	494	482
Accrued Payroll	4,262	3,486
Accrued Accounting Fees	1,500	1,500
Advance Payments		12,750
	<hr/>	<hr/>
Total Current Liabilities	60,880	68,158
<b>Net Assets</b>		
Unrestricted	327,114	311,061
Board designated for capital improvements (Note 1.F)	174,767	148,225
Total Net Assets - Unrestricted	<hr/> 501,881	<hr/> 459,286
<b>Total Liabilities and Net Assets</b>	<hr/> <hr/> \$562,761	<hr/> <hr/> \$527,444

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

**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2004 AND 2003**

	<b>2004</b>	<b>2003</b>
<b>Changes in unrestricted net assets:</b>		
<b>Revenue:</b>		
TIC - Sale of Materials	\$935	\$3,371
Advertising	31,450	
American Township	5,329	6,754
Bath Township	31,793	29,056
City Lima	64,006	62,098
Perry Township	85,568	76,940
Allen County	344,364	307,122
Interest Income	4,568	6,459
Miscellaneous Revenue	201	1,144
Total Revenue	568,214	492,944
<b>Expenses</b>		
Wages and Benefits	164,030	158,358
Buildings and Services	18,793	18,793
Total Expenses	182,823	177,151
<b>Project Expenses</b>		
Civic Center	125,693	112,099
Allen County Commissioners -Civic Center Expansion	34,436	30,712
City Civic Center Expansion	38,240	30,831
Special Events	6,540	4,083
Publications	33,938	2,646
TIC	4,489	5,288
Miscellaneous Projects/Downtown	5,000	5,000
Additional Downtown Support	5,000	5,000
Due Diligence	1,600	
Square Fair	5,000	
Total Project Expenses	259,936	195,659
<b>Other Expenses</b>		
Advertising	18,516	16,250
Auto and Travel	6,389	5,140
Professional Fees	13,017	12,857
Postage	4,551	5,363
Printing	3,170	5,588
Office Supplies	1,907	1,564
Computer Expenses	2,889	3,934
Staff Education/Sear	766	814
Business Promotions	3,282	3,499
Telephone	5,149	5,022
Depreciation	3,065	3,055
Dues/Subscriptions	3,209	2,668
Meeting/Conferences	6,465	3,267
Miscellaneous Expenses	2,651	1,953
Shared Services	4,705	5,994
Insurance	2,967	3,010
Equipment Rental	162	174
Donations		414
Total Other Expenses	82,860	80,566
Increase in Net Assets	42,595	39,568
Net Assets, beginning of period	459,286	419,718
<b>Net Assets, end of period</b>	<b>\$501,881</b>	<b>\$459,286</b>

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



**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	<b>2004</b>	<b>2003</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$42,595	\$39,568
<b>Adjustments to reconcile change in net assets to net cash used in operating activities:</b>		
Depreciation	3,065	3,055
Changes in operating assets and liabilities:		
Increase/Decrease in accounts receivable	(1,149)	(14,435)
Increase/Decrease in prepaids	15,179	(5,167)
Increase/Decrease in accounts payable and accrued expenses	<u>(7,278)</u>	<u>12,526</u>
Total Adjustments	<u>9,817</u>	<u>(4,021)</u>
Net Cash Provided by Operating Activities	52,412	35,547
Net Cash from Investing Activities	(898)	(970)
Net Increase in Cash and cash equivalents	51,514	34,577
Cash and cash equivalents at beginning of year	<u>432,115</u>	<u>397,538</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>\$483,629</u></b>	<b><u>\$432,115</u></b>

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

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**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The Lima/Allen County Convention and Visitors Bureau, (the Bureau) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Bureau was founded in February, 1997, pursuant to the laws of the State of Ohio in accordance with Chapter 1702.01, et seq. of the Ohio Revised Code, as a private, not-for-profit organization. The Bureau is exempt from federal taxes under (501-(C)(6)) of the Internal Revenue Code.

The Bureau is directed by an appointed fourteen member Board of Trustees. The Bureau serves the public by encouraging economic development of the County through the promotion of tourism.

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

**B. Basis of Accounting**

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles (GAAP). The financial statements of the Bureau have been prepared, in all material respects, as recommended by the American Institute of Certified Public Accountants - (AICPA) Audit and Accounting Guide, *Not-for-Profit Organizations*. The audit guide includes the requirements of the Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS 117, the Bureau is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. The Bureau has no temporarily restricted or permanently restricted net assets.

**C. Accounts Receivable**

The Bureau considers accounts receivable to be fully collectible. If amounts become uncollectible, they are charged to operations when that determination is made.

**D. Cash and Cash Equivalents**

The Bureau maintains a checking account, savings accounts, and certificates of deposit which are valued at cost. For purposes of the statement of cash flows, cash and cash equivalents include all demand and time deposits.

**E. Budgetary Process**

The Bureau prepares an annual budget. There is no legal requirement for the Bureau to prepare a budget. See Budgetary Activity in Note 3.

**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**F. Board Designated Net Assets**

During 2004, the Bureau's Board of Directors designated \$26,542 for a reserve for capital improvements. During 2003, \$23,651 was so designated. The total board designated reserve for capital improvements at December 31, 2004 and 2003 is \$174,767 and \$148,225, respectively. (See Note 7)

**G. Fixed Assets**

All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Bureau maintains a capitalization threshold of five hundred dollars. The Bureau does not have any infrastructure.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Improvements are capitalized. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five to seven years.

**H. County Hotel/Motel Tax Revenues:**

The Bureau receives hotel and motel tax monies from various subdivisions. The annual amount of money received from these subdivisions depends on the current contract. The contracts with various townships are on-going and do not have an expiration date.

**I. Accounts Receivable:**

Accounts receivable reflect the Bureau's share of the subsequent two months' hotel/motel taxes which were collected by Allen County, Bath Township, American Township and Perry Township. The City of Lima collected lodging taxes for the fourth quarter of 2004 and 2003 which were not remitted to the Bureau until February of 2005 and 2004.

**J. Prepaid Items:**

Payments made for services that will benefit periods beyond December 31, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are used.

**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)**

**K. Other Payables**

The Bureau passes along 36.5 percent of what it receives from Allen County in hotel/motel taxes to the Veteran's Memorial Civic and Convention Center. Two months taxes are used to determine this payable to match to the receivable described above.

The Bureau also passes along 10 percent of what it receives from Allen County in hotel/motel taxes to the Allen County Commissioner's office to help pay for the Civic Center Expansion project. Additionally, they return all monies paid to them by the new hotel on a monthly basis, in order to pay for the expansion project.

**L. Pension Plan**

The Bureau has a 401(k) Pension Plan that covers substantially all employees. The Bureau contributes a percentage of compensation based upon the employees' contribution. Total contributions for 2004 and 2003 were \$6,410 and \$2,065, respectively.

**M. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. EQUITY IN POOLED CASH**

The carrying amount of cash at December 31 was as follows:

	<b>2004</b>	<b>2003</b>
Demand deposits	\$242,214	\$219,232
Certificates of deposit	66,648	64,658
Total deposits	308,862	283,890
Board imposed designated cash	174,767	148,225
Total deposits	<u>\$483,629</u>	<u>\$432,115</u>

**Deposits:** The bank balances at December 31 were \$501,901 and \$452,136 for 2004 and 2003, respectively. These deposits are insured by the Federal Depository Insurance Corporation in each depository for up to \$100,000. The remaining balances are uninsured and uncollateralized.

**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the year ending December 31, 2004 and 2003 was as follows:

**2004 Budgeted vs. Actual Receipts**

<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
<u>\$ 505,684</u>	<u>\$ 568,214</u>	<u>\$ 62,530</u>

**2004 Budgeted vs. Actual Expenditures**

<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Variance</b>
<u>\$ 510,566</u>	<u>\$ 525,619</u>	<u>(\$15,053)</u>

**2003 Budgeted vs. Actual Receipts**

<b>Budgeted Receipts</b>	<b>Actual Receipts</b>	<b>Variance</b>
<u>\$ 480,121</u>	<u>\$492,944</u>	<u>\$ 12,823</u>

**2003 Budgeted vs. Actual Expenditures**

<b>Budgeted Expenditures</b>	<b>Actual Expenditures</b>	<b>Variance</b>
<u>\$ 484,907</u>	<u>\$ 453,376</u>	<u>\$ 31,531</u>

**4. FURNITURE AND EQUIPMENT**

	<b>2004</b>	<b>2003</b>
Furniture and Equipment	\$ 20,448	\$ 19,553
Accumulated depreciation	<u>(18,178)</u>	<u>(15,116)</u>
Net Assets	<u>\$ 2,270</u>	<u>\$ 4,437</u>

**A. LEASES**

The Bureau subleases office space from the Lima/Allen County Chamber of Commerce (Chamber). The rental charge for the Bureau is based upon the amount of square footage utilized by the Bureau. The sublease agreement calls for an annual payment of \$18,793 per year in monthly increments. The yearly amount shall be adjusted annually to reflect a total annual payment of not more than 28 percent of the Chamber's actual expense related to providing such facility. The final lease rental payment for this lease is due during the year 2005.

**LIMA/ALLEN COUNTY CONVENTION AND VISITORS BUREAU  
ALLEN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2004 AND 2003  
(Continued)**

**6. RISK MANAGEMENT:**

The Bureau has obtained commercial insurance for the following risks:

- -General liability
- -Property Coverage
- -Public Officials Liability

**7. RESTRICTED NET ASSETS:**

The Bureau has no temporarily restricted net assets with a time restriction, or permanently restricted net assets.

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Lima/Allen County Convention and Visitors Bureau  
Allen County  
147 North Main Street  
Lima, Ohio 45801

To the Board of Trustees:

We have audited the accompanying financial statements of the Lima/Allen County Convention & Visitors Bureau (the Bureau) as of and for the years ended December 31, 2004 and 2003 and have issued our report thereon dated June 20, 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Bureau's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Bureau's management dated June 20, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

**Compliance and Other Matters**

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

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Lima/Allen County Convention and Visitors Bureau  
Allen County  
Independent Accountants' Report On Internal Control Over  
Financial Reporting And On Compliance And Other Matters  
Required By *Government Auditing Standards*

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 20, 2005



**Auditor of State  
Betty Montgomery**

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**LIMA/ALLEN CONVENTION AND VISITORS BUREAU  
ALLEN 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  
AUGUST 4, 2005**