

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU

LAWRENCE COUNTY

REGULAR AUDIT

JANUARY 1, 2009 THROUGH DECEMBER 31, 2009

FISCAL YEAR AUDITED UNDER GAGAS: 2009

Caudill & Associates, CPA's

725 5th Street Portsmouth, OH 45662

P: 740.353.5171 | F: 740.353.3749

www.caudillepa.com



Mary Taylor, CPA
Auditor of State

Board of Directors
Lawrence County Convention and Visitors' Bureau
216 Collins Avenue
P.O. Box 488
South Point, Ohio 45680

We have reviewed the *Independent Auditors' Report* of the Lawrence County Convention and Visitors' Bureau, Lawrence County, prepared by Caudill & Associates, CPA's, for the audit period January 1, 2009 through December 31, 2009. 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 Lawrence County Convention and Visitors' Bureau is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 2, 2010

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LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU
LAWRENCE COUNTY

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Board of Directors
Lawrence County Convention and Visitors' Bureau
216 Collins Avenue
South Point, Ohio 45680

Independent Auditors' Report

We have audited the accompanying statement of cash receipts and disbursements of the Lawrence County Convention and Visitors' Bureau, Lawrence County, Ohio (the Bureau), as of and for the year ended December 31, 2009. 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 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 statement is 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 audit provide a reasonable basis for our opinion.

As described more fully in Note 1, the Bureau has prepared these financial statements on the cash receipts and disbursements 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 balance of the Bureau as of December 31, 2009, and the cash receipts and disbursements for the year 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 31, 2010 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. 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 an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

Caudill & Associates, CPAs

Caudill & Associates, CPA's

March 31, 2010

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU
LAWRENCE COUNTY

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN NET CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2009

| | |
|---|------------------|
| Cash Receipts: | |
| Hotel/Motel Tax | \$ 71,834 |
| Interest | 16 |
| Total Cash Receipts | <u>71,850</u> |
| | |
| Cash Disbursements: | |
| Advertising/Promotion | 678 |
| Dues and Subscriptions | 247 |
| Miscellaneous | 0 |
| Outside Services | 3,375 |
| Payroll Expenses | 6,120 |
| Postage | 184 |
| Rental Expenses | 10,039 |
| Supplies | 685 |
| Travel Expenses | 162 |
| Utilities | 2,855 |
| Wages | 13,455 |
| Total Cash Disbursements | <u>37,800</u> |
| | |
| Total receipts over/(under) cash disbursements: | <u>34,050</u> |
| | |
| Net (cash) assets January 1, 2009 | <u>225</u> |
| | |
| Net (cash) assets December 31, 2009 | <u>\$ 34,275</u> |

See the accompanying notes to the financial statements

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU
LAWRENCE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The Lawrence County Convention and Visitors' Bureau (the Bureau) is operated under the jurisdiction of the Lawrence Economic Development Corporation and is funded primarily by Lawrence County from lodging taxes assessed and collected by the County and distributed to the Bureau. These taxes are collected from hotels and motels within Lawrence County and are required to be used to promote tourism and travel in Lawrence County.

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

B. BASIS OF ACCOUNTING

The Organization's Statement 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 is not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

C. PROPERTY, PLANT & EQUIPMENT

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

D. FEDERAL INCOME TAXES

The Bureau is under the jurisdiction of the Lawrence Economic Development Corporation (the Corporation) in which the Corporation was awarded the federal nonprofit tax exemption under Section 501(C)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

E. 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 with an annual budget that is used as a guideline to control the disbursements of the Bureau.

LAWRENCE COUNTY CONVENTION AND VISITORS' BUREAU
LAWRENCE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009

2. CONCENTRATION OF CREDIT RISK

The Bureau's cash balances were fully insured by the Federal Deposit Insurance Corporation as of December 31, 2009.

3. LODGING TAX

Lodging tax is assessed and collected by Lawrence 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 2009, the Bureau received Lodging Tax in the amount of \$71,834 from Lawrence County.

4. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and Omissions

5. CONCENTRATIONS

The Bureau receives substantial revenue from the lodging excise tax levied by Lawrence County.



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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
Lawrence County Convention and Visitors' Bureau
216 Collins Avenue
South Point, Ohio 45680

We have audited the financial statements of the cash receipts and disbursements of the Lawrence County Convention and Visitors Bureau (the Bureau), as of and for the year ended December 31, 2009, and have issued our report thereon dated March 31, 2010. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau'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 the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies, resulting in more than a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented or detected and timely corrected.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Board of Directors
Lawrence County Convention and Visitors' Bureau

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*.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 Audit Standards*.

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Caudill & Associates, CPA's

Caudill & Associates, CPA's

March 31, 2010



Mary Taylor, CPA
Auditor of State

CONVENTION AND VISITORS' BUREAU

LAWRENCE 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
JUNE 15, 2010**