

**CLERMONT COUNTY CONVENTION  
AND VISITORS BUREAU**

**FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION**

**YEARS ENDED DECEMBER 31, 1998 AND 1997**



**ACCOUNTING KNOWLEDGE, BUSINESS SAVVY**

**CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS**

**CLERMONT COUNTY CONVENTION  
AND VISITORS BUREAU**

**FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION**

**YEARS ENDED DECEMBER 31, 1998 AND 1997**

**WITH**

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Directors  
Clermont County Convention and Visitors Bureau

We have reviewed the Independent Auditor's Report of Clermont County Convention and Visitors Bureau, Inc, Clermont County, prepared by Barnes Dennig & Company, Ltd. for the audit period January 1, 1998 through December 31, 1998. 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

June 22, 2000



ACCOUNTING KNOWLEDGE, BUSINESS SAVVY  
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

Report of Independent Certified Public Accountants

Board of Trustees  
Clermont County Convention  
and Visitors Bureau

We have audited the accompanying statements of financial position of Clermont County Convention and Visitors Bureau (a nonprofit organization) as of December 31, 1998 and 1997, and the related statements of activities 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 audits 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, 1998 and 1997 and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 4, 1999, 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 for the year ended December 31, 1998.

*Barnes, Dennig & Co., Ltd.*

May 4, 1999



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MEMBER, POLARIS INTERNATIONAL

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

STATEMENTS OF FINANCIAL POSITION

December 31, 1998 and 1997

- ASSETS -	1998	1997
CURRENT		
Cash - checking	\$63,385	\$34,490
Accounts receivable - lodging tax	15,956	14,757
Accounts receivable - historical contract	<u>5,400</u>	<u>5,812</u>
Total current assets	<u>84,741</u>	<u>55,059</u>
FIXED		
Equipment	2,971	-
Less: Accumulated depreciation	<u>(82)</u>	<u>-</u>
Net fixed assets	<u>2,889</u>	<u>-</u>
Total assets	<u>\$87,630</u>	<u>\$55,059</u>
- LIABILITIES AND NET ASSETS -		
CURRENT		
Accounts payable	\$ 4,510	\$ -
Total liabilities	<u>4,510</u>	<u>-</u>
NET ASSETS		
Unrestricted	<u>83,120</u>	<u>55,059</u>
Total net assets	<u>83,120</u>	<u>55,059</u>
Total liabilities and net assets	<u>\$87,630</u>	<u>\$55,059</u>

The accompanying notes are an integral part of these financial statements

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

STATEMENTS OF ACTIVITIES

Years Ended December 31, 1998 and 1997

	1998	1997
REVENUE		
Lodging tax	\$193,407	\$189,655
Historical contract	32,400	9,627
Interest income	1,616	436
Rental income	1,400	-
Miscellaneous income	<u>3,278</u>	<u>-</u>
Total revenue	<u>232,101</u>	<u>199,718</u>
EXPENSES		
Payroll	74,187	48,826
Benefits	9,114	5,591
Payroll taxes	6,413	5,861
Chamber contract fee	9,600	25,200
Rent and utilities	17,607	13,395
Marketing	12,555	11,009
Historian contract	2,616	7,647
Bicentennial	3,211	585
Technology	3,069	1,127
Printing	11,436	1,636
Professional fees	5,195	2,713
Advertising	5,137	6,440
Office supplies and stationery	3,877	2,645
Booths, fees and dues	3,239	4,521
Telephone	9,745	4,807
Office equipment and maintenance	9,465	13,194
Depreciation	82	-
Luncheons	6,145	9,707
Insurance	2,023	1,805
Automobile	6,185	6,545
Postage	1,530	1,486
Convention fees and promotion	-	5,257
Miscellaneous	<u>1,609</u>	<u>1,154</u>
Total expenses	<u>204,040</u>	<u>181,151</u>
Change in net assets	28,061	18,567
Net assets at beginning of year	<u>55,059</u>	<u>36,492</u>
Net assets at end of year	<u>\$ 83,120</u>	<u>\$ 55,059</u>

The accompanying notes are an integral part of these financial statements

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

STATEMENTS OF CASH FLOWS

Years Ended December 31, 1998 and 1997

	1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$28,061	\$18,567
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	82	-
Decrease (increase) in operating assets:		
Accounts receivable	( 787)	( 2,455)
Increase (decrease) in operating liabilities:		
Accounts payable	<u>4,510</u>	<u>-</u>
Net cash from operating activities	<u>31,866</u>	<u>16,112</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	( 2,971)	-
Net cash used for investing activities	( 2,971)	-
Net increase in cash	28,895	16,112
Cash at beginning of year	<u>34,490</u>	<u>18,378</u>
Cash at end of year	<u>\$63,385</u>	<u>\$34,490</u>

The accompanying notes are an integral part of these financial statements

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Organization -

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.

(B) 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 1998 or 1997.

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 1998 or 1997.

(C) 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  
(Continued)**

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

(D) Fixed Assets -

Fixed assets are stated at cost at date of acquisition or fair market value at date of donation in the case of gifts. 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.

(E) 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.

(F) Advertising Costs -

Advertising costs are charged to operations when incurred. Advertising costs charged to income were \$5,137 and \$6,440 for the years ended December 31, 1998 and 1997.

(G) 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.

(H) 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.

	1998	1997
Program services	\$145,264	\$118,442
General and administrative	<u>58,776</u>	<u>62,709</u>
Total expenses	<u>\$204,040</u>	<u>\$181,151</u>

(I) Reclassification -

Certain reclassifications have been made to the 1997 financial statements in order to conform to those classifications adopted for 1998.

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**(2) RELATED PARTY TRANSACTIONS**

Clermont County Convention and Visitors Bureau shared staff and facilities with Clermont Chamber of Commerce. The contract between the two organizations stipulates that the Convention and Visitors Bureau is to pay the Chamber of Commerce \$1,600 and \$2,100 per month during 1998 and 1997, respectively, for the management and consulting services of the Chamber's President and Senior Vice President, and an agreed-upon amount of the rent, maintenance, insurance, leasehold improvements and utilities based on the amount of space utilized. This contract was terminated effective July 1, 1998. The total contract fee amounted to \$9,600 and \$25,200 during 1998 and 1997, respectively. The rent and utilities expense amounted to \$7,250 and \$13,395 during 1998 and 1997, respectively. The organization also reimburses the Chamber for salaries, payroll taxes and employee benefits paid on their behalf. The total expense was \$47,874 and \$60,278 during 1998 and 1997, respectively.

**(3) DONATED SERVICES**

No amounts have been reflected in the statements for donated services, inasmuch as no objective basis is available to measure the value of such services; however, a number of volunteers have donated amounts of their time in the organization's program.

**(4) OPERATING LEASE**

The organization leases a mini-van under a long-term agreement for \$369 per month. This lease is an operating lease and expires October 2000. The organization leases its facility on a month-to-month basis. Total lease expense for the years ending December 31, 1998 and 1997 was \$21,576 and \$42,791, respectively.

The following is a schedule of future minimum lease payments for operating leases (with the initial or remaining terms in excess of one year) as of December 31, 1998:

<u>Year</u>	<u>Amount</u>
1999	\$4,428
2000	3,690

**(5) PENSION PLAN**

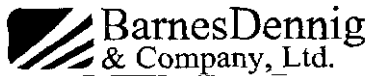
The organization participates in a multi-employer simplified employee pension plan that is managed by the Clermont Chamber of Commerce and covers all full-time employees of the Convention and Visitors Bureau. The plan provides that the organization shall make a contribution determined by the Board of Trustees. Pension expense for 1998 and 1997 was \$4,650 and \$3,775, respectively.

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU**

**NOTES TO FINANCIAL STATEMENTS  
(Continued)**

**(6) AGREEMENT**

The organization has entered into an agreement with the Clermont County Board of County Commissioners for the Bicentennial Celebration and Historian. The agreement is for 16-months at \$2,700 per month, commencing September 1, 1997 through December 31, 1998. Also, sundry expenses at a total cost not to exceed \$10,000 will be paid for the 16-month contract period. This agreement shall automatically renew thereafter in one-year increments until December 31, 2000, unless either party notifies the other on or before December 1 of an intent not to renew.



**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 Directors  
Clermont County Convention  
and Visitors Bureau

We have audited the financial statements of the Clermont County Convention and Visitors Bureau as of and for the year ended December 31, 1998, and have issued our report thereon dated May 4, 1999. 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 the 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Clermont County Convention and Visitors Bureau in a separate letter dated May 4, 1999.

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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Clermont County Convention and Visitors Bureau's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition noted is as follows:

**Segregation of Duties**

The segregation of duties in the handling of cash receipts and disbursements is limited and as such reduces the effectiveness of the controls. The basic premise is that no one person should have access to both physical assets and the related accounting records or to all phases of a transaction.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS (CONT'D)**

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, the reportable condition described above is considered to be a material weakness. We also noted other matters involving the internal control over financial reporting that we have reported to management of the Clermont County Convention and Visitors Bureau in a separate letter dated May 4, 1999.

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

*Burns, Donning & Co., Ltd.*

May 4, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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CLERMONT COUNTY CONVENTION AND VISITORS BUREAU, INC.

CLERMONT COUNTY  
1998

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.

By: Susan Babbitt

Date: JULY 6, 2000