

**CLINTON COUNTY CONVENTION & VISITORS BUREAU
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS AND
CASH BALANCES
DECEMBER 31, 2001 AND 2000
TOGETHER WITH
AUDITOR'S REPORT**



STATE OF OHIO
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
www.auditor.state.oh.us

Board of Trustees
Clinton County Convention and Visitors Bureau
100 W. Main Street
Wilmington, Ohio 45177

We have reviewed the Independent Auditor's Report of the Clinton County Convention and Visitors Bureau, prepared by Stephenson & Warner, Inc., 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 Clinton County Convention and Visitors Bureau 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

September 5, 2002

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CLINTON COUNTY CONVENTION & VISITORS BUREAU

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STEPHENSON AND WARNER, INC.
Certified Public Accountants

1502 Peck Blvd., Hamilton, Ohio 45011
(513) 868-8600
FAX (513) 868-8620

5995 Fairfield Rd., Oxford, Ohio 45056
(513) 523-6664

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, 2001 and 2000. 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 provides 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, 2001 and 2000, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 22, 2002 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

July 22, 2002

Clinton County Convention & Visitors Bureau
Statements of Cash Receipts and Disbursements and Cash Balances
For the Years Ended December 31, 2001 and 2000

	<u>2001</u>	<u>2000</u>
Cash receipts		
Lodgers' tax – Clinton County	\$ 88,331	\$ 104,243
Lodgers' tax – City of Wilmington	68,676	74,706
Miscellaneous income	351	493
Interest income	1,916	3,474
Total cash receipts	<u>159,274</u>	<u>182,916</u>
Cash disbursements		
Compensation and related	59,578	49,938
Grants for promotion and development	35,173	7,500
Visitors guide printing and related	33,757	4,750
Advertising, marketing and promotion	30,760	15,363
Trade shows and seminars	14,656	4,782
Rent	14,500	6,000
Postage	8,079	4,719
Office supplies and related	5,959	7,569
Utilities	4,638	585
Recruitment	4,395	282
Travel and entertainment	4,290	3,185
Furniture	4,202	1,429
Payroll related taxes	3,870	3,586
Telephone	3,417	3,306
Memberships and subscriptions	3,258	995
Equipment purchases and lease payments	3,177	4,977
Repairs	3,116	140
Property and liability insurance	1,404	1,414
Professional services	1,340	4,145
Software	877	2,224
Website development and related	463	1,601
Licenses and permits	357	-
Bank and finance service charges	70	66
Total cash disbursements	<u>241,336</u>	<u>128,556</u>
Excess (deficit) of cash receipts over disbursements	(82,062)	54,360
Cash balance, beginning	<u>129,959</u>	<u>75,599</u>
Cash balance, ending	<u>\$ 47,897</u>	<u>\$ 129,959</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, 2001 AND 2000**

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 Statement of Cash Receipts and Disbursements and Cash Balances was 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 Statement 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.

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>2001</u>	<u>2000</u>
Petty cash	\$ 200	\$ 200
Checking account with Fifth Third Bank	443	5,930
Savings account with Fifth Third Bank	<u>47,254</u>	<u>123,829</u>
	<u>\$ 47,897</u>	<u>\$ 129,959</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 Organization leased office space located at 100 West Main Street in Wilmington, Ohio from Adam Bede Holding Company. The lease commenced in January 1998 and terminated in December 2000. The rent amount was \$18,000 payable in installments of \$500 per month. The Organization renewed this lease in January 2001 and terminated the lease in June 2001 at a cost of \$800 per month. The Organization was required to pay the utility expenses and provide liability insurance coverage.

The Organization leased a copier machine from Xerox Corporation. The lease commenced in March 1998 and terminated in March 2001. The minimum monthly lease payment was \$111, which provides for 1,500 prints per month. The print charge is \$.0270 per print above the monthly 1,500 prints.

The Organization leased a new copier from IKON Office Solutions, Inc. in May 2001. The lease will terminate in May 2004. The minimum monthly lease payments are \$167, which provides for 1,500 prints per month. The print charge is \$.021 per print above the monthly 1,500 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:

2002	\$ 15,600
2003	15,600
2004	<u>4,899</u>
	<u>\$ 36,099</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, 2001 and 2000, and have issued our report thereon dated July 22, 2002. 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

However, we noted other matters involving the internal control over financial reporting and other management considerations that we have reported to management of Clinton County Convention & Visitors Bureau in a separate letter dated July 22, 2002.

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

July 22, 2002

**CLINTON COUNTY CONVENTION & VISITORS BUREAU
SUMMARY SCHEDULE OF PRIOR REPORTABLE CONDITION
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

REPORTABLE CONDITION #99-1985-1 ADEQUATE DOCUMENTATION OF EXPENDITURES

Condition – Our review of supporting documentation for cash disbursements found instances that adequate documentation could not be located for selected disbursements.

Recommendation – We recommended that each cash disbursement or transfer of funds should be substantiated by either a vendor invoice or other suitable document/voucher and should be filed in a manner that the document can be located.

We recommended that vendor invoices should be marked “paid” with the date paid and check number recorded on the invoice with the payment voucher (from Quickbooks) attached. We recommended that the Organization should not pay from vendor statements unless the supporting vendor invoices are attached. We recommended that the person approving the invoice or voucher should initial the document indicating the approval.

Current Status – Our review of supporting documentation for the current audit period found evidence to support the use of our recommendations from the previous audit for cash disbursements. The Organization has established as an accounting policy procedures for cash disbursements which are in agreement with our recommendations from the previous audit.

Recommendation – We recommend that the Organization continue to use the policy outlined in its accounting procedures for adequate documentation for cash disbursements.



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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
SEPTEMBER 19, 2002**