

FAYETTE COUNTY TRAVEL,
TOURISM AND CONVENTION BUREAU

FAYETTE COUNTY, OHIO

Financial Statements

Years Ended June 30, 2004 and 2003



**Auditor of State
Betty Montgomery**

Board of Trustees
Fayette County Travel, Tourism and Convention Bureau
101 East East Street
Washington C.H., Ohio 43160

We have reviewed the Independent Auditor's Report of the Fayette County Travel, Tourism and Convention Bureau prepared by Van Krevel & Company, for the audit period July 1, 2002 to June 30, 2004. 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 Fayette County Travel, Tourism and Convention Bureau is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

January 3, 2005

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Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio.

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VAN KREVEL & COMPANY

Certified Public Accountants

P. O. Box 1432

Dublin, Ohio 43017-6432

614/761-3743

Board of Trustees
Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio
101 East East Street
Washington C.H., Ohio 43160

Independent Auditor's Report

We have audited the accompanying financial statements of the Fayette County Travel, Tourism and Convention Bureau (a non-profit organization) as of and for the years ended June 30, 2004 and 2003. 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 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 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.

As discussed in Note 1, the Bureau prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Fayette County Travel, Tourism and Convention Bureau, as of June 30, 2004, and 2003, and its cash receipts and cash disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 12, 2004, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

/s/ Van Krevel & Company

VAN KREVEL & COMPANY

November 12, 2004

Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio

Combined Statements of Financial Position-Cash Basis
June 30, 2004 and 2003

	June 30, <u>2004</u>	June 30, <u>2003</u>
Cash	\$118,535	\$ 63,241
Certificates of Deposit	<u>92,295</u>	<u>114,049</u>
	<u>\$210,830</u>	<u>\$177,290</u>
Net Assets		
Unrestricted		
Undesignated	\$143,055	\$120,636
Board Designated	<u>67,775</u>	<u>56,654</u>
	<u>210,830</u>	<u>177,290</u>
Total Net Assets	<u>\$210,830</u>	<u>\$177,290</u>

The accompanying notes are an integral part of these financial statements

Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio
Statements of Cash Receipts, Cash Disbursements
and Changes in Cash Balances
For the Years Ended June 30, 2004 and 2003

	June 30, <u>2004</u>	June 30, <u>2003</u>
<u>Cash Receipts</u>		
Lodging Tax	\$153,608	\$144,803
 <u>Cash Disbursements</u>		
Office Supplies & Expense	1,052	1,994
Miscellaneous Expense	1,646	848
Postage	1,542	954
Bank Charges	54	24
Management Fee	31,000	27,042
Rent	2,700	2,700
Telephone	738	728
Advertising	19,427	37,212
Insurance	2,848	2,456
Dues & Subscriptions	375	375
Meetings & Seminars	4,127	5,222
Professional Fees	0	2,015
Maintenance	0	2,000
Promotion	2,629	2,234
City of Washington Project Disbursements	1,417	9,599
Community Donations	7,500	10,000
Tourism Assistance Grants	<u>44,161</u>	<u>61,782</u>
	121,216	167,185
 Total Receipts Over/(Under) Disbursements	 32,392	 (22,382)
 <u>Other Financing Receipts</u>		
Interest Income	<u>1,148</u>	<u>5,773</u>
 Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements	 33,540	 (16,609)

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

Fayette County Travel, Tourism and Convention Bureau
 Fayette County, Ohio
 Statement of Cash Receipts, Cash Disbursements
 and Changes in Cash Balances
 For the Years Ended June 30, 2004 and 2003
 (Continued)

	<u>June 30,</u> <u>2004</u>	<u>June 30,</u> <u>2003</u>
Excess of Cash Receipts and Other Financing Receipts Over/ (Under) Cash Disbursements	\$ 33,540	\$(16,609)
Cash Balances-Beginning of Year	<u>177,290</u>	<u>193,899</u>
Cash Balances-End of Year	<u>\$210,830</u>	<u>\$177,290</u>

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

Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio

Notes to Financial Statements
June 30, 2004 and 2003

1. Summary of Significant Accounting Policies

A. Description of Entity. The Fayette County Travel, Tourism and Convention Bureau is organized in accordance with Chapter 1702 of the Ohio Revised Code.

The Bureau is an affiliate of the Fayette County Chamber of Commerce, Inc., and was formed in 1993 to promote and foster tourism, visitors, meetings and conventions within Fayette County, Ohio. The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

Funding for the operating of the Bureau is provided by the Fayette County Commissioners out of a county bed tax.

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 follow the basis of accounting prescribed or permitted by the Auditor of the State of Ohio, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

C. Hotel and Lodging Bed Tax. The Bureau's primary source of revenue is a bed tax levied by the Fayette County Commissioners against occupied hotel and motel rooms located in Fayette County. This tax is collected by the County Auditor and distributed to the Bureau on a quarterly basis.

D. Cash Deposits. The Bureau maintains its cash balances in two demand deposit accounts at a local commercial bank. The Bureau maintains investments in certificates of deposit at another local commercial bank.

Uninsured cash balances at June 30, 2004 and 2003, were \$21,160 and \$14,049, respectively.

Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio

Notes to Financial Statements
June 30, 2004 and 2003

1. Summary of Significant Accounting Policies (continued)

E. Budgetary Process. The Bureau prepares an annual budget for its internal use. However, there is no legal requirement for the Bureau to prepare a budget.

F. Income Taxes. The Bureau is a non-profit organization that is exempt from taxes under Section 501(c)(6) of the Internal Revenue Code.

2. Administrative Expenses. The Bureau contracts with the Fayette County Chamber of Commerce to provide office space, utilities, accounting and secretarial services. Management fees totaled \$31,000 and \$27,042, for the years ended June 30, 2004 and 2003, respectively.

3. Concentration of Credit Risk. The Bureau received \$153,608 from July 1, 2003 through June 30, 2004, and \$144,803 from July 1, 2002 through June 30, 2003, from lodging excise tax which is levied by Fayette County. A reduction of that tax could have a significant impact on the operations of the Bureau.

4. Unrestricted Net Assets - Board Designated. The Board had designated certain funds received from the Fayette County Auditor as the Formula Grant Fund. These funds are set aside and designated for the City of Washington to receive 25% of the total excise tax collected within the city after deduction of the County Auditor fees. These Formula Grant funds can only be accessed by request of Washington City Council and approval of the Bureau's Board of Trustees.

5. Risk Management. The Bureau has obtained commercial insurance for the following risks:

Comprehensive property and general liability
Errors and omissions

VAN KREVEL & COMPANY

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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*

Board of Trustees
Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio
101 East East Street
Washington C.H., Ohio 43160

We have audited the accompanying financial statements of the Fayette County Travel, Tourism and Convention Bureau (a non-profit organization), as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated November 12, 2004. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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 grants, noncompliance with which could have a direct and material effect on 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements 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

Report on Compliance and Internal Control Over
Financial Reporting Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards*
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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.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report, and is not intended to be used by anyone other than these specific parties.

/s/ Van Krevel & Company

VAN KREVEL & COMPANY

November 12, 2004



**Auditor of State
Betty Montgomery**

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FAYETTE COUNTY TRAVEL, TOURISM AND CONVENTION BUREAU

FAYETTE 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
JANUARY 18, 2005**