

Athens County Convention and Visitors Bureau, Inc.

Athens County, Ohio

Regular Audit

January 1, 2004 through December 31, 2005

Fiscal Years Audited Under GAGAS: 2005 & 2004

**Balestra, Harr & Scherer, CPAs, Inc.**

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**Auditor of State  
Betty Montgomery**

Board of Trustees  
Athens County Convention and Visitor's Bureau, Inc.  
667 East State Street  
Athens, Ohio 45701

We have reviewed the *Independent Auditors' Report* of the Athens County Convention and Visitor's Bureau, Inc., Athens County, prepared by Balestra, Harr & Scherer, CPAs, Inc. for the audit period January 1, 2004 through December 31, 2005. 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 Athens County Convention and Visitor's Bureau, Inc. is responsible for compliance with these laws and regulations.

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

BETTY MONTGOMERY  
Auditor of State

October 11, 2006

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Athens County Convention and Visitors Bureau, Inc.  
Athens County, Ohio  
January 1, 2004 through December 31, 2005

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**INDEPENDENT AUDITORS' REPORT**

Board of Trustees  
Athens County Convention and Visitors Bureau, Inc.  
667 East State Street  
Athens, Ohio 45701

We have audited the accompanying financial statements of the Athens County Convention and Visitors Bureau, (the Bureau), as of and for the years ended December 31, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on the 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 audits 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.

As described in Note 1, the Bureau prepares its financial statements 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Bureau as of December 31, 2005 and 2004, and the cash receipts and 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 September 30, 2006, on our consideration of the Bureau's internal control over financial reporting and on 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 assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.  
September 30, 2006

Athens County Convention and Visitors Bureau, Inc.  
Athens County, Ohio

Statement of Cash Receipts, Cash Disbursements and Changes in Cash Balances  
For the Years Ended December 31, 2005 and 2004

	2005	2004
Cash Receipts:		
Interest	\$1,062	\$655
Lodging Tax	238,666	257,633
Grants	0	16,500
Miscellaneous	3,856	686
Total Cash Receipts	243,584	275,474
Cash Disbursements:		
Payroll	147,425	142,609
Advertising/Promotion	61,237	71,153
Utilities	12,858	10,849
Administrative/Office	34,158	43,894
Miscellaneous	13,625	13,597
Total Cash Disbursements	269,303	282,102
Total Cash Receipts Over/(Under) Cash Disbursements	(25,719)	(6,628)
Cash Balance, January 1: (Restated - See Note 5)	111,386	118,014
Cash Balance, December 31:	\$85,667	\$111,386

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

Athens County Convention and Visitors Bureau, Inc.  
Notes to the Financial Statements  
For the Fiscal Years Ended December 31, 2005 and December 31, 2004

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**Note 1 - Summary of Significant Accounting Policies**

A. Description of the Corporation

The Bureau is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The Bureau is funded primarily by the City of Athens and Athens County from lodging taxes assessed and collected by those governments and distributed to the Bureau. These taxes are collected from hotels and motels within Athens County and are required to be used to promote tourism and travel in Athens County. The corporation receives 35% of taxes collected by the City of Athens and 94% of taxes collected by Athens County.

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

B. Basis of Accounting

These financial statements were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. Cash and Investments

The certificates of deposit are valued at cost.

D. Property, Plant and Equipment

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

E. Federal Income Taxes

The Bureau qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is required.

F. Budgetary Process

The Bureau is not subject to the provisions of Section 5705 of the Ohio Revised Code as property tax revenues are not utilized to finance its operations. However, under the Bureau's policy, the Director provides the Board of Trustees with an annual budget that is used as a guideline to control the disbursements of the Bureau.

Athens County Convention and Visitors Bureau, Inc.  
Notes to the Financial Statements  
For the Fiscal Years Ended December 31, 2005 and December 31, 2004

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**Note 2 - Equity in Pooled Cash and Investments**

The carry amount of cash and investments at December 31, 2005 and 2004, were as follows:

Deposits:	2005	2004
Checking account	\$20,324	\$46,821
Savings account	55,343	64,565
Certificates of deposit	10,000	0
Total Deposits	\$85,667	\$111,386

Deposits are insured by the Federal Depository Insurance Corporation.

**Note 3 - Lodging Tax**

Lodging tax is assessed and collected by the City of Athens and Athens County on all hotels and motels within their respective jurisdictions. 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 2005 and 2004, the Bureau received lodging tax in the amount of \$177,292 and \$192,760, respectively, from Athens County and \$61,374 and \$64,873, respectively, from the City of Athens.

**Note 4 - Risk Management**

The Bureau has obtained commercial insurance and a blanket bond for the following risks:

- Comprehensive property and general liability
- Errors and omissions
- Employee dishonesty

Settled claims have not exceeded this commercial coverage in any of the past three years. There has been no significant change in coverage from last year.

**Note 5 – Restatement of Cash Balance**

Beginning cash balance was restated to reflect correct reconciled cash and investment balances at the end of the prior audit period.

Cash Balance, December 31, 2003	Restatement Amount	Restated Cash Balance, January 1, 2004
\$124,392	(\$6,378)	\$118,014

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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 Trustees  
Athens County Convention and Visitors Bureau, Inc.  
667 East State Street  
Athens, Ohio 45701

We have audited the financial statements of the Athens County Convention and Visitors Bureau, (the Bureau), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated September 30, 2006, wherein we noted the Bureau follows the cash basis of accounting instead of accounting principles generally accepted in the United States of America. 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 in order to determine our auditing procedures for the purpose of expressing our an opinion on the financial statements and not to provide an opinion 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 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 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.

### **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 grants agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter that we reported to the management of the Bureau in a separate letter dated September 30, 2006.

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



Balestra, Harr & Scherer, CPAs, Inc.  
September 30, 2006



**Auditor of State  
Betty Montgomery**

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**ATHENS COUNTY CONVENTION AND VISITOR'S BUREAU, INC.**

**ATHENS 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  
OCTOBER 19, 2006**