



Mary Taylor, CPA
Auditor of State

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report.....	1
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets – December 31, 2007 and 2006.....	3
Statement of Activities – For the Year Ended December 31, 2007 and 2006	4
Statement of Cash Flow – For the Year Ended December 31, 2007 and 2006.....	5
Notes to the Basic Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Clermont County Convention and Visitors Bureau
Clermont County
410 E. Main Street
Batavia, OH 45103

To the Board:

We have audited the accompanying financial statements of Clermont County Convention and Visitors Bureau, Clermont County, Ohio (the Bureau), as of and for the years ended December 31, 2007 and 2006, and the related statements of net assets, statement of activity, and cash flows, 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 these financial statements based on our audit.

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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides 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 the Clermont County Convention and Visitors Bureau, Clermont County, Ohio, as of December 31, 2007 and 2006, and the changes in financial position and cash flows, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The Bureau has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The script is cursive and fluid, with the first letters of "Mary" and "Taylor" being capitalized and prominent.

Mary Taylor, CPA
Auditor of State

September 16, 2008

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2007 and 2006**

Assets:	<u>2007</u>	<u>2006</u>
Cash and cash equivalents	\$75,563	\$48,945
Accounts receivable	58,485	46,164
Other assets	6,585	30,409
Property and equipment	392,579	329,118
	<hr/>	<hr/>
<i>Total Assets</i>	533,212	454,636
	<hr/>	<hr/>
Liabilities:		
Accounts payable	5,547	8,888
Accrued expenses	14,645	14,174
	<hr/>	<hr/>
<i>Total Liabilities</i>	20,192	23,062
	<hr/>	<hr/>
<i>Net Assets - Unrestricted</i>	<u>\$513,020</u>	<u>\$431,574</u>

See accompanying notes to the basic financial statements

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2007 AND 2006**

Revenue and Other Support:	<u>2007</u>	<u>2006</u>
Lodging tax	\$537,826	\$493,037
Grant Income	4,679	11,454
Interest income	1,639	148
Other	3,265	1,380
	<hr/>	<hr/>
<i>Total Revenue and Other Support</i>	<i>547,409</i>	<i>506,019</i>
	<hr/>	<hr/>
Expenses:		
Payroll and payroll taxes	169,718	182,806
Advertising and marketing	125,884	76,145
Benefits	30,813	44,141
Depreciation	30,779	15,785
Repairs and maintenance	8,434	5,564
Professional fees	28,688	15,433
Telephone	14,143	13,768
Utilities	7,991	7,861
Office supplies	5,406	4,894
Furniture and Equipment	1,874	4,440
Meals and entertainment	5,190	4,502
Automobile	6,135	5,161
Insurance	3,825	4,133
Technology	12,926	5,917
Booths, fees, and dues	3,811	3,830
Interest	0	2,250
Property taxes	3,410	3,332
Miscellaneous	2,465	1,555
Training and Development	3,845	1,899
Postage	626	496
	<hr/>	<hr/>
<i>Total Expenses:</i>	<i>465,963</i>	<i>405,379</i>
	<hr/>	<hr/>
<i>Change in unrestricted net assets</i>	<i>81,446</i>	<i>100,640</i>
	<hr/>	<hr/>
<i>Unrestricted net assets, beginning of year</i>	<i>431,574</i>	<i>330,934</i>
	<hr/>	<hr/>
<i>Unrestricted net assets, end of year</i>	<i>\$513,020</i>	<i>\$431,574</i>
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes to the basic financial statements

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2007 AND 2006**

Cash Flows from Operating Activities:	<u>2007</u>	<u>2006</u>
Change in net assets	\$81,446	\$100,640
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	10,459	15,785
Changes in:		
Receivables	(12,319)	(16,997)
Accrued payable and accrued expenses	(2,870)	(6,817)
	<hr/>	<hr/>
<i>Net cash provided by operating activities</i>	76,716	92,611
 Cash Flows from Investing Activities:		
Purchases of property and improvements	(73,921)	(62,538)
Prepays and deposits	(4,819)	5,132
WIP Kiosk Project	28,642	(22,909)
	<hr/>	<hr/>
<i>Net cash provided by operating activities</i>	(50,098)	(80,315)
 Net Change in cash and cash equivalents	26,618	12,296
 Cash and cash equivalents, beginning of year	<hr/>	<hr/>
	48,945	36,649
 Cash and cash equivalents, end of year	<hr/> <hr/>	<hr/> <hr/>
	\$75,563	\$48,945
 Supplement Cash Flows Information:		
Interest paid	\$0	\$2,250

See accompanying notes to the basic financial statements

This page intentionally left blank.

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Clermont County Convention and Visitor's Bureau (Bureau) was incorporated as a not-for-profit organization under the laws of the State of Ohio. The Bureau's mission and principal activities are to promote special events and encourage travel and tourism in Clermont County. The Bureau's revenue is derived principally from county lodging taxes imposed on local motels and hotels located in Clermont County

Financial Statement Presentation

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No 117, *Financial Statements of Not-for-Profit Organizations*. SFAS no. 117 requires, among other things, the net assets to be classified based on the existence or absence of donor-imposed restriction. Accordingly, net assets of the Bureau and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations and may be utilized at the discretion of the Board of Trustees to support the Bureau's purposes and operations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Bureau satisfying the purpose or the passage of time. 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. As of the years ended December 31, 2007 and 2006 there were no temporarily restricted net assets.

Permanently restricted net assets – Net assets for which the donor has stipulated that the principal be maintained in perpetuity and that only the income from the investment thereof be extended either for the general purpose of the Bureau or for purposes specified by the donor. As of the years ended December 31, 2007 and 2006 there were no permanently restricted net assets.

Cash and Cash Equivalents

The Bureau considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. The Bureau maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Bureau has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

The Bureau maintains its cash balances in a demand deposit account and certificate of deposit at two local commercial banks. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation up to \$100,000.

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Bureau provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer.

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Accounts receivable as of December 31, consists of the following:

	2007	2006
Lodging Tax	\$ 39,019	\$ 31,223
National Park Service (NPS)	19,025	14,321
Due from employees	441	620
	\$ 58,485	\$ 46,164

Property and Equipment

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis or modified cost recovery basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to income as incurred: significant renewals and betterments are capitalized.

In accordance with Statement of Financial Accounting Standards NO 144, *Accounting for the Impairment of Disposal of Long-lived Assets*, the Bureau assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions.

Contributions

The Bureau records gifts of cash and other assets at their fair market value as of the date of contribution. Such donations are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Bureau reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Bureau pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Bureau.

Income Taxes

The Bureau is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and a similar provision of state law. The Bureau is not considered a private foundation.

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the schedule below. Expenses have been classified based upon the actual direct expenditures and cost allocations based upon estimates of time spent by Bureau personnel. These costs have been allocated as follows:

	2007	2006
Program Services	\$ 382,668	\$ 305,658
General and administrative	83,295	98,693
	\$ 465,963	\$ 404,351

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets in the financial statements and accompanying notes. Actual results could differ from those estimates.

2 - Equity in Pooled Cash and Deposits

The Bureau maintains a cash and deposits pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2007	2006
Demand deposits	\$34,975	\$48,945
Certificates of deposit	40,588	0
Total deposits	\$75,563	\$48,945

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3 - Property and Equipment

In 2006 the Bureau was awarded a grant from the National Park Service (NPS) to build four information kiosks. These kiosks were placed at various locations in 2007, upon completion, and remain the property of the Bureau. At December 31, 2006 all expenses incurred are shown as Work in Process (WIP). At December 31, 2007, all kiosk associated cost has been capitalized. Property and equipment as of December 31 consists of the following:

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006
(Continued)**

3 – Property and Equipment (Continued)

	2007	2006
Building	\$ 214,275	\$ 214,275
Furniture and fixtures	91,507	67,047
Office Improvements	127,086	115,626
Software	2,627	2,627
Equipment (Kiosk)	38,000	-
Less: accumulated depreciation	(116,641)	(106,182)
	356,854	293,393
Work in process - kiosks, not placed in service	-	28,642
Land	35,725	35,725
	\$ 392,579	\$ 357,760

4 – Long-term Debt

In December of 2005, the Bureau signed a promissory note with the National Bank & Trust Company for \$100,000 at a rate of 7.36%. This note is secured by the property on East Main Street. On June 1, 2006 they borrowed \$49,392 on the credit line and repaid the balance plus \$2,250 interest before December 31, 2006.

As of December 31, 2007 there is no long term debt.

5 – Retirement Plan

A 401(K) profit sharing plan was instituted January 1, 2006 with total plan assets at December 31, 2006 of \$19,317.00. Employee contributions for 2007 were \$9,279 and employer matching contributions were \$6,114. Total plan assets at December 31, 2007 were \$28, 356.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Clermont County Convention and Visitors Bureau
Clermont County
410 E. Main Street
Batavia, Ohio 45103

To the Bureau Council:

We have audited the financial statements of the Clermont County Convention and Visitor's Bureau, Clermont County, Ohio (the Bureau), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 16, 2008, wherein we noted the Bureau followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control 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 material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses.

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Clermont County Convention and Visitors Bureau
Clermont County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

September 16, 2008



Mary Taylor, CPA
Auditor of State

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

CLERMONT 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 7, 2008**