



Mary Taylor, CPA
Auditor of State

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

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Mary Taylor, CPA

Auditor of State

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statement due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require the Bureau to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statement in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statement you prepared using the cash basis and financial statement format the AOS permits.

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Mary Taylor, CPA
Auditor of State

September 4, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

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

To the Board of Trustees:

We have audited the accompanying financial statement of the Athens County Convention and Visitors Bureau, Athens County, Ohio (the Bureau), as of and for the years ended December 31, 2007 and 2006. This financial statement is the responsibility of the Bureau's management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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.

As described more fully in Note 1, the Bureau has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Bureau does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statement does not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require convention bureaus to reformat their statement. The Bureau has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the years ended December 31, 2007 and 2006 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Bureau as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the fund cash balance of Athens County Convention and Visitors Bureau, Athens County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 4, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

September 4, 2008

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
FOR YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Cash Receipts:		
Interest	\$ 2,031	\$ 2,227
Lodging Tax	313,616	250,709
Grant		3,000
Miscellaneous	12,432	1,102
Total Cash Receipts	328,079	257,038
Cash Disbursements:		
Payroll	170,482	85,292
Advertising/Promotion	66,310	70,863
Utilities	13,735	12,974
Administrative/Office	32,207	35,057
Miscellaneous	15,536	13,135
Total Cash Disbursements	298,270	217,321
Total Cash Receipts Over/(Under) Cash Disbursements	29,809	39,717
Cash Balance, January 1	125,384	85,667
Cash Balance, December 31	\$ 155,193	\$ 125,384

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

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**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Athens County Convention and Visitors Bureau, Athens County, Ohio (the Bureau), is a 501(c)(6) non profit corporation established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Bureau is directed by a fifteen-member Board of Trustees.

The Bureau is primarily funded by the City of Athens and Athens County through lodging taxes assessed and collected by those Governments and distributed to the Bureau. The Bureau promotes and publicizes Athens County within the mission to attract visiting patrons generating economic benefits for the community. The Bureau promotes leisure travel, meetings and conventions to the businesses within the community.

The Bureau's management believes this financial statement presents all activities for which the Bureau is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting prescribed or permitted by the Auditor of State, 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.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Property, Plant, and Equipment

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

D. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statement does not include a liability for unpaid leave.

E. Federal Income Taxes

The Bureau qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no such 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 operations. However, under the Bureau's policy, the Executive Director provides the Board of Trustees with an annual budget that is used as a guideline to monitor receipts and control the disbursement of the Bureau.

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2007 AND 2006
(Continued)**

2. CASH

The carrying amount of cash at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	<u>\$155,193</u>	<u>\$125,384</u>

Deposits are insured by the Federal Deposit Insurance Corporation.

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 2007 and 2006, the Bureau received lodging tax in the amount of \$174,070 and \$237,668, respectively, from Athens County and \$75,948 and \$76,638, respectively, from the City of Athens.

4. SOCIAL SECURITY BENEFITS

The Bureau's employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2006 and 2007, these employees contributed 6.2% of their gross salaries. The Bureau contributed an amount equal to 6.2% of participant's gross salaries through December 31, 2007.

5. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Errors and omissions.
- Employee Dishonesty



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

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

To the Board of Trustees:

We have audited the financial statement of the Athens County Convention and Visitors Bureau, Athens County, Ohio (the Bureau), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 4, 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 as a basis for designing our audit procedures for expressing our opinion on the financial statement, but not to opine on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Bureau's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Bureau's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying Schedule of Findings to be significant deficiencies in internal control over financial reporting: 2007-004, 2007-006, 2007-009 and 2007-010.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701-2157
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Bureau's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe finding number 2007-010 is also a material weakness.

We also noted certain matters that we reported to the Bureau's management in a separate letter dated September 4, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's financial statement is 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 instances of noncompliance or other matters that we must report under *Government Auditing Standards* which are described in the accompanying Schedule of Findings as items: 2007-001 through 2007-009.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Bureau's management in a separate letter dated September 4, 2008.

The Bureau's responses to the findings identified in our audit are described in the accompanying Schedule of Findings. We did not audit the Bureau's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

September 4, 2008

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2007-001

Noncompliance Citation

Ohio Rev. Code Section 5747.07(B)(4) states that an employer shall make the payment of undeposited state income taxes for each calendar quarter during which they were required to be withheld no later than the last day of the month following the last day of March, June, September, and December of each year. The employer shall file the return prescribed by the tax commissioner with the payment.

Ohio Rev. Code Section 5747.07(E)(2) requires that in addition to other returns required to be filed and payments made under this section, every employer required to deduct and withhold taxes shall file, not later than the thirty-first day of January of each year, an annual return covering, but not limited to, both the aggregate amount deducted and withheld and the aggregate amount required to be deducted and withheld during the entire preceding year for the tax imposed under section 5747.02 of the Revised Code. At the time of filing the return, the employer shall pay over any amounts of undeposited taxes for the preceding year, whether actually deducted and withheld or required to be deducted and withheld, that have not been previously paid. The employer shall make the annual report, to each employee and to the tax commissioner, of the compensation paid and each tax withheld, as the commissioner by rule may prescribe.

At December 31, 2007, the Bureau had not remitted \$3,189 in state income taxes to the State Department of Taxation. This amount does not include any interest and penalties which may have been assessed.

We recommend the Bureau remit state income taxes withheld to the State Department of Taxation on a timely basis. Additionally, the Bureau should maintain documentation concerning the remittance of state income taxes as well as the required reports.

Officials' Response: The Athens County Convention and Visitors Bureau (ACCVB), has corrected the unpaid amount to the State of Ohio for state income tax withholdings. In addition, the ACCVB has contracted with an accounting firm, Thomas Parfitt and Associates, to handle all payroll functions, including the timely deposit of state income tax withholdings. The ACCVB is current on all income tax deposits to the State of Ohio, and the accounting firm now makes quarterly deposits.

FINDING NUMBER 2007-002

Noncompliance Citation

26 U.S.C. Section 3402 (a)(1) requires employers to withhold and remit federal income taxes from the wages of employees and elected officials.

Federal taxes were withheld from employees' wages during 2006 and 2007. At December 31, 2006, the Bureau owed \$21,788 in withholdings and \$8,922 in related interest and penalties. As of December 31, 2007, the Bureau had settled with the Internal Revenue Service and paid the past due amounts; therefore, this matter will not be referred to the Internal Revenue Service at this time.

We recommend the Bureau remit federal income taxes withheld quarterly. Additionally, the Bureau should maintain documentation concerning the remittance of federal income taxes as well as the required reports.

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-002 (Continued)

Noncompliance Citation - 26 U.S.C. Section 3402 (a)(1) (Continued)

Officials' Response: The ACCVB made an immediate correction to the IRS for Federal Withholding errors when the error was brought to our attention. Although the checks had been printed and signed, we later learned these checks had not been submitted for payment. Federal withholding payments are now handled by our accounting firm, Thomas Parfitt and Associates, and all payments are currently up-to-date.

FINDING NUMBER 2007-003

Noncompliance Citation

City of Athens Ordinance 15-02-16(C) states that every employer required to deduct and withhold city income taxes shall file a return thereof and shall pay that amount as required herein as follows:

- 1) In monthly payments to be made not later than thirty (30) days following the close of the calendar month during which the amount was withheld, if the employer reasonably estimates that the amount to be deducted and withheld during the quarter **will exceed** five hundred dollars (\$500.00).

City income taxes were withheld from employees' wages during 2006 and 2007. However, amounts withheld were not fully remitted during 2006 and 2007. As of December 31, 2007, the Bureau owed the City of Athens \$775.

We recommend the Bureau remit city income taxes withheld monthly. Additionally, the Bureau should maintain documentation concerning the remittance of city income taxes as well as the required reports.

Officials' Response: The ACCVB has corrected the outstanding balance of our City of Athens income tax, and all monthly payments are made by our accounting firm. We are currently up-to-date with all City of Athens payments.

FINDING NUMBER 2007-004

Noncompliance Citation and Significant Deficiency

Athens County Convention and Visitors Bureau Financial Policy, Part 2 (Effective April 1997) requires the books be reconciled with the bank monthly.

There was no evidence the books were reconciled with the bank for three months in 2006. In addition, no reconciliations were performed for 2007 until late in the year, subsequent to the termination of the former Bookkeeper. This allowed errors such as undeposited but posted receipts, deposited but un-posted receipts and posted expenses which were never remitted to occur and remain undetected for a significant amount of time. Further details these errors are described in Finding Number 2007-006. The financial statements reflect the adjusted totals which incorporate these errors.

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-004 (Continued)

Noncompliance Citation and Significant Deficiency - Athens County Convention and Visitors Bureau Financial Policy, Part 2 (Continued)

We recommend the Bureau reconcile the book balances with the bank balances each month and the reconciliations be reviewed by someone other than the preparer and the Board of Trustees.

Officials' Response: Upon recommendation of the audit, the ACCVB bank statements will be reconciled by the Executive Director on a monthly basis.

FINDING NUMBER 2007-005

Noncompliance Citation

Athens County Convention and Visitors Bureau Financial Policy, Part 4 (Effective April 1997) states that checks received should be deposited that day to the money market account or checking account.

We noted instances where receipts were held for a significant amount of time (up to three weeks). On one occasion, a receipt for Lodging Tax from the County Auditor dated February 6, 2007 in the amount of \$65,690.87 was not deposited until August 30, 2007.

Failure to deposit receipts in a timely manner provides for the opportunity for errors and/or irregularities to occur and remain undetected for an extended period of time.

We recommend the Bureau ensure all monies received be deposited to the bank according to their policy.

Officials' Response: All checks received in 2008 to date have been deposited within 24 hours of receipt.

FINDING NUMBER 2007-006

Noncompliance Citation and Significant Deficiency

Athens County Convention and Visitors Bureau Financial Policy, Part 6 (Effective April 1997) and Article 10 of the Code of Regulations and By-Laws (Amended 2002) require the Bureau to keep correct and complete books and records of account.

Throughout 2006 and 2007, checks were not posted to the system sequentially nor did the check register balance agree to the year end reports provided to management.

This resulted in duplicate posting and omissions of transactions in both years. The Executive Director and current Bookkeeper recreated the check registers based on the transactions that cleared the bank. Additional audit adjustments were required which affected the financial statements as follows:

The 2006 ending fund balance was increased by \$40,815.62 to reflect expenditures posted to the books which never cleared the bank which was agreed to and made by the Bureau.

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-006 (Continued)

Noncompliance Citation and Significant Deficiency - Athens County Convention and Visitors Bureau Financial Policy, Part 6 (Continued)

For the year ended December 31, 2007, adjustments were made to report \$7,444.43 in unposted receipts which cleared the bank, \$12,000 in receipts which were posted in 2007 but not received until 2008 and \$24,149.17 in posted expenditures which never cleared the bank. The net effect of the 2007 audit adjustments was an increase of \$19,593.60 which were agreed to and made by the Bureau.

We recommend the Bureau periodically compare the sub-ledger balances to the balances reported on the Profit and Loss Budget Performance Reports, which are presented for review by the Board of Trustees, to ensure the reports used to make financial decisions are accurate and complete.

Officials' Response: After the termination of the prior bookkeeper, we created a duplicate register to determine which checks had cleared and which were missing. Beginning in 2008, all sub-ledger balances are compared to the Profit/Loss Statements each month when the bank statements are reconciled.

FINDING NUMBER 2007-007

Noncompliance Citation

Athens County Convention and Visitors Bureau Financial Policy, Part 8 (Effective April 1997) states, in part, that checks over \$500 require the signature of both the Executive Director and either the Treasurer or President of the Board.

Our scan of all checks written between January 1, 2006 and December 31, 2007 revealed 146 checks exceeding \$500 which did not have both required signatures. This can result in unauthorized expenses and significant loss to the Bureau.

We recommend all checks exceeding \$500 contain both signatures are required by the Bureau's policy.

Officials' Response: It had been the ACCVB's practice to have two signatures on any checks over \$500, however in some cases, the signatures were made to copies of the check rather than at the issuance of the check. This practice will be eliminated effective immediately and it will become the practice of the ACCVB to have two signatures checks over \$500 prior to the issuance of the check.

FINDING NUMBER 2007-008

Noncompliance Citation

Athens County Convention and Visitors Bureau Financial Policy, Part 13 (Effective April 1997) requires all bills to be paid on time, based on the merchants' term of credit. Local accounts are to be paid within seven days or sooner, if possible, and quarterly payments are to be made on larger bills where the account allows.

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-008 (Continued)

Noncompliance Citation - Athens County Convention and Visitors Bureau Financial Policy, Part 13 (Continued)

Of the transactions tested, we noted a significant lapse (up to 192 days) between the date the check was prepared and signed and the date the check cleared the bank for 35 percent of the 2006 expenses and 27 percent of the 2007 expenses which indicates the payments were not made timely. Further evidence of late payments was noted in our test of recurring transactions such as utility payments which resulted in late fees throughout the year and the disconnection of electric service in September, 2007.

We recommend the Bureau pay bills in accordance with their policy and the vendors' terms of credit.

Officials' Response: Since the termination of the previous bookkeeper, all payments to vendors have been made on a timely basis.

FINDING NUMBER 2007-009

Noncompliance Citation and Significant Deficiency

Athens County Convention and Visitors Bureau Financial Policy, Part 15 (Effective April 1997) pertains to records maintenance and states that the Bureau must store all financial records, including copies of cancelled checks, bank statements, etc., for seven years. The Policy further requires that the Bureau keep a cash receipts and disbursements journal, general ledger and an accurate accounts receivable ledger. Article 10 of the Code of Regulations and By-Laws states, in part, that the Bureau shall keep correct and complete books and records of account.

During our testing, we noted the following issues relating to records:

- 17 checks marked as 'Void' in the check register for which no voided check was retained;
- 66 completed checks made out to vendors but not sent;
- 27 missing checks;
- Photocopies of the fronts of cleared checks without the backs to evidence the intended payee received the payment (100% of transactions);
- In 2006, the Bureau was unable to provide supporting documentation for 14 out of 60 vouchers tested equaling \$11,840.36. This actual misstatement amount is 9.1% of total non-payroll disbursements for 2006. However, when projected to the entire population the amount is \$20,079.77. This projected misstatement amount is 15.5% of total non-payroll disbursements for 2006.
- In 2007, the Bureau was unable to provide supporting documentation for 10 out of 60 vouchers tested equaling \$9,233.81. This amount is 7.3% of total non-payroll disbursements for 2007. However, when projected to the entire population the amount is \$18,570.86. This projected misstatement amount is 14.6% of total non-payroll disbursements for 2007.

We recommend the Bureau maintain all records as specified in the Policy.

Officials' Response: It is our judgment that the practices described in this finding are directly related to the abilities of the former bookkeeper. With a more controlled system in place for managing the general ledger, accounts payable and accounts receivable, we do not expect these findings to occur again. A review of the 2008 ledger shows no problems of this nature.

**ATHENS COUNTY CONVENTION AND VISITORS BUREAU
ATHENS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006
(Continued)**

FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2007-010

Material Weakness

When designing the public office's system of internal control and the specific control activities, management should also plan for adequate segregation of duties or compensating controls, verify the existence and valuation of assets and liabilities, and periodically reconcile them to the accounting records.

The Bookkeeper performed all finance functions relating to the general and money market accounts, including receipting the mail, preparation of deposit slips and posting of receipts to the general ledger, as well as preparation of checks and posting of expenditures.

The Bureau was not provided with monthly reconciliations for the accounts for review or approval and the underlying support and sub-ledgers did not agree to the reports presented to the Board of Trustees for review. As reported in Findings 2007-001 through 2007-006, this resulted in misstated monthly and annual reports used by management and the Board of Trustees as well as unpaid income tax liabilities plus interest and penalties.

We recommend the Board of Trustees review financial reports and bank reconciliations on a monthly basis. This should be documented in the minute record. Also, we recommend the Board of Trustees create and enforce policies and procedures such as review of monthly financial reports and reconciliations by an individual other than the preparer. This should be indicated by initialing and dating the reports and reconciliations. This will ensure that transactions are posted timely and unusual fluctuations would be identified. We also recommend Board of Trustees make appropriate inquiries to help determine the continued integrity of financial information. Appropriate inquiries would include:

- Are current receipts sufficient to cover expenditures?
- Are receipts and expenditures in line with prior years?
- If unusual fluctuations in receipts or expenditures occur, is the reason understood?
- Are anticipated receipts being received in a timely manner?

The information obtained as a result of such reviews and inquiries will provide important data necessary to properly manage the Bureau.

Officials' Response: The ACCVB Board of Trustees and administrative staff will enact all recommendations offered by the Auditor of the State of Ohio in order to fully comply with the laws of the State of Ohio and the Bylaws of the Athens County Convention and Visitors Bureau.



Mary Taylor, CPA
Auditor of State

ATHENS COUNTY CONVENTION AND VISITORS BUREAU

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 9, 2008**