

Union County Convention and Visitors Bureau

Union County, Ohio

Regular Audit

January 1, 2002 through December 31, 2003

Fiscal Years Audited Under GAGAS: 2003 & 2002

Balestra, Harr & Scherer, CPAs, Inc.

528 South West Street, P.O. Box 687

Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com



**Auditor of State
Betty Montgomery**

Board of Trustees
Union County Convention & Visitor's Bureau

We have reviewed the Independent Auditor's Report of the Union County Convention & Visitor's Bureau, Union County, prepared by Balestra, Harr & Scherer, CPAs, Inc. for the audit period January 1, 2002 through December 31, 2003. 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 Union County Convention & Visitor's Bureau is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

September 17, 2004

This Page is Intentionally Left Blank.

Union County Convention and Visitors Bureau
Union County, Ohio
January 1, 2002 through December 31, 2003

Table of Contents

Independent Auditors' Report	1
Financial Statements:	
Statement of Cash Receipts, Disbursements, and Cash Balances	2
Notes to the Financial Statements	3-4
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	5

Balestra, Harr & Scherer, CPAs, Inc.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditors' Report

Board of Trustees
Union County Convention and Visitors Bureau
227 East Fifth Street
Marysville, Ohio 43040

We have audited the accompanying financial statements of the Union County Convention and Visitors Bureau (the Bureau) as of December 31, 2003 and 2002. 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 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Bureau prepares its financial statements on a basis of accounting prescribed by or permitted by the Auditor of State, which is similar to the cash receipts and disbursement basis of accounting which is a 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 combined cash balances of the Bureau as of December 31, 2003 and 2002, and its combined 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 July 30, 2004, 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 grants. 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 audits.

Balestra, Harr & Scherer, CPAs, Inc.

Balestra, Harr & Scherer, CPAs, Inc.

July 30, 2004

Union County Convention and Visitors Bureau
Union County, Ohio

Statements of Cash Receipts, Disbursements and Fund Cash Balances
For the Years Ended December 31, 2003 and 2002

	2003	2002
Cash Receipts:		
Bed Tax	\$80,375	\$75,500
Contributions/Donations	9,179	24,897
Interest	163	88
Miscellaneous	728	1,616
Total Cash Receipts	90,445	102,101
Cash Disbursements:		
Administrative Costs	49,202	45,409
Advertising/Promotion	8,008	7,642
Event Fees	16,010	9,853
Contractual Services	16,390	0
Travel/Mileage	1,260	1,290
Telephone	2,781	3,012
Postage	1,532	2,055
Office Supplies	1,096	1,701
Accounting/Legal Fees	560	2,631
Dues/Subscriptions	700	2,148
Printing/Promotional Materials	4,861	2,236
Insurance	4,376	1,411
Miscellaneous	1,255	45
Total Cash Disbursements	108,031	79,433
Total Cash Receipts Over/(Under) Cash Disbursements	(17,586)	22,668
Beginning Cash Balance (Restated)	24,684	2,016
Ending Cash Balance	\$7,098	\$24,684

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

Union County Convention and Visitors Bureau
Marysville, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2003 and December 31, 2002

Note 1 - Summary of Significant Accounting Policies

A. Organization

The Union County Convention and Visitors Bureau (the Bureau) was formed on December 31, 1992, as a not-for-profit organization for the purpose of promoting tourism for Union County, Ohio. The organization receives an allocation from Union County for a portion of the Transient Guest Tax Collection.

B. Basis of Presentation

The financial statements follow 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.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Bureau uses fund accounting to classify its funds into the following types:

- Operating/Unrestricted Funds, which include unrestricted resources for reporting income and expenses, represent the portion of expendable funds that are available for the budgeted operations of the Bureau.

D. Cash and Investments

The checking and savings accounts are valued at cost.

Note 2 - Cash and Investments

The Bureau maintains checking and savings accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

Deposits:	2003	2002
Checking account	\$1,629	\$5,011
Savings accounts	5,469	19,673
Total Deposits	<u>\$7,098</u>	<u>\$24,684</u>

Deposits are insured by the Federal Depository Insurance Corporation.

Note 3 – Concentration of Risk

During 2003 and 2002, the composition of the board of trustees within the Bureau did not comply with the by-laws.

Union County Convention and Visitors Bureau
Marysville, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2003 and December 31, 2002

Note 4 – Restatement of Cash Balances

Beginning cash balance was restated to reflect actual cash per bank statements as no reconciling items existed at the end of the prior audit period.

Cash Balance, December 31, 2001	Restatement Amount	Restated Cash Balance, January 1, 2002
\$1,976	\$40	\$2,016

Balestra, Harr & Scherer, CPAs, Inc.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

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
Union County Convention and Visitors Bureau
227 East Fifth Street
Marysville, Ohio 43040

We have audited the financial statements of the Union County Convention and Visitors Bureau (the Bureau) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 30, 2004. 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 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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits, 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 audits, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our 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 matters in the internal control 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. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the Bureau in a separate letter dated July 30, 2004.

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

Balestra, Harr & Scherer, CPAs, Inc.

Balestra, Harr & Scherer, CPAs, Inc.

July 30, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

UNION COUNTY CONVENTION AND VISITOR'S BUREAU

UNION 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 5, 2004**