



**Auditor of State
Betty Montgomery**

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

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**Auditor of State
Betty Montgomery**

Convention and Visitors Bureau
Seneca County
114 South Washington Street
Tiffin, Ohio 44883-3913

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 statements due to a February 2, 2005, interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government 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 statements in accordance with GAAP. Our Report includes an 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 statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

July 25, 2006

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Convention and Visitors Bureau
Seneca County
114 South Washington Street
Tiffin, Ohio 44883-3913

To the Board of Trustees:

We have audited the accompanying financial statements of the Convention and Visitors Bureau, Seneca County, (the Bureau) as of and for the years ended December 31, 2005 and 2004. 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 Controller 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 that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Bureau has prepared these financial statements 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 reasonable determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Bureau to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. While the Bureau does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Bureau has elected not to reformat its statements. Since this Bureau does not use GAAP to measure financial statement amounts, 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 the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004, do 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, 2005 and 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of Convention and Visitors Bureau, Seneca County, as of December 31, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Bureau to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. 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 July 25, 2006, 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 audits.



Betty Montgomery
Auditor of State

July 25, 2006

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Governmental Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	
Cash Receipts:			
County Hotel/Motel Lodging Tax	\$61,927		\$61,927
Dues	4,000	\$1,925	5,925
Sales Advertising	7,642		7,642
Interest Earned	28		28
Donations	10		10
Other Receipts	1,016		1,016
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	74,623	1,925	76,548
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Current:			
Salaries	34,499		34,499
Marketing and Printing	23,921		23,921
Insurance	1,559		1,559
Office expenses	8,918	104	9,022
Rentals	4,500		4,500
Travel	1,980		1,980
Social Security and Medicare	2,622		2,622
Worker's Compensation	183		183
Other	1,965	282	2,247
	<hr/>	<hr/>	<hr/>
Total Disbursements	80,147	386	80,533
	<hr/>	<hr/>	<hr/>
Total Receipts Over/(Under) Disbursements	(5,524)	1,539	(3,985)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	36,873		36,873
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$31,349	\$1,539	\$32,888
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The notes to the financial statements are an integral part of this statement.

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Governmental Fund Type
	General
Cash Receipts:	
County Hotel/Motel Lodging Tax	\$58,529
Dues	6,570
Sales Advertising	5,772
Interest Earned	23
Donations	2
Other Receipts	2,047
	72,943
Cash Disbursements:	
Current:	
Salaries	33,651
Marketing and Printing	18,225
Insurance	540
Office expenses	8,283
Rentals	4,200
Contracts - Services	2,404
Travel	2,290
Social Security and Medicare	2,576
Worker's Compensation	136
Other	309
	72,614
Total Receipts Over Disbursements	329
Fund Cash Balance, January 1	36,544
Fund Cash Balance, December 31	\$36,873

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

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Seneca County Convention and Visitors Bureau is a body corporate and politic 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 an appointed twelve-member Board of Trustees. The Board consists of seven elected members and five appointed members consisting of the Mayor of Fostoria, Mayor of Tiffin, Director of Fostoria Chamber of Commerce, Director of Tiffin Chamber of Commerce and a Seneca County Commissioner. Seneca County provides funding to meet the Bureau's operating costs under the agreement which established the Bureau. The accompanying financial statements present this funding as County Hotel/Motel Lodging Tax Receipts. The Bureau serves the public by encouraging economic development of the County through the promotion of tourism.

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 follow the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements basis. The Board recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Fund Accounting

The Bureau classifies its funds into the following types:

GENERAL FUND

The General Fund is the general operating fund. It is used to account for all financial resources.

SPECIAL REVENUE FUND

The Membership fund is a fund established to account for annual fees collected from individuals and business members of the Bureau.

D. Budgetary Process

The Bureau prepares an annual budget for its funds.

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. 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.

2. EQUITY IN POOLED CASH

The carrying amount of cash at December 31 follows:

	2005	2004
Demand deposits	\$32,888	\$36,873

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

2005 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 77,390	\$ 74,623	\$ (2,767)
Special Revenue	5,000	1,925	(3,075)
Total	\$ 82,390	\$ 76,548	\$ (5,842)

2005 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 82,390	\$ 80,147	\$ 2,243
Special Revenue	0	386	(386)
Total	\$ 82,390	\$ 80,533	\$ 1,857

2004 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$73,925	\$72,943	(\$982)

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

3. BUDGETARY ACTIVITY – (Continued)

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$73,925	\$72,614	\$1,311

4. RISK MANAGEMENT

Commercial Insurance

The Bureau has obtained commercial insurance for general liability.

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**Auditor of State
Betty Montgomery**

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

Convention and Visitors Bureau
Seneca County
114 South Washington Street
Tiffin, Ohio 44883-3913

To the Board of Trustees:

We have audited the financial statements of the Convention and Visitors Bureau, Seneca County, (the Bureau) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated July 25, 2006, wherein we noted the Bureau follows accounting practices the Auditor of State permits 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*.

Convention and Visitors Bureau
Seneca County
Independent Accountants' Report on Compliance and on Internal
Control Required by *Government Auditing Standards*
Page 2

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

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

Betty Montgomery
Auditor of State

July 25, 2006

CONVENTION AND VISITORS BUREAU
SENECA COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005 AND 2004

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2003-001	Finding for Recovery Overpayment to Executive Director	Yes	Corrected.



**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

SENECA COUNTY CONVENTION AND VISITORS BUREAU

SENECA 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
AUGUST 15, 2006**