

FINANCIAL STATEMENTS

**CLERMONT COUNTY  
CONVENTION AND VISITORS  
BUREAU**

Years ended December 31, 2001 and 2000

FLYNN & COMPANY PSC, INC.  
*Certified Public Accountants*





**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

JIM PETRO, AUDITOR OF STATE

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Board of Trustees  
Clermont County Convention and Visitors Bureau  
410 E. Main Street  
P.O. Box 100  
Batavia, Ohio 45103-0100

We have reviewed the Independent Auditor's Report of the Clermont County Convention and Visitors Bureau, prepared by Flynn & Company PSC, Inc., for the audit period January 1, 2001 through December 31, 2001. 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 Clermont County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

September 4, 2002

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**Clermont County Convention  
And Visitors Bureau**

**Financial Statements**

Years ended December 31, 2001 and 2000

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## REPORT OF INDEPENDENT AUDITORS

The Board of Trustees  
Clermont County Convention and Visitors Bureau  
Batavia, OH

We have audited the accompanying statement of financial position of Clermont County Convention and Visitors Bureau as of December 31, 2001 and 2000, and the related statements of activities, retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with generally accepted auditing standards 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 audit 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Clermont County Convention and Visitors Bureau as of December 31, 2001 and 2000, and the changes in its net assets and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have issued a report dated May 9, 2002, on our consideration of the Clermont County Convention and Visitors' Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Flynn & Company, PSC, Inc.

May 9, 2002

CLERMONT COUNTY CONVENTION  
AND VISITORS BUREAU

Statements of Financial Position

December 31, 2001 and 2000

**ASSETS**

	<b>December 31</b>	
	<b>2001</b>	<b>2000</b>
Cash and cash equivalents	\$66,422	\$22,657
Accounts Receivable-lodging tax	29,545	35,248
Accounts Receivable-historical contract	2,100	3,000
Total Current Assets	98,067	60,905
Building	214,275	214,275
Land	35,725	35,725
Office Improvements	9,247	7,817
Furniture and Fixtures	29,405	22,474
Software	1,017	-
Less accumulated depreciation	20,894	8,840
	268,775	271,451
Other Assets	8,084	-
Total assets	\$374,926	\$332,356

**LIABILITIES AND NET ASSETS**

Accounts Payable	\$6,144	\$4,707
Accrued Payroll and Payroll Taxes	1,786	2,744
Current Portion of Mortgage Payable	5,247	4,344
Total Current Liabilities	13,177	11,795
Long Term Mortgage Payable	179,874	193,479
Total Liabilities	193,051	205,274
Net Assets		
Unrestricted	181,875	127,082
Total net assets	181,875	127,082
Total liabilities and net assets	\$374,926	\$332,356



# Clermont County Convention and Visitors Bureau

## Statements of Activities

	<b>Year ended December 31</b>	
	<b>2001</b>	<b>2000</b>
<b>REVENUE</b>		
Lodging tax	\$302,955	\$270,244
Historical contract	24,000	36,000
Interest income	1,972	1,061
Rental income	2,859	400
Miscellaneous	-	583
Total Revenue	331,786	308,288
<b>EXPENSES</b>		
Payroll and payroll taxes	96,035	90,016
Bank Service Charges	300	-
Building Improvements	2,622	-
Equipment Lease	6,975	-
Furniture and Equipment	3,339	-
Local Event Promotion	318	-
Staff Training and Development	1,543	-
Benefits	21,534	18,543
Chamber contract fee	-	-
Rent and utilities	4,711	8,820
Marketing	6,299	11,807
Historical contract	24,000	43,298
Bicentennial	-	600
Technology	3,157	3,063
Printing	5,529	2,954
Professional fees	11,655	7,432
Advertising	14,335	4,480
Office supplies	3,824	2,867
Booths, fees and dues	7,168	5,867
Telephone	8,047	9,993
Office equipment and maintenance	227	5,722
Mortgage, Taxes & Insurance	19,807	13,303
Building Maintenance	5,055	11,803
Depreciation	12,054	7,628
Travel and meetings	9,634	8,132
Insurance	3,015	3,934
Automobile	2,447	5,347
Postage	1,222	1,298
Miscellaneous	2,141	6,280
Total Expenses	276,993	273,187
Change in net assets	54,793	35,101
Net assets at beginning of year	127,082	91,981
Net assets end of year	\$181,875	\$127,082

*See accompanying notes to financial statements.*

Clermont County Convention and Visitors Bureau

Statements of Cash Flows

	<b>Year ended December 31</b>	
	<b>2001</b>	<b>2000</b>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$54,793	\$35,101
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	12,054	7,628
Increase in accounts receivable	6,603	(16,166)
Increase in accounts payable	1,437	(10,187)
Increase in accrued payroll and accrued payroll taxes	(958)	1,455
Increase in other assets	(8,084)	-
Net cash provided by operating activities	<u>65,845</u>	<u>17,831</u>
<b>Cash Flows From Investing Activities</b>		
Purchases of property and equipment	(9,378)	(274,809)
Net cash used in investing activities	<u>(9,378)</u>	<u>(274,809)</u>
<b>Cash Flows From Financing Activities</b>		
Proceeds from mortgage payable	-	197,823
Principal payments from mortgage payable	(12,702)	-
	<u>(12,702)</u>	<u>197,823</u>
<b>Net Increase in Cash and Cash Equivalents</b>	<u>43,765</u>	<u>(59,155)</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>22,657</u>	<u>81,812</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$66,422</u></u>	<u><u>\$22,657</u></u>

*See accompanying notes.*

## CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

### NOTES TO FINANCIAL STATEMENTS

#### NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Clermont County Convention and Visitors Bureau is an Ohio nonprofit organization. Its purpose is to promote special events and encourage travel and tourism in Clermont County.

#### RECOGNITION OF DONATED ITEMS

The organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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. Restricted contributions received and expended in the same period are treated as unrestricted as permitted under SFAS No. 116. The organization received no restricted support in 2001 or 2000.

The organization reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The organization received no gifts of land, building or equipment in 2001 or 2000.

#### BASIS OF PRESENTATION

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets- Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the organization.

The organization presently has only unrestricted net assets.

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FIXED ASSETS

Fixed assets are stated at cost at date of acquisition or fair market value at date of donation. Depreciation of property and equipment is computed on the straight-line method over the estimated useful lives of the property. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

INCOME TAXES

The bureau was organized as a tax-exempt organization under IRS Code Section 501 (c) (6), therefore it incurs no federal income tax. The exempt function for which it was organized is to provide information to visitors and to encourage tourism within Clermont County. The organization is not a private foundation.

The county provides revenues to the Bureau from its lodging tax imposed on motels and hotels located in Clermont County.

ADVERTISING COSTS

Advertising costs are charged to operations when incurred. Advertising costs charged to income were \$14,335 and \$4,480 for the years ended December 31, 2001 and 2000 respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUNCTIONAL EXPENSES

The cost of providing various programs and other activities have been summarized on a functional basis below. These costs have been allocated among the programs and supporting services benefited based on estimates made by management.

	2001	2000
Program services	\$199,435	\$203,122
General and administrative	77,558	70,065
Total expenses	\$276,993	\$273,187

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

RECLASSIFICATION

Certain reclassifications have been made to the 2000 financial statements in order to conform to the 2001 presentation.

CASH AND CASH EQUIVALENTS

For purposes of reporting cash flows, cash and cash equivalents includes cash and interest-bearing deposits with original maturities of less than 90 days.

NOTE 2-DONATED SERVICES

There have been no amounts reflected in the financial statements for donated services due to the lack of an objective basis for measuring the value of such services. However, a number of volunteers have donated amounts of their time in the organization's program.

NOTE 3-OPERATING LEASE

The organization leases a copier under operating leases. The lease for the copier expires in May 2003. Total lease expense under all operating leases for 2001 and 2000 was \$3,339 and \$10,318, respectively.

Future minimum lease payments are as follows:

2002	3,141
2003	1,309

NOTE 4-PENSION PLAN

The organization participates in a simplified employee pension plan that covers all full-time employees of the Convention and Visitors Bureau. The Plan provides that the organization shall make a contribution determined by the Board of Trustees. Pension expense for 2001 and 2000 was \$7,204 and \$6,248, respectively.

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  
Clermont County Convention and Visitors Bureau

We have audited the financial statements of Clermont County Convention and Visitors Bureau as of and for the year ended December 31, 2001, and have issued our report thereon dated May 9, 2002. We conducted our audit in accordance with generally accepted auditing standards 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 Clermont County Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provision 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 audit 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 audit, we considered the Clermont County Convention and Visitors 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 over financial reporting 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.

Board of Trustees  
Clermont County Convention and Visitors Bureau  
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This report is intended for the information of the Board of Directors, management and the State of Ohio Office of the Auditor. However, this report is a matter of public record and its distribution is not limited.

Flynn & Company PSC, I nc.

May 9, 2002







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**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  
SEPTEMBER 17, 2002**