



**Auditor of State
Betty Montgomery**

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Adams County Travel and Visitors' Bureau
Adams County
2345 State Route 247
Manchester, Ohio 45144

To the Board of Trustees:

We have audited the accompanying financial statements of the Adams County Travel and Visitors' Bureau, Adams County, Ohio (the Bureau), as of and for the years ended December 31, 2002 and 2001. 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 *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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Bureau prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive 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 cash and net assets of the Bureau as of December 31, 2002 and 2001, and its support, cash receipts, cash disbursements, and changes in net assets 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 April 14, 2003 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 audit.

This report is intended solely for the information and use of the audit committee, management, the Board of Trustees, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by 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

April 14, 2003

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

**STATEMENT OF CASH AND NET ASSETS
AS OF DECEMBER 31, 2002**

Cash	<u>\$11,977</u>
Net Assets	<u>\$11,977</u>

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

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

**STATEMENT OF SUPPORT, CASH RECEIPTS,
AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2002**

Support and Cash Receipts:	
Lodging Tax	\$22,957
Grants	\$3,200
Dues	\$1,135
Sales	481
Miscellaneous	1,714
	<hr/>
Total Cash Receipts	29,487
	<hr/>
Cash Disbursements:	
Advertising	8,948
Festivals and Shows	4,164
Office Expenses	1,419
Travel Expenses	899
Wages	5,429
Web Site Maintenance	1,061
Rent	1,200
Telephone	1,363
Audit Fees	1,400
Insurance	500
Miscellaneous	2,794
	<hr/>
Total Cash Disbursements	29,177
	<hr/>
Change in Net Assets	310
Net Assets, January 1	11,667
	<hr/>
Net Assets, December 31	<u><u>\$11,977</u></u>

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

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

**STATEMENT OF CASH AND NET ASSETS
AS OF DECEMBER 31, 2001**

Cash	<u><u>\$11,667</u></u>
Net Assets	<u><u>\$11,667</u></u>

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

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

**STATEMENT OF SUPPORT, CASH RECEIPTS,
AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

Support and Cash Receipts:	
Lodging Tax	\$21,096
Grants	1,450
Dues	660
Advertisements	3,425
Miscellaneous	661
	<hr/>
Total Cash Receipts	27,292
	<hr/>
Cash Disbursements:	
Advertising	2,668
Festivals and Shows	1,811
Office Expenses	2,524
Wages	7,088
Web Site Maintenance	1,217
Rent	1,088
Telephone	1,523
Insurance	446
Miscellaneous	1,756
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Total Cash Disbursements	20,121
	<hr/>
Change in Net Assets	7,171
Net Assets, January 1	4,496
	<hr/>
Net Assets, December 31	<u><u>\$11,667</u></u>

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

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Adams County Travel and Visitors' Bureau, Adams County, Ohio (the Bureau), is a non-governmental not-for-profit organization. The Bureau is directed by an elected nine-member Board of Trustees. Board members are elected by the members of the Bureau. The Bureau was formed to promote travel and tourism in Adams County as a part of the county's overall economic development program. 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 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. Cash Deposits

The Bureau maintains its cash balances in a demand deposit account at a local commercial bank and maintains a \$200 petty cash fund. Demand deposits are collateralized by the Federal Depository Insurance Corporation. There were no investments in 2002 or 2001.

D. Hotel and Lodging Bed Tax

The Bureau receives tax receipts as authorized under legislation approved by the Ohio Legislature. On April 1, 1998, the Adams County Commissioners levied a three percent excise tax on transactions by which lodging by a hotel or motel is furnished to transient guests within Adams County. This tax is collected by the County Auditor and is distributed to the Bureau on a quarterly basis.

E. Budgetary Process

The Bureau prepares an annual budget for its internal use. However, there is no legal requirement for the Bureau to prepare a budget.

F. 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. INCOME TAX STATUS

The Bureau was formed as a non-profit corporation in Ohio but has not received tax exempt status from the Internal Revenue Service. The Bureau is currently in the process of applying for this tax exempt status. Any potential tax liability is unknown at this time.

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

3. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

4. CONCENTRATION OF RISK

The Bureau receives substantial revenue from the lodging excise tax which is levied by Adams County. A reduction of that tax could have a significant impact on the operations of the Bureau.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

Adams County Travel and Visitors' Bureau
Adams County
2345 State Route 247
Manchester, Ohio 45144

To the Board of Trustees:

We have audited the accompanying financial statements of the Adams County Travel and Visitors' Bureau, Adams County, Ohio (the Bureau), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 14, 2003. 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 *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 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 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated April 14, 2003.

This report is intended solely for the information and use of the audit committee, management, and the Bureau, and is not intended to be and should not be used by 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

April 14, 2003

**ADAMS COUNTY TRAVEL AND VISITORS' BUREAU
ADAMS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2002 AND 2001**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer Valid</u> ; <i>Explain:</i>
2000-60401-001	Reportable Condition for poor controls over disbursements – supporting documentation for disbursements not always maintained, invoices not attached to vouchers, no supporting documentation for petty cash disbursements, and checks to reimburse the petty cash fund were payable to the Office Manager and noted as a reimbursement for her expenses versus noting as petty cash replenishment.	Partially corrected.	Corrected with the exception that vouchers are not utilized and attached to invoices; see management letter for internal control recommendation.



**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

ADAMS COUNTY TRAVEL AND VISITOR'S BUREAU

ADAMS 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
MAY 13, 2003**