

Athens County Convention and Visitors Bureau, Inc.

Athens County, Ohio

Regular Audit

January 1, 2002 through December 31, 2003

Fiscal Years Audited Under GAGAS: 2003 & 2002

**Balestra, Harr & Scherer, CPAs, Inc.**

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**Auditor of State  
Betty Montgomery**

Board of Trustees  
Athens County Convention and Visitor's Bureau  
667 East State Street  
Athens, Ohio 45701

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

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

BETTY MONTGOMERY  
Auditor of State

August 17, 2004

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Athens County Convention and Visitors Bureau, Inc.  
Athens County, Ohio  
January 1, 2002 through December 31, 2003

Table of Contents

Independent Auditors' Report .....	1
Financial Statements:	
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund 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

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Ohio Society of Certified Public Accountants

## Independent Auditors' Report

Board of Trustees  
Athens County Convention and Visitors Bureau, Inc.  
667 East State Street  
Athens, Ohio 45701

We have audited the accompanying financial statements of the Athens County Convention and Visitors Bureau, Inc., (the "Bureau") as of and for the years ended December 31, 2003 and 2002, as listed in the table of contents. 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 cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and fund cash balances of the Bureau for the years ended December 31, 2003 and 2002, and its 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 June 3, 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 audit.

Balestra, Harr & Scherer, CPAs, Inc.  
Balestra, Harr & Scherer, CPAs, Inc.

June 3, 2004

Athens County Convention and Visitors Bureau, Inc.  
Athens County, Ohio

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

	2003	2002
Cash Receipts:		
Interest	\$1,436	\$1,795
Lodging Tax	266,069	254,276
Grants	16,500	0
Miscellaneous	1,177	2,414
Total Cash Receipts	285,182	258,485
 Cash Disbursements:		
Payroll	129,471	141,444
Advertising/Promotion	87,728	69,531
Utilities	12,042	13,039
Administrative/Office	25,196	29,136
Miscellaneous	19,825	16,854
Total Cash Disbursements	274,262	270,004
 Total Cash Receipts Over/(Under) Cash Disbursements	10,920	(11,519)
 Fund Cash Balance, January 1:	113,472	124,991
 Fund Cash Balance, December 31:	\$124,392	\$113,472

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

**Note 1 - Summary of Significant Accounting Policies**

A. Description of the Corporation

The Bureau is a legally separate, not-for-profit corporation, served by a self-appointing board of trustees. The Bureau is funded primarily by the City of Athens and Athens County from lodging taxes assessed and collected by those governments and distributed to the Bureau. These taxes are collected from hotels and motels within Athens County and are required to be used to promote tourism and travel in Athens County. The corporation receives 35% of taxes collected by the City of Athens and 94% of taxes collected by Athens County.

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 were prepared on the cash basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

C. Cash and Investments

The certificates of deposit are valued at cost.

D. 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.

E. Federal Income Taxes

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

Athens County Convention and Visitors Bureau, Inc.  
Notes to the Financial Statements  
For the Fiscal Years Ended December 31, 2003 and December 31, 2002

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**Note 2 - Equity in Pooled Cash and Investments**

The carry amount of cash and investments at December 31, 2003 and 2002, were as follows:

Deposits:	2003	2002
Checking account	\$25,482	\$32,400
Savings account	81,295	0
Money market account	0	63,639
Certificates of deposit	17,615	17,433
Total Deposits	<u>\$124,392</u>	<u>\$113,472</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**Note 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 2003 and 2002, the Bureau received lodging tax in the amount of \$198,837 and \$189,571, respectively, from Athens County and \$67,232 and \$64,705, respectively, from the City of Athens.

**Note 4 - Risk Management**

The Bureau has obtained commercial insurance and a blanket bond for the following risks:

- Comprehensive property and general liability
- Errors and omissions
- Employee dishonesty

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## **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  
Athens County Convention and Visitors Bureau, Inc.  
667 East State Street  
Athens, Ohio 45701

We have audited the financial statements of the Athens County Convention and Visitors Bureau, Inc. (the "Bureau") as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 3, 2004. 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 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 June 3, 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.

June 3, 2004





**Auditor of State  
Betty Montgomery**

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**ATHENS COUNTY CONVENTION AND VISITOR'S 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  
AUGUST 31, 2004**