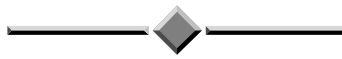


**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**



**FINANCIAL STATEMENTS
DECEMBER 31, 2003**



**Auditor of State
Betty Montgomery**

Board of Directors
Coshocton County Convention and Visitors Bureau
Coshocton, Ohio

We have reviewed the Independent Auditor's Report of the Coshocton County Convention and Visitors Bureau prepared by Rea & Associates, 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 Coshocton County Convention and Visitors 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

November 16, 2004

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**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**FINANCIAL STATEMENTS
DECEMBER 31, 2003**

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

August 10, 2004

Board of Directors
Coshocton County Convention &
Visitors Bureau
Coshocton, Ohio 43812

Independent Auditor's Report

We have audited the accompanying statements of assets and net assets - cash basis of Coshocton County Convention & Visitors Bureau (a non-profit organization) as of December 31, 2003 and 2002, and the related statements of revenue, expenses, and changes in net assets - cash basis and statements of functional expenses - cash basis 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 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 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 described in Note 1, these financial statements were prepared 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 assets and net assets of Coshocton County Convention & Visitors Bureau as of December 31, 2003 and 2002, and its revenue, expenses, and the changes in its net assets for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated August 10, 2004 on our consideration of the Coshocton County Convention Visitors Bureau 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 the audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Rea & Associates, Inc.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**STATEMENTS OF ASSETS AND NET ASSETS -
CASH BASIS
AS OF DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
CURRENT ASSETS:		
Cash and equivalents	\$ <u>73,307</u>	\$ <u>81,382</u>
Total assets	\$ <u>73,307</u>	\$ <u>81,382</u>

NET ASSETS

NET ASSETS:		
Unrestricted	\$ <u>73,307</u>	\$ <u>81,382</u>
Total net assets	\$ <u>73,307</u>	\$ <u>81,382</u>

The accompanying notes are an integral part of the financial statements.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**STATEMENTS OF REVENUE, EXPENSES,
AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue and other support:		
Bed tax	\$ 73,272	\$ 80,505
Brochure	10,740	1,400
Investment income	1,065	1,872
Miscellaneous	<u>1,141</u>	<u>0</u>
Total revenue and other support	86,218	83,777
Expenses:		
Program expenses:		
County tourism promotion	<u>82,852</u>	<u>69,538</u>
Total program services	<u>82,852</u>	<u>69,538</u>
Supporting services:		
General and administrative	<u>11,441</u>	<u>15,419</u>
Total supporting services	<u>11,441</u>	<u>15,419</u>
Total expenses	<u>94,293</u>	<u>84,957</u>
Increase (decrease) in unrestricted net assets	(8,075)	(1,180)
NET ASSETS, beginning of year	<u>81,382</u>	<u>82,562</u>
NET ASSETS, end of year	<u>\$ 73,307</u>	<u>\$ 81,382</u>

The accompanying notes are an integral part of the financial statements.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**STATEMENTS OF FUNCTIONAL EXPENSES - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>		
	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>
Compensation	\$ 17,083	\$ 4,271	\$ 21,354
Payroll taxes	2,145	536	2,681
Outside labor	407	0	407
Promotion	40,211	0	40,211
Brochure	11,885	0	11,885
Website	2,062	0	2,062
Travel	1,529	510	2,039
Office supplies & expense	2,457	2,457	4,914
Bulk Mail	1,553	172	1,725
Dues	0	1,337	1,337
Professional	0	1,278	1,278
Occupancy	1,800	450	2,250
Miscellaneous	<u>1,720</u>	<u>430</u>	<u>2,150</u>
	<u>\$ 82,852</u>	<u>\$ 11,441</u>	<u>\$ 94,293</u>
	<u>2002</u>		
	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>
Compensation	\$ 19,200	\$ 4,800	\$ 24,000
Payroll taxes	1,787	447	2,234
Contract labor	442	0	442
Promotion	40,138	0	40,138
Website	210	0	210
Travel	608	202	810
Survey	0	900	900
Bulk Mail	1,012	112	1,124
Office supplies & expense	1,991	1,990	3,981
Dues	0	1,150	1,150
Professional	0	4,779	4,779
Occupancy	1,200	300	1,500
Miscellaneous	<u>2,950</u>	<u>739</u>	<u>3,689</u>
	<u>\$ 69,538</u>	<u>\$ 15,419</u>	<u>\$ 84,957</u>

The accompanying notes are an integral part of the financial statements.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Coshocton County Convention and Visitors Bureau (the Organization) was created to promote, develop, and encourage interest in tourist attractions in Coshocton County and to promote Coshocton as a location for meetings and conventions of various organizations throughout the Ohio area. The Organization is directed by a thirteen member board. These board members are appointed by the Coshocton County Commissioners.

Basis of Presentation

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Consequently, receipts are recognized when received in cash rather than earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

Unrestricted Net Assets

Net assets are resources that are not subject to donor - imposed stipulations.

Income Taxes

The Organization is exempt from Federal Income Tax under Internal Revenue Code 501 (c)(6) and therefore has not made any provision for Federal income taxes.

NOTE 2: PREPAID RENT

The Organization prepaid one-quarter of 2002 rent in calendar year 2001. As a result, rental expense for 2002 under the cash basis is less than would be expected for a 12 month period. Rent paid in 2001 for the year 2002 was \$750. In addition, \$1,500 of rent for 2003 was not paid until 2004.

NOTE 3: FUNCTIONAL ALLOCATION EXPENSES

The costs of providing the program and support of the program have been summarized on a functional basis in the statement of support, revenue, expense, and changes in net assets – cash basis. Accordingly, certain costs have been allocated among program and support of program.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

NOTES TO FINANCIAL STATEMENTS

NOTE 4: RELIANCE ON BED TAX REVENUE

The Organization receives a significant amount of its support from a permissive lodging excise tax. Coshocton County Commissioners adopted the imposition of the maximum amount of excise tax (3%) on transactions by which lodging by a hotel is or is to be furnished to guests. The amount of this revenue is solely dependent on the number of hotel rooms in the County, the occupancy rate of those rooms, and the average rental rate. The excise tax is collected by the Coshocton County Auditors office. The loss of this revenue would have an adverse effect on the Organization's financial condition.

NOTE 5: ADVERTISING

Costs of advertising and promotion are recognized when paid. The amount charged to advertising expense for the years ended December 31, 2003 and 2002 was \$40,211 and \$40,138 respectively.

NOTE 6: LEASES

The organization has entered into a sublease agreement with the Coshocton County Chamber of Commerce for office space. The lease is for a five-year period ending April 2007 and calls for monthly rent of \$250.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

August 10, 2004

Board of Directors
Coshocton County Convention &
Visitors Bureau
Coshocton, Ohio 43812

**Independent Auditor's Report on Compliance and Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

We have audited the accompanying financial statements of Coshocton County Convention & Visitors Bureau (the "Organization") as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 10, 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 Organization'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 Organization'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 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 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.

This report is intended for the information of the Board of Directors and Management of the Organization. However, this report is a matter of public record and its distribution is not limited.

Rea & Associates, Inc.



**Auditor of State
Betty Montgomery**

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800-282-0370

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COSHOCTON COUNTY CONVENTION AND VISITORS BUREAU

COSHOCTON 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
NOVEMBER 30, 2004**