



**Auditor of State
Betty Montgomery**

HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Highland County Convention and Visitors Bureau
Highland County
1575 N. High Street
Suite 400
Hillsboro, Ohio 45133

To the Board of Trustees:

We have audited the accompanying financial statements of the Highland County Convention & Visitors Bureau, Highland County, Ohio (the Bureau), as of and for the years ended December 31, 2003 and 2002. 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, 2003 and 2002, and its support, cash receipts and 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 13, 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.

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 § 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 13, 2004

HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY

STATEMENT OF CASH AND NET ASSETS
AS OF DECEMBER 31, 2003

Cash	<u><u>\$9,524</u></u>
Net Assets	<u><u>\$9,524</u></u>

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY**

**STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

CASH RECEIPTS

Lodging Tax	\$24,096
Interest	197
Miscellaneous	2,445
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TOTAL CASH RECEIPTS	26,738

CASH DISBURSEMENTS

Advertising	1,456
Bank Charges	38
Print Distribution	280
Travel Shows	2,000
Meetings and Seminars	25
Dues	150
Office Expenses	319
Postage	476
Printing	7,867
Telephone	1,514
Web Expenses	1,115
Mileage	52
Salaries	13,625
Internet Access	229
Special Projects	427
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TOTAL CASH DISBURSEMENTS	29,573

Change in Net Assets

(2,835)

Net Assets, January 1, 2003

12,359

Net Assets, December 31, 2003

\$9,524

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

HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY

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

Cash	<u><u>\$12,359</u></u>
Net Assets	<u><u>\$12,359</u></u>

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY**

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

CASH RECEIPTS	
Lodging Tax	\$26,536
Interest	222
Miscellaneous	2,160
	<hr/>
TOTAL CASH RECEIPTS	28,918
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CASH DISBURSEMENTS	
Advertising	1,035
Audit	2,365
Bank Charges	10
Booth Exhibits	242
Print Distribution	286
Travel Shows	947
Meetings and Seminars	49
Miscellaneous	974
Economic Impact Report	900
Office Expenses	496
Postage	215
Printing	7,000
Telephone	1,231
Mileage	245
Salaries	13,642
Internet Access	195
	<hr/>
TOTAL CASH DISBURSEMENTS	29,832
	<hr/>
Change in Net Assets	(914)
	<hr/>
Net Assets, January 1, 2002	13,273
	<hr/>
Net Assets, December 31, 2002	\$12,359
	<hr/> <hr/>

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

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Highland County Convention Visitors Bureau, Highland County, Ohio, (the Bureau) is a nongovernmental not-for-profit organization. The Bureau is directed by an appointed eleven-member Board of Trustees. Board members are appointed by the Highland County Chamber of Commerce. The Bureau was formed to promote the Highland County area and its facilities and attractions. 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. There were no investments in 2003 or 2002.

D. Hotel and Lodging Bed Tax

The Bureau receives tax receipts as authorized under legislation approved by the Ohio legislature. On January 1, 1996, the Highland County Commissioners levied a three percent excise tax on transactions by which lodging by a hotel or motel is furnished to transient guests within the County. This tax is collected by the County Auditor and distributed to the Convention and Visitors Bureau of Highland County 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 has legal counsel currently applying for this tax exempt status. Any potential tax liability is unknown at this time.

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. LEASE

The Bureau occupies office space at Highland County Chamber of Commerce (the Chamber). The Bureau currently has a lease through March 14, 2009 in which the Chamber provides the Bureau with rent free office space.

4. RISK MANAGEMENT

The Bureau has not obtained comprehensive property and general liability insurance coverage.

5. CONCENTRATION OF RISK

The Bureau receives substantial revenue from the lodging excise tax which is levied by Highland 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

Highland County Convention and Visitors Bureau
Highland County
1575 N. High Street
Suite 400
Hillsboro, Ohio 45133

To the Board of Trustees:

We have audited the accompanying financial statements of the Highland County Convention & Visitors Bureau, Highland County, Ohio (the Bureau), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated April 13, 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 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 13, 2004.

Highland County Convention and Visitors Bureau
Highland County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management and 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 13, 2004



**Auditor of State
Betty Montgomery**

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HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU

HIGHLAND 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, 2004**