



Mary Taylor, CPA
Auditor of State

**GEAUGA COUNTY TOURISM COUNCIL
GEAUGA COUNTY**

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Mary Taylor, CPA
Auditor of State

Geauga County Tourism Council
Geauga County
P.O. Box 846
Middlefield, Ohio 44062

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

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June 12, 2008

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INDEPENDENT ACCOUNTANTS' REPORT

Geauga County Tourism Council
Geauga County
P.O. Box 846
Middlefield, Ohio 44062

To the Board of Trustees:

We have audited the accompanying financial statements of Geauga County Tourism Council, Geauga County, Ohio, (the Council) as of and for the years ended December 31, 2007 and December 31, 2006. These financial statements are the responsibility of the Council'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Council has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

While the Council does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Councils to reformat their statements. The Council has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Council as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Geauga County Tourism Council, Geauga County, Ohio, as of December 31, 2007 and December 31, 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Council has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 2008, on our consideration of the Council's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

June 12, 2008

**GEAUGA COUNTY TOURISM COUNCIL
GEAUGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2007**

	General
Cash Receipts:	
Intergovernmental	\$60,131
Brochure Ad's & Events	33,889
Membership Dues	6,650
Allocation from Commissioners	25,000
Interest Income	543
Other Income	1,240
	127,453
 Total Cash Receipts	 127,453
Cash Disbursements:	
Current Disbursements:	
Brochure Printing, Design, & Layout	42,381
Distribution	2,095
Advertising	28,783
Office Supplies	3,382
Marketing	3,674
Director	26,911
Rent	4,800
Accounting	1,750
Member Meetings	1,252
Postage	4,214
Dues	765
Bank Service Charge	4
Insurance	2,253
Telephone	2,554
Networking Lunches	466
Promotional Items	1,597
Display for Booth	1,110
Promotional Registration	2,602
Lodging	341
Mileage	2,566
Parking/Tolls	23
Casual Labor	495
Other Expense	2,150
	136,168
 Total Disbursements	 136,168
 Total Receipts Over/(Under) Disbursements	 (8,715)
 Fund Cash Balances, January 1, 2007	 64,289
 Fund Cash Balances, December 31, 2007	 \$55,574

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

**GEAUGA COUNTY TOURISM COUNCIL
GEAUGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2006**

	General
Cash Receipts:	
Intergovernmental	\$58,395
Brochure Ad's & Events	31,745
Membership Dues	6,950
Interest Income	433
Other Income	2,920
	100,443
Total Cash Receipts	
Cash Disbursements:	
Current Disbursements:	
Brochure Printing, Design, & Layout	45,765
Distribution	4,123
Advertising	21,024
Office Supplies	2,854
Answering/Support Service	11,466
Rent	4,450
Accounting	1,387
Member Meetings	602
Postage	2,919
Dues	225
Bank Service Charge	10
Insurance	2,330
Telephone	2,470
Meals & Entertainment	16
Travel Expense	1,099
Casual Labor	1,107
Other Expense	1,265
	103,112
Total Disbursements	103,112
Total Receipts Over/(Under) Disbursements	(2,669)
Fund Cash Balances, January 1, 2006	66,958
Fund Cash Balances, December 31, 2006	\$64,289

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

**GEAUGA COUNTY TOURISM COUNCIL
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Geauga County Tourism Council, Geauga County, Ohio, (the Council) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Geauga County Tourism Council is a Community Improvement Corporation as established by the Board under the authority of Section 307.693 Ohio Revised Code. The Council is directed by a ten-member Board of Trustees elected by the membership of the Council. The Council's Intergovernmental revenue is Hotel/Motel tax collected by Geauga County.

The Council's management believes these financial statements present all activities for which the Council 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 and Investments

The Council only deals with demand deposits.

D. Fund Accounting

The Council accounts for all of its financial activity in the General Fund. The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Council maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand Deposits	<u>\$55,574</u>	<u>\$64,289</u>
Total Deposits	<u>\$55,574</u>	<u>\$64,289</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

3. RISK MANAGEMENT

The Council has obtained commercial liability insurance.

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INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Geauga County Tourism Council
Geauga County
P.O. Box 846
Middlefield, Ohio 44062

To the Council Board of Trustees:

We have audited the financial statements of the Geauga County Tourism Council, Geauga County, Ohio, (the Council) as of and for the year ended December 31, 2007 and December 31, 2006, and have issued our report thereon dated June 12, 2008, wherein we noted the Council followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Council's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Council's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Council's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Council's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Council's internal control will not prevent or detect a more than inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Council's internal control will not prevent or detect a material financial statement misstatement.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Council's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

June 12, 2008



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Auditor of State

GEAUGA COUNTY TOURISM COUNCIL

GEAUGA 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
JUNE 19, 2008**