

**GREATER LICKING COUNTY
CONVENTION AND
VISITORS BUREAU**
Audited Financial Statements

December 31, 2007 and 2006



Mary Taylor, CPA
Auditor of State

Board of Trustees
Greater Licking County
Convention and Visitors Bureau
455 Hebron Road
Hebron, Ohio 43056

We have reviewed the *Independent Auditors' Report* of the Greater Licking County Convention and Visitors Bureau, prepared by Rea & Associates, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 Greater Licking County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 20, 2008

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**Greater Licking County
Convention and Visitors Bureau**

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Rea & Associates, Inc.
ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

June 20, 2008

To the Board of Trustees
Greater Licking County Convention and Visitors Bureau
Hebron, Ohio

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of assets and net assets – cash basis of the Greater Licking County Convention and Visitors Bureau (a not-for-profit Organization) as of December 31, 2007 and 2006 and the related statements of revenue, expenses, and changes in net assets – 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 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 described in Note 1, the Organization prepared these 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 assets and net assets of Greater Licking County Convention and Visitors Bureau as of December 31, 2007 and 2006, 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 have also issued our report dated June 20, 2008 on our consideration of Greater Licking County Convention and Visitors Bureau'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. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results of our audit.

Rea & Associates, Inc.

STATEMENT OF ASSETS AND NET ASSETS - CASH BASIS
AS OF DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents	\$ 194,343	\$ 175,256
	<hr/>	<hr/>
Total assets	\$ 194,343	\$ 175,256
	<hr/> <hr/>	<hr/> <hr/>
<u>NET ASSETS</u>		
NET ASSETS		
Net Assets	\$ 194,343	\$ 175,256
	<hr/>	<hr/>
Total net assets	\$ 194,343	\$ 175,256
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and independent accountants' compilation report.

STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT:		
Receipts from excise tax on lodging	\$ 323,018	\$ 294,464
Merchandise sales	622	37
Interest income	2,880	2,757
Miscellaneous income	26,057	11,021
Total revenue and other support	352,577	308,279
EXPENSES:		
Salaries	96,089	92,858
Payroll related taxes	9,849	6,912
Employee expense reimbursement	5,813	5,477
Workers compensation	484	426
Advertising	87,784	74,977
Marketing consulting	11,961	3,334
Conferences/trade shows	8,336	14,438
Web site management	2,021	3,191
Printing	43,824	39,403
Postage	10,256	6,701
Tourisim marketing grant award	9,115	16,525
Association memberships	3,541	2,681
Literature distribution	2,950	698
Travel expenses	0	815
Hospitality	6,707	2,817
Public relations networking	3,778	142
Meals and entertainment	882	1,045
Office equipment	0	1,308
Office rent	6,000	7,200
Office cleaning service	767	884
Local FAM	254	236
Market research	2,554	1,741
Repairs and maintenance	401	120
Legal and accounting	3,589	9,762
Telephone	2,641	2,608
Office equipment leases	4,218	3,298
Contributions	0	40
Office supplies	3,300	4,725
Insurance	2,037	1,795
Utilities	958	736
Miscellaneous	3,381	1,733
Total expenses	333,490	308,626
Increase in net assets	19,087	(347)
NET ASSETS, beginning of year balance	175,256	175,603
NET ASSETS, end of year balance	\$ 194,343	\$ 175,256

See accompanying notes and independent accountants' compilation report.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Greater Licking County Convention and Visitors Bureau (the Organization) was created to promote, develop and encourage interest in tourist attractions in Licking County and to promote Licking as a location for meetings and conventions of various organization throughout the Ohio area. The Organization began operations September 1, 2004 taking over the operations of the Licking County Convention and Visitors Bureau which was administered by the Licking County Chamber of Commerce.

Basis of Accounting

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 when earned and disbursements are recognized when a payment is made rather than when a liability is incurred. Accordingly, the accompanying statements of revenue, expenses and changes in net assets is not intended to present the financial position and results of operations in conformity with accounting principles accepted in the United States of America.

Cash and Cash Equivalents

The Organization considers their certificates of deposit with maturities of less than one year to be cash equivalents.

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 Section 501(c)(6) and therefore has not made any provision for Federal income taxes.

NOTE 2: EQUITY IN POOLED CASH AND INVESTMENTS

The Organization maintains a pool of deposits used by all funds. The carrying amount of cash and deposits at December 31 consisted of the following:

	2007	2006
Checking	\$ 82,517	\$ 84,262
Certificates of deposit	111,726	90,895
Total	\$ 194,243	\$ 175,157

NOTES TO FINANCIAL STATEMENTS

NOTE 3: RELIANCE ON BED TAX REVENUE

The Organization receives a significant amount of its support from a permissive lodging excise tax. The amount of these receipts is solely dependent on the number of hotel rooms in Licking County, the occupancy rate of those rooms, and the average rental rate. The excise tax is collected by the County Auditor's office. The loss of these receipts would have an adverse effect on the Organization's financial condition.

NOTE 4: OPERATING LEASE OBLIGATIONS

Office

The Organization currently rents office space on a month to month basis. Rental expense was \$6,000 and \$7,200 for the years ended December 31, 2007 and 2006, respectively.

Equipment

The Organization rents office equipment under an operating lease agreement that expires February 2010. Equipment rent expense was \$4,218 and 3,298 for the years ended December 31, 2007 and 2006, respectively.

The following is a schedule of future minimum rental payments required for equipment operating lease as of December 31, 2007:

<u>Years ending December 31,</u>	<u>Amount</u>
2008	\$
	3,420
2009	3,420
2010	570
Total	<u>\$ 7,410</u>

NOTE 5: ADVERTISING

Costs of advertising and promotion are recognized when paid. The amount charged to advertising expense was \$87,784 and \$74,977 for the years ended December 31, 2007 and 2006, respectively.



Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

122 4th St. NW | PO Box 1020
New Philadelphia, OH 44663-5120

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Directors
Greater Licking County Convention and Visitors Bureau
Hebron, Ohio

We have audited the accompanying financial statements of the Greater Licking County Convention and Visitors Bureau (the Organization) as of and for the year ended December 31, 2007 and 2006, and have issued our report thereon dated June 20, 2008, wherein we noted that the Organization prepared in financial statements using the cash basis of accounting, which is a comprehensive basis of accounting other 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Company's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 the normal course of 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 entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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 and other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, management of the Organization, and is not intended to be and should not be used by anyone other than those specified parties.

Hea & Associates, Inc.



Mary Taylor, CPA
Auditor of State

GREATER LICKING COUNTY CONVENTION AND VISITORS BUREAU

LICKING 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
SEPTEMBER 2, 2008**