



Mary Taylor, CPA
Auditor of State

HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY

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Mary Taylor, CPA
Auditor of State

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

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.

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Mary Taylor, CPA
Auditor of State

July 16, 2008

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Mary Taylor, CPA

Auditor of State

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 Highland County Convention and Visitors Bureau, Highland County, Ohio (the Bureau), as of and for the years ended December 31, 2007 and 2006. 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 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 Bureau 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Bureau's larger (i.e. major) funds separately. While the Bureau 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 Bureaus to reformat their statements. The Bureau 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.

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, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Bureau 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 the Highland County Convention and Visitors Bureau, Highland County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Bureau 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 July 16, 2008, 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 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

July 16, 2008

HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY

STATEMENT OF CASH AND NET ASSETS
AS OF DECEMBER 31, 2007

Cash	<u><u>\$4,771</u></u>
Net Assets	<u><u>\$4,771</u></u>

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

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

**STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2007**

CASH RECEIPTS

Lodging Tax	\$28,724
Interest	85
Miscellaneous	1,760
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TOTAL CASH RECEIPTS	30,569

CASH DISBURSEMENTS

Advertising	6,581
Print Distribution	62
Meetings and Seminars	542
Dues	150
Office Expenses	416
Postage	413
Telephone	1,381
Web Expenses	2,455
Mileage	314
Salaries	18,320
Internet Access	131
Special Projects	1,191
Southern Ohio Earthworks Tour	3,500
Miscellaneous	102
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TOTAL CASH DISBURSEMENTS	35,558

Change in Net Assets

(4,989)

Net Assets, January 1, 2007

9,760

Net Assets, December 31, 2007

\$4,771

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, 2006

Cash	<u><u>\$9,760</u></u>
Net Assets	<u><u>\$9,760</u></u>

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

**STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2006**

CASH RECEIPTS	
Lodging Tax	\$39,587
Interest	142
Miscellaneous	2,716
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TOTAL CASH RECEIPTS	42,445
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CASH DISBURSEMENTS	
Advertising	7,324
Audit	1,738
Booth Exhibits	160
Print Distribution	73
Travel Shows	960
Meetings and Seminars	175
Office Expenses	318
Postage	459
Telephone	1,397
Web Expenses	210
Mileage	415
Salaries	17,016
Internet Access	288
Special Projects	3,537
Miscellaneous	8,351
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TOTAL CASH DISBURSEMENTS	42,421
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Change in Net Assets	24
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Net Assets, January 1, 2006	9,736
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Net Assets, December 31, 2006	\$9,760
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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, 2007 AND 2006**

1. Summary of Significant Accounting Policies

A. Description of the Entity

Highland County Convention and 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. Accounting Basis

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Bureau recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Cash Deposits

The Bureau maintains its cash balances in a demand deposit account at a local commercial bank. There were no investments in 2007 or 2006.

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

The Bureau records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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

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

2. Equity in Pooled Cash and Deposits

The Bureau maintains a cash and deposits all funds use. 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>\$4,771</u>	<u>\$9,760</u>
Total deposits	<u><u>\$4,771</u></u>	<u><u>\$9,760</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. 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.

4. Lease

The Bureau occupies office space at the 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.

5. Risk Management

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

6. 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.



Mary Taylor, CPA

Auditor of State

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

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

To the Bureau Board of Trustees:

We have audited the financial statements of the Highland County Convention and Visitors Bureau, Highland County, Ohio (the Bureau), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated July 16, 2008, wherein we noted the Bureau 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 Bureau'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 Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Bureau'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 Bureau'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 Bureau'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 Bureau's internal control will not prevent or detect a material financial statement misstatement.

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.

We noted certain matters that we reported to the Bureau's management in a separate letter dated July 16, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Bureau'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 board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 16, 2008



Mary Taylor, CPA
Auditor of State

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
AUGUST 5, 2008**