



**JEFFERSON TOWNSHIP-HOLIDAY CITY VISITORS BUREAU  
WILLIAMS COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007**



**Mary Taylor, CPA**  
Auditor of State



**JEFFERSON TOWNSHIP-HOLIDAY CITY VISITORS BUREAU  
WILLIAMS COUNTY**

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# Mary Taylor, CPA Auditor of State

Jefferson Township-Holiday City Visitors Bureau  
Williams County  
13918-B County Road M  
Holiday City, Ohio 43543-9785

To the Board of Directors:

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.

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

**Mary Taylor, CPA**  
Auditor of State

July 3, 2008

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Jefferson Township-Holiday City Visitors Bureau  
Williams County  
13918-B County Road M  
Holiday City, Ohio 43543-9785

To the Board of Directors:

We have audited the accompanying financial statements of the Jefferson Township-Holiday City Visitors Bureau, Williams County, (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.

Except as discussed in the following paragraph, 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.

We were unable to obtain sufficient evidential matter to support special events revenue for the year ended December 31, 2006. This activity represents 7 percent of total financial statement revenue for the year ended December 31, 2006.

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 fund 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, 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 Bureau as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, except for the effects such adjustments, if any, as might have been determined to be necessary had we been able to obtain sufficient evidential matter for the special events revenues for the year ended December 31, 2006, the financial statements referred to above presents fairly, in all material respects, the fund cash balance of the Jefferson Township-Holiday City Visitors Bureau, Williams County, as of December 31, 2007 and 2006, and its 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 3, 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 3, 2008

**JEFFERSON TOWNSHIP-HOLIDAY CITY VISITORS BUREAU  
WILLIAMS COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<b>2007</b>	<b>2006</b>
<b>Cash Receipts:</b>		
Lodging Tax	\$44,370	\$47,946
Billboard Advertising	21,390	20,164
Special Events		5,263
Interest	3,692	1,055
Miscellaneous	240	32
	<b>69,692</b>	<b>74,460</b>
<b>Total Cash Receipts</b>		
<b>Cash Disbursements:</b>		
Advertising	53,881	46,393
Contributions and Donations		7,263
Contracted / Professional Services	2,678	3,960
Membership Dues	297	1,069
Miscellaneous	16	18
Office Equipment	38	90
Office Supplies	814	1,549
Payroll	9,010	9,449
Rent	600	600
Special Events	702	5,390
Training and Travel	372	575
Utilities	1,181	1,689
	<b>69,589</b>	<b>78,045</b>
<b>Total Cash Disbursements</b>		
Total Cash Receipts Over/(Under) Cash Disbursements	103	(3,585)
Cash Balance, January 1	91,811	95,396
<b>Cash Balance, December 31</b>	<b>\$91,914</b>	<b>\$91,811</b>

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

**JEFFERSON TOWNSHIP-HOLIDAY CITY VISITORS BUREAU  
WILLIAMS COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Jefferson Township-Holiday City Visitors Bureau, Williams County, (the Bureau) is a non-profit corporation established as an independent entity by Jefferson Township and the Village of Holiday City in 2000. The purpose of the Bureau is to promote the tourism industry in Jefferson Township, including the Village of Holiday City, and in general Williams County. The Bureau is directed by an appointed seven member Board of Directors.

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 and Investments**

The Bureau's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Township values certificates of deposit at cost.

**D. Fund Accounting**

The Bureau uses only one fund classification, a General Fund. The General Fund is the general operating fund. It is used to account for all financial resources.

**E. 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.

**JEFFERSON TOWNSHIP-HOLIDAY CITY VISITORS BUREAU  
WILLIAMS COUNTY**

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

**2. CASH**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	\$9,782	\$13,317
Certificates of deposit	82,132	78,494
Total deposits	<u>\$91,914</u>	<u>\$91,811</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**3. HOTEL/MOTEL LODGING TAX**

The Bureau receives 50 percent of the hotel/motel taxes collected by Jefferson Township from hotels/motels located in the Village of Holiday City and 25 percent of the taxes collected from hotels/motels outside of the Village but within the Township. The tax, levied by the Township Trustees, is an excise tax of three percent on lodging furnished to transient guests in the Village and six percent of lodging furnished to transient guests throughout the rest of the Township.

**4. RETIREMENT SYSTEM**

The Bureau's employee contributes the required 6.2 percent of her gross wages to Social Security. The Bureau's liability is also 6.2 percent of gross salaries

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Bureau has obtained commercial insurance for the following risks:

- Directors and officers non-profit organization liability;
- Commercial property; and
- Commercial general liability.

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# 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*

Jefferson Township-Holiday City Visitors Bureau  
Williams County  
13918-B County Road M  
Holiday City, Ohio 43543-9785

To the Board of Directors:

We have audited the financial statements of the Jefferson Township-Holiday City Visitors Bureau, Williams County, (the Bureau) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated July 3, 2008, wherein we noted the Bureau followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also noted that sufficient competent evidential matter was not available to obtain the necessary assurances over the completeness of the Bureau's recorded special events revenues for the year ended December 31, 2006. Except as discussed in the preceding sentence, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a certain deficiency in internal control over financial reporting that we consider a significant deficiency.

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.

We consider the following deficiency described in the accompanying schedule of findings to be a significant deficiency in internal control over financial reporting: 2007-001.

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 the 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 the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, we believe the significant deficiency described above is also a material weakness.

We also noted certain matters that we reported to the Bureau's management in a separate letter dated July 3, 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 an instance of noncompliance we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-001.

We also noted certain noncompliance or other matters that we reported to the Bureau's management in a separate letter dated July 3, 2008.

We intend this report solely for the information and use of the audit committee, management, and Board of Directors. We intend it for no one other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

July 3, 2008

**JEFFERSON TOWNSHIP-HOLIDAY CITY VISITORS BUREAU  
WILLIAMS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2007 AND 2006**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2007-001**

**Noncompliance Citation – Material Weakness**

Ohio Administrative Code §117-2-02 requires all local public offices to maintain an accounting system and accounting records sufficient to enable the public office to identify, assemble, analyze, classify, record and report its transactions. Further, there should be evidence that recorded transactions exist and are not fictitious.

Special event revenues of \$5,263 were recorded in the financial statements for the year ended December 31, 2006. The Bureau did not maintain any documentation for these monies. The monies included registration fees, raffle tickets for a pipe cleaner bike, 50/50 tickets, auction receipts, and pop sales generated by a poker run conducted by the Bureau.

This lack of adequate documentation could result in revenue being lost, misused, or unrecorded without detection. We recommend supporting documentation be maintained for all receipts of the Bureau. Pre-numbered registrations and tickets should be used. A reconciliation should be performed between the number of registrations issued or tickets sold and amounts actually collected. Duplicate receipts should be issued for all auction receipts. Documentation of sales prices and quantities sold compared to quantities purchased should be maintained for pop sales.

**Officials' Response:**

Management did not respond to this finding.





**Mary Taylor, CPA**  
Auditor of State

**JEFFERSON TOWNSHIP-HOLIDAY CITY VISITORS BUREAU**

**WILLIAMS 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  
JULY 31, 2008**