

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**



**FINANCIAL STATEMENTS
DECEMBER 31, 1999**



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Directors
Coshocton County Convention &
Visitors Bureau
P.O. Box 905
Coshocton, Ohio 43812

We have reviewed the independent auditor's report of the Coshocton County Convention & Visitors Bureau, prepared by Rea & Associates, Inc., for the audit period January 1, 1998 through December 31, 1999. 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 Coshocton County Convention & Visitors Bureau is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

August 14, 2000

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**FINANCIAL STATEMENTS
DECEMBER 31, 1999**

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 23, 2000

Board of Directors
Coshocton County Convention &
Visitors Bureau
Coshocton, Ohio 43812

Independent Auditor's Report

We have audited the accompanying statements of assets and net assets - cash basis of Coshocton County Convention & Visitors Bureau (a non-profit organization) as of December 31, 1999 and 1998, and the related statements of revenue, expenses, and changes in net assets - cash basis and statements of functional expenses - 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 audits.

We conducted our audits in accordance with generally accepted auditing standards 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, these financial statements were prepared on the cash basis of accounting, 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 assets and net assets of Coshocton County Convention & Visitors Bureau as of December 31, 1999 and 1998, 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 also have issued our report dated June 23, 2000 on our consideration of the Coshocton County Convention Visitors Bureau internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Rea & Associates, Inc.

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**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**STATEMENT OF ASSETS AND NET ASSETS -
CASH BASIS
AS OF DECEMBER 31, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and equivalents	\$ <u>61,700</u>	\$ <u>41,206</u>
Total assets	<u>\$ <u>61,700</u></u>	<u>\$ <u>41,206</u></u>

<u>NET ASSETS</u>		
NET ASSETS:		
Unrestricted	\$ <u>61,700</u>	\$ <u>41,206</u>
Total net assets	<u>\$ <u>61,700</u></u>	<u>\$ <u>41,206</u></u>

The accompanying notes are an integral part of the financial statements.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**STATEMENT OF REVENUE, EXPENSES,
AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue and other support:		
Bed tax	\$ 78,827	\$ 66,014
Brochure	6,800	2,945
Investment income	1,786	847
Miscellaneous	<u>1,604</u>	<u>0</u>
Total revenue and other support	89,017	69,806
Expenses:		
Program expenses:		
County tourism promotion	<u>65,783</u>	<u>68,412</u>
Total program services	<u>65,783</u>	<u>68,412</u>
Supporting services:		
General and administrative	<u>2,740</u>	<u>2,851</u>
Total supporting services	<u>2,740</u>	<u>2,851</u>
Total expenses	<u>68,523</u>	<u>71,263</u>
Increase (decrease) in unrestricted net assets	20,494	(1,457)
NET ASSETS, beginning of year	<u>41,206</u>	<u>42,663</u>
NET ASSETS, end of year	<u>\$ 61,700</u>	<u>\$ 41,206</u>

The accompanying notes are an integral part of the financial statements.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<u>1999</u>		
	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>
Leased employees	\$ 26,810	\$ 2,740	\$ 29,550
Promotion	17,921	0	17,921
Brochure	10,515	0	10,515
Office expense	1,838	0	1,838
Telephone	1,306	0	1,306
Travel	798	0	798
Supplies	3,325	0	3,325
Dues	950	0	950
Professional	410	0	410
Occupancy	1,500	0	1,500
Miscellaneous	<u>410</u>	<u>0</u>	<u>410</u>
	<u>\$ 65,783</u>	<u>\$ 2,740</u>	<u>\$ 68,523</u>

	<u>1998</u>		
	<u>PROGRAM SERVICES</u>	<u>SUPPORTING SERVICES</u>	<u>TOTAL</u>
Leased employees	\$ 26,640	\$ 2,851	\$ 29,491
Promotion	17,174	0	17,174
Office expense	982	0	982
Telephone	1,185	0	1,185
Travel	1,125	0	1,125
Supplies	5,736	0	5,736
Dues	1,040	0	1,040
Meeting	855	0	855
Professional	2,970	0	2,970
Training	359	0	359
Tours	800	0	800
Ohio Travel Pavilion	1,988	0	1,988
Small equipment	2,976	0	2,976
Occupancy	3,510	0	3,510
Auction	194	0	194
Miscellaneous	<u>878</u>	<u>0</u>	<u>878</u>
	<u>\$ 68,412</u>	<u>\$ 2,851</u>	<u>\$ 71,263</u>

The accompanying notes are an integral part of the financial statements.

**COSHOCTON COUNTY CONVENTION &
VISITORS BUREAU****NOTES TO FINANCIAL STATEMENTS****NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Nature of Activities**

The Coshocton County Convention and Visitors Bureau (the Organization) was created to promote, develop, and encourage interest in tourist attractions in Coshocton County and to promote Coshocton as a location for meetings and conventions of various organizations throughout the Ohio area. The Organization is directed by a twelve member board. These board members are appointed by the Coshocton County Commissioners.

Basis of Presentation

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 earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

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

NOTE 2: PREPAID RENT

The Organization prepaid one-half of 1999 rent in calendar year 1998. As a result, rental expense for 1999 is not fully reflected in the financial statements. Rent paid in 1998 for the year 1999 was \$1,170.

NOTE 3: FUNCTIONAL ALLOCATION EXPENSES

The costs of providing the program and support of the program have been summarized on a functional basis in the statement of support, revenue, expense, and changes in net assets – cash basis, accordingly, certain costs have been allocated among program and support of program.

NOTE 4: RELIANCE ON BED TAX REVENUE

The Organization receives a significant amount of its support from permissive lodging excise tax. Coshocton County Commissioners adopted the imposition of the maximum amount of excise tax (3%) on transactions by which lodging by a hotel is or is to be furnished to guests. The excise tax is collected by the Coshocton County Auditors office. The loss of this revenue would have an adverse effect on the Organization's financial condition.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 23, 2000

Board of Directors
Coshocton County Convention &
Visitors Bureau
Coshocton, Ohio 43812

**Independent Auditor's Report on Compliance and Internal Control
Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

We have audited the accompanying financial statements of Coshocton County Convention & Visitors Bureau (the "Organization") as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 23, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 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 that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Organization in a separate letter dated June 23, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Organization'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.

We noted certain matters involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

Rea & Associates, Inc.

REPORTABLE CONDITIONS

Segregation of Duties

Segregation of conflicting duties within accounting functions is a basic internal control. Because the Organization has a limited staff, segregation of all duties may not always be possible. However, we believe that certain steps can be taken to overcome the lack of segregation of duties in the controls over cash receipts and cash disbursements.

Cash Receipts

During our audit, we noted that recording of receipts in the Organization's ledgers, receiving of funds and bank deposits were all performed by the treasurer.

We recommend that record keeping and receiving funds be performed by separate individuals. This would provide a control over the receipt cycle in that a periodic reconciliation can be performed by these individuals to compare amounts received to amounts recorded.

Cash Disbursements

During our audit, we noted that the treasurer has access to blank checks, is responsible for preparing cash disbursements, approves payment of cash disbursements, and prepares monthly bank reconciliations.

We recommend that someone other than the check signer reconcile the bank accounts. The Bureau has a part time employee who could receive the unopened bank statements and reconcile the accounts.

In addition, dual signatures should be obtained when a check is written to either the executive director, treasurer, or board member. Check signers should be approved by a resolution of the board.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.

However, we believe that none of the reportable conditions described above is a material weakness. We also noted other matters involving the internal control over financial reporting, which we have reported to management of the Organization in a separate letter dated June 23, 2000.

This report is intended for the information of the Board of Directors and Management of the Organization. However, this report is a matter of public record and its distribution is not limited.



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COSHOCTON COUNTY CONVENTION AND VISITOR BUREAU

COSHOCTON 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
OCTOBER 5, 2000**