

CLINTON COUNTY CONVENTION & VISITORS BUREAU
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS AND
CASH BALANCES
DECEMBER 31, 1999 AND 1998
TOGETHER WITH
AUDITOR'S REPORT

STEPHENSON AND WARNER, INC.

Certified Public Accountants

1502 Peck Blvd.
Hamilton, Ohio 45011

5995 Fairfield Rd.
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CLINTON COUNTY CONVENTION & VISITORS BUREAU

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STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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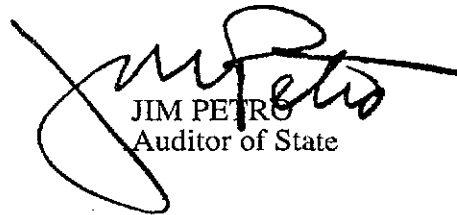
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Board of Trustees
Clinton County Convention & Visitors Bureau

We have reviewed the Independent Auditor's Report of the Clinton County Convention & Visitors Bureau, Clinton County, prepared by Stephenson & Warner, 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 Clinton County Convention & Visitors Bureau is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

June 13, 2000

STEPHENSON AND WARNER, INC.

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Members of:
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O.S.C.P.A.

Independent Auditor's Report

To Board of Trustees of
Clinton County Convention & Visitors Bureau
Wilmington, Ohio

We have audited the accompanying statements of cash receipts and disbursements and cash balances arising from cash transactions of Clinton County Convention & Visitors Bureau for the years ended December 31, 1999 and 1998. 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 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 the 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 basis of cash receipts and disbursements, 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 cash receipts and disbursements arising from cash transactions of Clinton County Convention & Visitors Bureau for the years ended December 31, 1999 and 1998, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued our report dated June 2, 2000 on our consideration of Clinton County Convention & Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Stephenson and Warner, Inc.

STEPHENSON AND WARNER, INC.
Certified Public Accountants

June 2, 2000

CLINTON COUNTY CONVENTION & VISITORS BUREAU

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS AND CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
Cash receipts		
Lodgers' tax - Clinton County	\$ 88,785	\$ 113,038
Lodgers's tax - City of Wilmington	71,761	65,241
Interest income	<u>2,268</u>	<u>166</u>
Total cash receipts	162,814	178,445
Cash disbursements		
Compensation and related	40,227	33,593
Advertising, marketing and promotion	26,766	10,209
Visitors guide printing and related	20,704	17,287
Grants for promotion and development	7,500	-
Trade shows and seminars	6,279	7,819
Rent	5,500	7,000
Equipment purchases and lease payments	5,327	15,265
Payroll related taxes	4,053	1,726
Memberships and subscriptions	3,817	1,611
Travel and entertainment	3,810	3,204
Office supplies and related	3,615	1,599
Postage	3,260	1,920
Employee benefits	3,245	3,304
Telephone	2,445	2,031
Property and liability insurance	1,658	475
Recruitment	1,575	10,412
Professional accounting and legal fees	1,025	1,925
Website development and related	816	1,348
Utilities	587	379
Research	325	325
Repairs	234	-
Bank and finance service charges	202	147
Contributions	200	144
Licenses and permits	<u>110</u>	<u>657</u>
Total cash disbursements	143,280	122,380
Excess of cash receipts over disbursements	19,534	56,065
Cash balance, beginning	<u>56,065</u>	<u>-</u>
Cash balance, ending	<u>\$ 75,599</u>	<u>\$ 56,065</u>

The accompanying notes to financial statements
are an integral part of these statements.

CLINTON COUNTY CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1998 AND 1999

Nature of Operations - The Clinton County Convention & Visitors Bureau, the Organization, is a not-for-profit corporation formed under the laws of the State of Ohio. The purpose of the Organization is to promote and publicize the City of Wilmington and Clinton County, Ohio, to attract tourists into the County for their consumption of goods and services provided by the City's and County's hospitality industry and the general business community.

Note 1 - Significant Accounting Policies

Basis of Accounting - The Organization was required by the Auditor of State of Ohio to present the Statement of Cash Receipts and Disbursements and Cash Balances on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. The cash basis of accounting records cash receipts and cash disbursements. Cash receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying Statement of Cash Receipts and Disbursements and Cash Balances is not intended to present the financial position and results of operations in conformity with generally accepted accounting principles.

Income Taxes - The Organization is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code.

Note 2 - Cash

The balances were:

	<u>1999</u>	<u>1998</u>
Petty cash	\$ 200	\$ 200
Checking account with Fifth Third Bank	744	35,810
Savings account with Fifth Third Bank	74,655	-
Certificates of deposit with Fifth Third Bank	-	20,055
	<u>\$ 75,599</u>	<u>\$ 56,065</u>

Note 3 - Cash Receipts

The Organization's primary source of cash receipts is from the City of Wilmington Hotel Lodging Excise Tax (3%) and Clinton County Motel/Hotel Bed Tax (3%).

The Organization entered into an agreement with the City of Wilmington in 1997 to promote and publicize the City and to bring patronage to the City's businesses. The Code of Regulation requires that the amounts allocated to the Organization will be appropriated by City Council in its annual appropriations ordinance and may be amended as requested by the appropriate authority and approved by City Council.

The Organization entered into an agreement with Clinton County in 1997 to promote and publicize the County and to bring patronage to the County's businesses. The Code of Regulation states that the amounts available to the Organization will be based on the proceeds collected less amounts for certain expenses and appropriations to any township or municipality which does not have and hotel lodging excise tax.

Note 4 - Lease Obligations

The Organization leases office space located in the building at the corner of Main and Mulberry Streets from Adam Bede Holding Company. The lease commenced in January 1998 and terminates in December 2000. The rent amount is \$18,000 payable in installments of \$500 per month. The Organization is required to pay the utility expenses and provide liability insurance coverage.

The Organization leases a copier machine from Xerox Corporation. The lease commenced in March 1998 and terminates in February 2001. The copier machine may be purchased for \$500 at the end of the lease. The minimum monthly lease payment is \$111 which provides for 1,500 prints per month. The print charge is \$.0270 per print above the monthly 1,500 prints.

Note 5 - Concentration of Receipts

The Organization obtains all of its support from the City of Wilmington and Clinton County Hotel Lodging Excise Tax.

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**Report on Compliance and on Internal Control Over Financial Reporting
Based on An Audit of Financial Statements Performed In Accordance
With Government Auditing Standards**

To Board of Trustees of
Clinton County Convention & Visitors Bureau
Wilmington, Ohio

We have audited the statements of cash receipts and disbursements and cash balances of Clinton County Convention & Visitors Bureau as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 2, 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 Clinton County Convention & Visitors Bureau's statements of cash receipts and disbursements and cash balances is 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Clinton County Convention & Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the statements of cash receipts and disbursements and cash balances and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Clinton County Convention & Visitors Bureau's ability to record, process, summarize, and report financial data consistent with the assertions of management in the statements of cash receipts and disbursements and cash balances. The reportable condition is described in the accompanying schedule of reportable condition as item 99-1985-1.

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 statements of cash receipts and disbursements and cash balances 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 over financial reporting 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 the reportable condition described above is not a material weakness. We also noted other matters involving the internal control over financial reporting and business procedures, which we have reported to management of Clinton County Convention & Visitors Bureau in a separate letter, dated June 2, 2000.

This report is intended for the information of the Board of Trustees, management, City of Wilmington, Clinton County, and the Auditor of the State of Ohio and is not intended to be and should not be used by anyone other than these specified parties.

Stephenson and Warner, Inc.

STEPHENSON AND WARNER, INC.
Certified Public Accountants

June 2, 2000

CLINTON COUNTY CONVENTION & VISITORS BUREAU
SCHEDULE OF REPORTABLE CONDITION
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998

Reportable Condition

#99-1985-1 - Adequate documentation of expenditures

Condition - Our review of supporting documentation for cash disbursements found instances that adequate documentation could not be located for selected disbursements. We selected 24 disbursements for 1998 and 24 disbursements for 1999. The results for 1998 were 9 disbursements without adequate supporting documentation and for 1999 1 disbursement without adequate supporting documentation. The 9 disbursements in 1998 without adequate documentation amounted to \$7,419. The one disbursement in 1999 without adequate documentation amounted to \$1,575.

Criteria - Documentation substantiating cash disbursements should be obtained and maintained in files.

Recommendation - We recommend that each cash disbursement or transfer of funds should be substantiated by either a vendor invoice or other suitable document/voucher and should be filed in a manner that the document can be located.

We recommend that vendor invoices should be marked "paid" with the date paid and check number recorded on the invoice with the payment voucher (from Quickbooks) attached. We recommend that the Organization should not pay from vendor statements unless the supporting vendor invoices are attached. We recommend that the person approving the invoice or voucher should initial the document indicating the approval.

Auditor's Comment - The Organization commenced operations during 1998. Our review and discussion with management indicates that recordkeeping procedures were not operating effectively in the first year of operation. The review of the 1999 records demonstrated significant improvement. Our discussion with management indicated that in 2000 additional recordkeeping procedures were established and are being followed.



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CLINTON COUNTY CONVENTION AND VISITORS BUREAU

CLINTON 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.

By: Susan Babbitt

Date: JUNE 29, 2000