



**HIGHLAND COUNTY CONVENTION  
& VISITORS BUREAU  
HIGHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**HIGHLAND COUNTY CONVENTION & VISITORS BUREAU  
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## REPORT OF INDEPENDENT ACCOUNTANTS

Highland County Convention & Visitors Bureau  
Highland County  
128 West Walnut Street  
Hillsboro, Ohio 45133

To the Board of Trustees:

We have audited the accompanying financial statements of the Highland County Convention & Visitors Bureau, Highland County, Ohio, (the Bureau) as of and for the years ended December 31, 1999 and 1998. 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 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 discussed in Note 1, the Bureau prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, 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 and net assets of the Bureau, as of December 31, 1999 and 1998, and its support, cash receipts and cash disbursements and changes in 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 15, 2000 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 grants.

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

**Jim Petro**  
Auditor of State

June 15, 2000

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**HIGHLAND COUNTY CONVENTION & VISITORS BUREAU  
STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1999**

**Support and Cash Receipts:**

Lodging Tax	\$24,516
Interest	203
Miscellaneous	192
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Total Support and Cash Receipts	24,911
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**Cash Disbursements:**

Advertising	911
Bank Charge	60
Booth Exhibits	102
Shipping	403
Travel Shows	2,611
Dues	75
Legal and Professional Fees	1,871
Meeting and Seminars	476
Miscellaneous	476
Office Expenses	433
Health Insurance	0
Payroll Taxes	1,279
Salaries	12,675
Postage	260
Printing Projects	7,035
Telephone	1,502
Travel	156
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Total Cash Disbursements	<hr/> 30,325
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Change in Net Assets	(5,414)
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Net Assets, January 1, 1999	<hr/> 12,576
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<b>Net Assets, December 31, 1999</b>	<b><hr/><hr/>\$7,162</b>
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*The notes to the financial statements are an integral part of this statement.*

**HIGHLAND COUNTY CONVENTION & VISITORS BUREAU  
STATEMENT OF CASH AND NET ASSETS  
AS OF DECEMBER 31, 1999**

<b>Cash</b>	<u>\$7,162</u>
<b>Net Assets</b>	<u>\$7,162</u>

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



**HIGHLAND COUNTY CONVENTION & VISITORS BUREAU  
STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1998**

**Support and Cash Receipts:**

Lodging Tax	\$22,510
Advertising Income	250
Interest	210
Dues	50
Miscellaneous	<u>588</u>
 Total Support and Cash Receipts	 23,608

**Cash Disbursements:**

Advertising	1,189
Bank Charge	60
Shipping	217
Travel Shows	1,245
Dues	75
Legal and Professional Fees	1,109
Miscellaneous	87
Office Expenses	313
Health Insurance	1,560
Payroll Taxes	823
Salaries	8,881
Postage	308
Printing Projects	6,692
Telephone	2,803
Travel	<u>96</u>
 Total Cash Disbursements	 <u>25,458</u>

Change in Net Assets	(1,850)
Net Assets, January 1, 1998	14,426
 <b>Net Assets, December 31, 1998</b>	 <b><u><u>\$12,576</u></u></b>

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

**HIGHLAND COUNTY CONVENTION & VISITORS BUREAU  
STATEMENT OF CASH AND NET ASSETS  
AS OF DECEMBER 31, 1998**

**Cash** \$12,576

**Net Assets** \$12,576

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

**HIGHLAND COUNTY CONVENTION & VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

Highland County Convention & 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. Basis of Accounting**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash Deposits**

The Bureau maintains its cash balances in a demand deposit account at a local commercial bank. There were no investments in 1999 or 1998.

**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 Visitors and Convention 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**

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**2. 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.

**HIGHLAND COUNTY CONVENTION & VISITORS BUREAU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**3. 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.

**4. RISK MANAGEMENT**

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

**5. 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.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Highland County Convention & Visitors Bureau  
Highland County  
128 West Walnut Street  
Hillsboro, Ohio 45133

To the Board of Trustees:

We have audited the accompanying financial statements of the Highland County Convention & Visitors Bureau, Highland County, Ohio (the Bureau ), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 15, 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 Bureau'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 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 an immaterial instance of noncompliance that we have reported to management of the Bureau in a separate letter dated June 15, 2000.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Bureau'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. 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 material weaknesses. 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated June 15, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

**Jim Petro**  
Auditor of State

June 15, 2000



**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**

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**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**  
**JULY 18, 2000**