



**ADAMS COUNTY TRAVEL
& VISITOR'S BUREAU
ADAMS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Adams County Travel & Visitor's Bureau
Adams County
2345 St Rt 247
Manchester, Ohio 45144

To the Board of Trustees:

We have audited the accompanying financial statements of the Adams County Travel & Visitor's Bureau, Adams County, Ohio (the Bureau), as of and for the years ended December 31, 2000 and 1999, and as of December 31, 1998 and for the period from inception (March 19, 1998) to December 31, 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 auditing standards generally accepted in the United States of America 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, 2000, 1999 and 1998, and its support, cash receipts and cash disbursements and changes in net assets for the years ended December 31, 2000 and 1999 and the initial period ended December 31, 1998 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2001, 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. That report is an integral part of our audit performed in accordance with the *Governmental Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Adams County Travel & Visitor's Bureau
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Independent Accountants' Report
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This report is intended solely for the information and use of management, the Board and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

October 22, 2001

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**STATEMENT OF CASH AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2000**

Cash	<u>\$4,496</u>
Net Assets	<u>\$4,496</u>

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

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

Support and Cash Receipts:

Ads	\$220
Dues	570
Annual Meeting	15
Banquet	285
Book Sales	66
Use of Telephone	102
Miscellaneous	52
Appalachian Arts Program Grant	1,250
Lodging Tax	<u>16,098</u>
 Total Support and Cash Receipts	 18,658

Cash Disbursements:

Advertising	3,245
Books	300
Conferences	75
Festival and Shows	1,844
Annual Meeting	400
Subscriptions	18
Dues	180
Economic Impact Report	281
Administration	2,501
Bank Charges	100
Office Supplies	387
Postage	142
Rent	900
Telephone	1,119
Internet and Web site	462
Insurance	446
Travel	59
Payroll, Withholdings	<u>7,112</u>
 Total Cash Disbursements	 <u>19,571</u>
 Change in Net Assets	 (913)
 Net Assets, January 1, 2000	 <u>5,409</u>
 Net Assets, December 31, 2000	 <u><u>\$4,496</u></u>

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

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**STATEMENT OF CASH AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1999**

Cash	<u>\$5,409</u>
Net Assets	<u>\$5,409</u>

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

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 1999**

Support and Cash Receipts:

Ads	\$225
Dues	370
Annual Meeting	105
Banquet	45
PACT Workshop	40
Book Sales	244
Water Sale	231
Slide Sale	45
Use of Telephone	37
Refunds	23
Lodging Tax	<u>19,208</u>
 Total Support and Cash Receipts	 20,573

Cash Disbursements:

Advertising	5,711
Books	300
Festival and Shows	408
Annual Meeting	270
Subscriptions	18
Dues	25
Donations	200
Water Sale	150
Administration	2,236
Bank Charges	53
Office Supplies	319
Postage	123
Rent	937
Telephone	1,254
Internet and Web site	944
Insurance	360
Capital Outlay	2,034
Payroll, Withholdings	<u>7,198</u>
 Total Cash Disbursements	 <u>22,540</u>
 Change in Net Assets	 (1,967)
 Net Assets, January 1, 1999	 <u>7,376</u>
 Net Assets, December 31, 1999	 <u><u>\$5,409</u></u>

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

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**STATEMENT OF CASH AND NET ASSETS
FOR THE FISCAL PERIOD MARCH 19, 1998 TO DECEMBER 31, 1998**

Cash	<u>\$7,376</u>
Net Assets	<u>\$7,376</u>

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

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE INITIAL PERIOD MARCH 19, 1998 TO DECEMBER 31, 1998**

Support and Cash Receipts:

Ads	\$395
Dues	300
Lodging Tax	<u>10,639</u>
 Total Support and Cash Receipts	 11,334

Cash Disbursements:

Advertising	716
Conferences	175
Annual Meeting	194
Subscriptions	39
Dues	110
Administration	726
Bank Charges	105
Office Supplies	268
Postage	32
Rent	225
Telephone	399
Payroll, Withholdings	<u>969</u>
 Total Cash Disbursements	 <u>3,958</u>
 Change in Net Assets	 7,376
 Net Assets, March 19, 1998	 <u>0</u>
 Net Assets, December 31, 1998	 <u><u>\$7,376</u></u>

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

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000, 1999 and 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Adams County Travel & Visitor's Bureau, Adams County, Ohio (the Bureau), is a non-governmental not-for-profit organization. The Bureau is directed by an elected nine member Board of Trustees. Board members are elected by the members of the Bureau. The Bureau was formed to promote travel and tourism in Adams County as a part of the county's overall economic development program. 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 and maintains a \$200 petty cash fund. There were no investments in 2000, 1999 or 1998.

D. Hotel and Lodging Bed Tax

The Bureau receives tax receipts as authorized under legislation approved by the Ohio legislature. On April 1, 1998, the Adams 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 Travel & Visitor's Bureau of Adams County on a quarterly basis.

The Bureau and County entered into an agreement. The agreement provides that the Bureau will receive the proceeds from the County's lodging excise levy and will use the proceeds for the purpose of promoting travel and tourism in the County as a part of the County's overall economic development program.

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.

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000, 1999 and 1998
(Continued)**

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.

3. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- comprehensive property and general liability
- errors and omissions

4. CONCENTRATION OF RISK

The Bureau receives substantial revenue from the lodging excise tax which is levied by Adams County. A reduction of that tax could have a significant impact on the operations of the Bureau.



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

Adams County Travel & Visitor's Bureau
Adams County
2345 St Rt 247
Manchester, Ohio 45144

To the Board of Trustees:

We have audited the accompanying financial statements of the Adams County Travel & Visitor's Bureau, Adams County, Ohio (the Bureau), as of and for the years ended December 31, 2000 and 1999, and as of December 31, 1998 and for the period from inception (March 19, 1998) to December 31, 1998, and have issued our report thereon dated October 22, 2001. 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 *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 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 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 judgement, could adversely affect the Bureau's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of finding as item 2000-60401-001.

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 financials 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 do not believe the reportable condition described above is a material weakness.

Adams County Travel & Visitor's Bureau
Adams County
Report on Compliance and on Internal Control Required by
Government Auditing Standards
Page 2

We also noted other matters involving the internal control over financial reporting that do not require inclusion in this report that we have reported to the management of the Bureau in a separate letter dated October 22, 2001.

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.

Jim Petro
Auditor of State

October 22, 2001

**ADAMS COUNTY TRAVEL & VISITOR'S BUREAU
ADAMS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000, 1999 AND 1998**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2000-60401-001

Reportable Condition

During our review of the Bureau's disbursements, the following matters were noted:

- expenditure support documentation such as original invoices or cash register receipts was not maintained for 43% of the expenditures and all of the receipts tested;
- invoices the Bureau had made payment on were not attached to a voucher which would reference the invoice to the check that was issued and budget accounts the expenditure was made against;
- money spent out of the Bureau's petty cash fund was not supported by documents such as a cash register receipt;
- checks to reimburse the petty cash fund were made payable to the Office Manager and noted as a reimbursement for her expenses versus noting petty cash replenishment.

We recommend the Bureau maintain adequate supporting documentation for every check written. Supporting documentation, such as an invoice, should be maintained for every expenditure and attached to a voucher. The voucher can be a copy of the check. The vouchers should be maintained in numerical order.

The petty cash fund was officially established in the minutes on November 19, 1998, including the amount and custodian. Whenever the petty cash fund needs replenished, receipts for the expenditures should be submitted as documentation for the replenishment check. The check to replenish the petty cash fund should specify the purpose as such, rather than indicating reimbursement for Office Manager's expenses as the purpose.



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ADAMS COUNTY TRAVEL AND VISITORS BUREAU

ADAMS 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
NOVEMBER 8, 2001**