



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash and Net Assets As of December 31, 2001	3
Statement of Support, Cash Receipts and Cash Disbursements For the Year Ended December 31, 2001	4
Statement of Cash and Net Assets As of December 31, 2000	5
Statement of Support, Cash Receipts and Cash Disbursements For the Year Ended December 31, 2000	6
Notes to the Financial Statements	7
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

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REPORT OF INDEPENDENT ACCOUNTANTS

Highland County Convention and Visitors Bureau
Highland County
1575 N. High Street
Suite 400
Hillsboro, Ohio 45133

To the Board of Trustees:

We have audited the accompanying financial statements of the Highland County Convention and Visitors Bureau, Highland County, Ohio (the Bureau), as of and for the years ended December 31, 2001 and 2000. 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, 2001 and 2000, 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 April 15, 2002 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 an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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 § 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". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

Jim Petro
Auditor of State

April 15, 2002

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF CASH AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash	<u>\$13,273</u>
Net Assets	<u>\$13,273</u>

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

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2001**

Support and Cash Receipts:

Lodging Tax	\$27,606
Interest	190
Intergovernmental	375
Miscellaneous	<u>450</u>
 Total Support and Cash Receipts	 28,621

Cash Disbursements:

Advertising	496
Booth Exhibits	220
Print Distribution	188
Travel Shows	957
Meetings and Seminars	60
Miscellaneous	25
Dues	75
Economic Impact Report	877
Bank Charges	60
Office Expenses	633
Postage	248
Printing	286
Telephone	1,308
Web Expenses	758
Mileage	193
Salaries	<u>10,546</u>
 Total Cash Disbursements	 <u>16,930</u>
 Change in Net Assets	 11,691
 Net Assets, January 1, 2001	 <u>1,582</u>
 Net Assets, December 31, 2001	 <u><u>\$13,273</u></u>

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

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF CASH AND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2000**

Cash	<u>\$1,582</u>
Net Assets	<u>\$1,582</u>

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

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2000**

Support and Cash Receipts:

Lodging Tax	\$25,683
Interest	123
Intergovernmental	0
Banquet	0
Book Sales	0
Use of Telephone	0
Appalachian Arts Program Grant	0
Miscellaneous	0
	25,806
Total Support and Cash Receipts	

Cash Disbursements:

Advertising	1,412
Booth Exhibits	200
Print Distribution	136
Travel Shows	1,525
Meetings and Seminars	50
Miscellaneous	41
Dues	150
Legal and Professional Fees	2,355
Administration	0
Bank Charges	116
Office Expenses	397
Postage	199
Printing	6,939
Telephone	1,582
Web Expenses	272
Insurance	0
Mileage	199
Salaries	15,813
	31,386

Total Cash Disbursements	31,386
Change in Net Assets	(5,580)
Net Assets, January 1, 2000	7,162
Net Assets, December 31, 2000	\$1,582

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

**HIGHLAND COUNTY CONVENTION AND VISITORS BUREAU
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Highland County Convention and 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 2001 or 2000.

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 Convention and Visitors 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 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 AND VISITORS BUREAU
HIGHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. LEASE

The Bureau occupies office space at 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 and Visitors Bureau
Highland County
1575 N. High Street
Suite 400
Hillsboro, Ohio 45133

To the Board of Trustees:

We have audited the accompanying financial statements of the Highland County Convention and Visitors Bureau, Highland County, Ohio (the Bureau), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 15, 2002. 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. 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 April 15, 2002.

This report is intended solely for the information and use of management and Bureau, 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". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

April 15, 2002



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HIGHLAND COUNTY 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
MAY 23, 2002**