

FAYETTE COUNTY TRAVEL,
TOURISM AND CONVENTION BUREAU

FAYETTE COUNTY, OHIO

Financial Statements

Years Ended June 30, 2002 and 2001



**Auditor of State
Betty Montgomery**

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Board of Trustees
Fayette County Travel, Tourism and Convention Bureau
101 E. East Street
Washington Court House, Ohio 43160

We have reviewed the Independent Auditor's Report of the Fayette County Travel, Tourism and Convention Bureau, Fayette County, prepared by Van Krevel & Company, for the audit period July 1, 2000 through June 30, 2002. 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 Fayette County Travel, Tourism and Convention Bureau is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

January 21, 2003

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Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio.

Table of Contents

<u>Title</u>	<u>Page(s)</u>
Independent Auditor's Report	1-2
Statements of Financial Position-Cash Basis As of June 30, 2002 and 2001	3
Statements of Cash Receipts, Cash Disbursements and Changes in Cash Balances For the Years Ended June 30, 2002 and 2001	4-5
Notes to the Financial Statements	6-7
Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	8-9

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VAN KREVEL & COMPANY

Certified Public Accountants

P. O. Box 1432

Dublin, Ohio 43017-6432

614/761-3743

Board of Trustees
Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio
101 East East Street
Washington C.H., Ohio 43160

Independent Auditor's Report

We have audited the accompanying financial statements of the Fayette County Travel, Tourism and Convention Bureau (a non-profit organization) as of and for the years ended June 30, 2002 and 2001. 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 audits.

We conducted our audits in accordance with generally accepted auditing standards 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 balances of the Fayette County Travel, Tourism and Convention Bureau, as of June 30, 2002, and 2001, and its cash receipts and cash disbursements 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 December 14, 2002, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws and regulations. 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 when 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 Section 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

/s/ Van Krevel & Company

VAN KREVEL & COMPANY

December 14, 2002

Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio

Statements of Financial Position-Cash Basis
June 30, 2002 and 2001

	June 30, <u>2002</u>	June 30, <u>2001</u>
Cash	\$ 94,533	\$ 63,820
Certificates of Deposit	<u>99,366</u>	<u>93,811</u>
	<u>\$193,899</u>	<u>\$157,631</u>
Net Assets		
Unrestricted		
Undesignated	\$140,798	\$120,301
Board Designated	<u>53,101</u>	<u>37,330</u>
	<u>193,899</u>	<u>157,631</u>
Total Net Assets	<u>\$193,899</u>	<u>\$157,631</u>

The accompanying notes are an integral part of these financial statements

Fayette County Travel, Tourism and Convention Bureau
 Fayette County, Ohio
 Statements of Cash Receipts, Cash Disbursements
 and Changes in Cash Balances
 For the Years Ended June 30, 2002 and 2001

	<u>June 30,</u> <u>2002</u>	<u>June 30,</u> <u>2001</u>
<u>Cash Receipts</u>		
Lodging Tax	\$160,511	\$153,388
 <u>Cash Disbursements</u>		
Office Supplies & Expense	921	1,168
Miscellaneous Expense	2,126	119
Postage	1,598	1,839
Bank Charges	293	169
Management Fee	27,500	23,790
Rent	2,475	3,150
Telephone	314	862
Advertising	30,118	32,727
Insurance	0	4,878
Dues & Subscriptions	440	385
Meetings & Seminars	2,748	4,384
Professional Fees	0	2,519
Promotion	3,942	5,624
Community Donations	11,145	12,281
Tourism Assistance Grants	<u>47,800</u>	<u>44,406</u>
	131,420	138,301
 Total Receipts Over Disbursements	 29,091	 15,087
 <u>Other Financing Receipts</u>		
Interest Income	<u>7,177</u>	<u>6,785</u>
 Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	 36,268	 21,872

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

Fayette County Travel, Tourism and Convention Bureau
 Fayette County, Ohio
 Statement of Cash Receipts, Cash Disbursements
 and Changes in Cash Balances
 For the Years Ended June 30, 2002 and 2001
 (Continued)

	June 30, <u>2002</u>	June 30, <u>2001</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under)Cash Disbursements	\$ 36,268	\$ 21,872
Cash Balances-Beginning of Year	<u>157,631</u>	<u>135,759</u>
Cash Balances-End of Year	<u>\$193,899</u>	<u>\$157,631</u>

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

Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio

Notes to Financial Statements
June 30, 2002 and 2001

1. Summary of Significant Accounting Policies

A. Description of Entity. The Fayette County Travel, Tourism and Convention Bureau is organized in accordance with Chapter 1702 of the Ohio Revised Code.

The Bureau is an affiliate of the Fayette County Chamber of Commerce, Inc., and was formed in 1993 to promote and foster tourism, visitors, meetings and conventions within Fayette County, Ohio. The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

Funding for the operating of the Bureau is provided by the Fayette County Commissioners out of a county bed tax.

The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

B. Basis of Accounting. The accompanying financial statements follow the basis of accounting prescribed or permitted by the Auditor of the State of Ohio, 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.

C. Hotel and Lodging Bed Tax. The Bureau's primary source of revenue is a bed tax levied by the Fayette County Commissioners against occupied hotel and motel rooms located in Fayette County. This tax is collected by the County Auditor and distributed to the Bureau on a quarterly basis.

D. Cash Deposits. The Bureau maintains its cash balances in two demand deposit accounts at a local commercial bank. The Bureau maintains investments in certificates of deposit (with original maturity dates of one year or less) at another local commercial bank.

All cash balances were insured by the Federal Depository Insurance Corporation at June 30, 2001. At June 30, 2002, \$1,082 was uninsured.

Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio

Notes to Financial Statements
June 30, 2002 and 2001

1. Summary of Significant Accounting Policies (continued)

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. Income Taxes. The Bureau is a non-profit organization that is exempt from taxes under Section 501(c)(6) of the Internal Revenue Code.

2. Administrative Expenses. The Bureau contracts with the Fayette County Chamber of Commerce to provide office space, utilities, accounting and secretarial services. Management fees totaled \$27,500 and \$23,790, for the years ended June 30, 2002 and 2001, respectively.

3. Concentration of Credit Risk. The Bureau received \$160,511 from July 1, 2001 through June 30, 2002, and \$153,388 from July 1, 2000 through June 30, 2001, from lodging excise tax which is levied by Fayette County. A reduction of that tax could have a significant impact on the operations of the Bureau.

4. Unrestricted Net Assets - Board Designated. The Board had designated certain funds received from the Fayette County Auditor as the Formula Grant Fund. These funds are set aside and designated for the City of Washington to receive 25% of the total excise tax collected within the city after deduction of the County Auditor fees. These Formula Grant funds can only be accessed by request of Washington City Council and approval of the Bureau's Board of Trustees.

5. Risk Management. The Bureau has obtained commercial insurance for the following risks:

Comprehensive property and general liability
Errors and omissions

6. Subsequent Events. On August 28, 2002, the Bureau entered into a lease agreement for the office space they have been occupying on a month-to-month basis. The lease term is from September 1, 2002, through August 31, 2003, and calls for an annual rent of \$2,700, payable in 12 consecutive monthly payments of \$225.

VAN KREVEL & COMPANY

Certified Public Accountants

P. O. Box 1432

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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*

Board of Trustees
Fayette County Travel, Tourism and Convention Bureau
Fayette County, Ohio
101 East East Street
Washington C.H., Ohio 43160

We have audited the accompanying financial statements of the Fayette County Travel, Tourism and Convention Bureau (a non-profit organization), as of and for the years ended June 30, 2002 and 2001, and have issued our report thereon dated December 14, 2002. We conducted our audit in accordance with generally accepted auditing standards 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 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 an 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

Report on Compliance and Internal Control Over
Financial Reporting Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards*
Page 2

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, which we have reported to the Board of Trustees of The Bureau in a separate letter dated December 14, 2002.

This report is intended solely for the information and use of the official authorized to receive this report under Section 117.06, Ohio Revised Code, and is not intended to be used by anyone other than these specific parties.

/s/ Van Krevel & Company

VAN KREVEL & COMPANY

December 14, 2002



**Auditor of State
Betty Montgomery**

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FAYETTE COUNTY TRAVEL, TOURISM AND CONVENTION BUREAU

FAYETTE 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
FEBRUARY 4, 2003**