



**Auditor of State
Betty Montgomery**

**MOHICAN CONVENTION AND VISITORS BUREAU
ASHLAND COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Mohican Convention and Visitors Bureau
Ashland County
249 West Main Street
Loudonville, Ohio 44842

To the Board of Trustees:

We have audited the accompanying financial statements of Mohican Convention and Visitors Bureau, Ashland County, Ohio, (the Bureau) as of and for the years ended December 31, 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 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 audits 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 audits provide 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 fund cash balances of the Bureau as of December 31, 2002 and 2001, and its cash receipts and 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 March 10, 2003 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 audits.

Mohican Convention and Visitors Bureau
Ashland County
Independent Accountants' Report
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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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 10, 2003

**MOHICAN CONVENTION AND VISITORS BUREAU
ASHLAND COUNTY**

**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	2002	2001
Cash Receipts:		
Hotel/Motel Tax	\$93,395	\$90,509
Earnings on Investments	533	306
Miscellaneous	75	288
Total Cash Receipts	<u>94,003</u>	<u>91,103</u>
Cash Disbursements:		
Current:		
Postage	3,795	2,686
Utilities	3,278	716
Advertising	42,684	19,024
Administration	18,679	18,102
Miscellaneous	3,202	3,482
Total Cash Disbursements	<u>71,638</u>	<u>44,010</u>
Total Receipts Over Disbursements	22,365	47,093
Fund Cash Balances, January 1	<u>75,467</u>	<u>28,374</u>
Fund Cash Balances, December 31	<u>\$97,832</u>	<u>\$75,467</u>

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

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**MOHICAN CONVENTION AND VISITORS BUREAU
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Mohican Convention and Visitors Bureau, Ashland County, Ohio, (the Bureau) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Bureau is directed by a nine member Board of Trustees. The purpose of the Bureau is to promote tourism, conferences, conventions, and group meetings in the Loudonville and Mohican area.

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 cash 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

The certificates of deposit are valued at cost. All other cash of the Bureau is maintained in a non-interest bearing checking account.

D. Fund Accounting

The Bureau uses fund accounting to segregate cash that is restricted as to use. The Bureau classifies its funds as a General Fund which is the general operating fund, and it is used to account for all financial resources of the Bureau.

E. 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.

F. Budgetary Process

The Bureau is not required to follow budgetary procedures as prescribed by the Ohio Revised Code; however, the Bureau uses internal budgets for planning purposes which they adopt annually.

A summary of budgetary activity appears in Note 6.

**MOHICAN CONVENTION AND VISITORS BUREAU
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. EQUITY IN POOLED CASH

The carrying amount of cash at December 31 was as follows:

	2002	2001
Demand deposits	\$76,899	\$55,067
Certificates of deposit	20,933	20,400
Total deposits	\$97,832	\$75,467

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. HOTEL/MOTEL TAX

Ashland County provides funding to the Bureau by remitting collections from the County's hotel/motel tax. During 2002 and 2001, the Bureau received \$74,716 and \$72,407 in hotel/motel tax revenue, respectively.

4. RISK MANAGEMENT

The Bureau has obtained commercial insurance for general liability risks.

5. RELATED PARTY TRANSACTIONS

The Loudonville Chamber of Commerce retains 20% of the hotel/motel tax revenue received from Ashland County. The monies that comprise this percentage are used for administration of the Cooperative Office, which includes the Mohican Convention and Visitors Bureau. Administration expenses include rent and utility costs.

6. BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2002 and 2001 follows:

2002 Estimated vs. Actual Receipts		
Estimated Receipts	Actual Receipts	Variance
\$73,200	\$94,003	\$20,803

2002 Estimated vs. Actual Expenditures		
Estimated Expenditures	Actual Expenditures	Variance
\$68,510	\$71,638	(\$3,128)

2001 Estimated vs. Actual Receipts		
Estimated Receipts	Actual Receipts	Variance
\$73,200	\$91,103	\$17,903

MOHICAN CONVENTION AND VISITORS BUREAU
ASHLAND COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)

6. BUDGETARY ACTIVITY (Continued)

2001 Estimated vs. Actual Expenditures		
Estimated	Actual	
Expenditures	Expenditures	Variance
\$72,500	\$44,010	\$28,490

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**Auditor of State
Betty Montgomery**

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

Mohican Convention and Visitors Bureau
Ashland County
249 West Main Street
Loudonville, Ohio 44842

To the Board of Trustees:

We have audited the accompanying financial statements of Mohican Convention and Visitors Bureau, Ashland County, Ohio, (the Bureau) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 10, 2003. We conducted our audits 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 audits 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 March 10, 2003.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 certain 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 March 10, 2003.

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Mohican Convention and Visitors Bureau
Ashland County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended solely 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

March 10, 2003



**Auditor of State
Betty Montgomery**

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MOHICAN CONVENTION AND VISITORS BUREAU

ASHLAND 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
APRIL 17, 2003**