

**ASHLAND AREA
CONVENTION AND VISITORS BUREAU
A DIVISION OF THE
ASHLAND AREA CHAMBER OF COMMERCE**

INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED JUNE 30, 2003
AND JUNE 30, 2002



**Auditor of State
Betty Montgomery**

Board of Directors
Ashland Area Convention and Visitors Bureau

We have reviewed the Independent Auditor's Report of the Ashland Area Convention and Visitors Bureau, Ashland County, prepared by Gary B. Fink & Associates, Inc. for the audit period July 1, 2001 through June 30, 2003. 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 Ashland Area Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

January 30, 2004

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**ASHLAND AREA CONVENTION AND VISITORS BUREAU
A DIVISION OF THE ASHLAND AREA CHAMBER OF COMMERCE
FOR THE FISCAL YEARS ENDED JUNE 30, 2003
AND JUNE 30, 2002**

TABLE OF CONTENTS

Independent Auditor's Report	1
Statement of Financial Position.....	2
Statement of Activities.....	3
Statement of Cash Flows	4
Notes to the Financial Statements	5
Report on Compliance and on Internal Control Over Financial Reporting based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	7

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Ashland Area Convention and Visitors Bureau
A Division of the Ashland Area Chamber of Commerce
10 West Second Street
2nd Floor
Ashland, OH 44805-2223

We have audited the accompanying statement of financial position of the Ashland Area Convention and Visitors Bureau (the Bureau), a division of the Ashland Area Chamber of Commerce, as of June 30, 2003 and June 30, 2002, and the related statements of activities and cash flows for the years then ended. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashland Area Convention and Visitors Bureau, a division of the Ashland Area Chamber of Commerce, as of June 30, 2003 and June 30, 2002 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 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 audit.



GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

December 29, 2003

Ashland Area Convention and Visitors Bureau
A Division of the Ashland Area Chamber of Commerce
Statement of Financial Position
June 30, 2003 and June 30, 2002

	June 30, 2003	June 30, 2002
<u>ASSETS</u>		
Current Assets:		
Cash	\$59,010	\$86,781
Cash - Money Market	15,125	0
Accounts receivable	12,222	11,220
	<u>86,357</u>	<u>98,001</u>
Total Current Assets		
Fixed Assets:		
Furniture, Fixtures and Equipment	14,830	3,089
Less: Accumulated depreciation	(2,887)	(1,982)
	<u>11,943</u>	<u>1,107</u>
Net Fixed Assets		
Total Assets	<u><u>\$98,300</u></u>	<u><u>\$99,108</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Liabilities:		
Accounts payable	\$11,862	\$9,049
	<u>11,862</u>	<u>9,049</u>
Total Liabilities		
Net Assets:		
Unrestricted	86,438	90,059
	<u>86,438</u>	<u>90,059</u>
Total Net Assets		
Total Liabilities and Net Assets	<u><u>\$98,300</u></u>	<u><u>\$99,108</u></u>

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

Ashland Area Convention and Visitors Bureau
A Division of the Ashland Area Chamber of Commerce
Statement of Activities
For the Fiscal Years Ended June 30, 2003 and June 30, 2002

	Fiscal Year Ended	
	June 30, 2003	June 30, 2002
<u>UNRESTRICTED NET ASSETS</u>		
REVENUES		
Brochure Advertising	\$1,854	\$16,581
Hotel Tax	98,652	102,829
Postcard	0	6
Annual Meeting	465	491
Interest	125	529
Other	400	255
	<u>101,496</u>	<u>120,691</u>
EXPENSES		
Administrative:		
Salaries	31,050	30,656
Payroll Taxes	2,375	2,345
Employee Benefits	1,477	864
Mileage Reimbursement	946	999
Contractual Services	7,728	7,524
Marketing and Public Relations	293	347
Operating:		
Advertising	34,347	25,960
Affiliations	1,532	1,838
Conference	1,103	747
Depreciation	905	547
Insurance	375	375
Member Relations	234	272
Legal and Professional	3,767	2,765
Office Equipment	899	717
Office Supplies	724	1,082
Postage	2,718	2,353
Rent - Office	5,388	5,388
Subscriptions	188	155
Telephone	1,585	1,503
Brochure	436	17,374
Literature	2,592	0
Logo Design	0	2,128
Clothing	62	314
Annual Meeting	643	648
Grant Expense	3,750	0
	<u>105,117</u>	<u>106,901</u>
Total Expenses	<u>105,117</u>	<u>106,901</u>
Change in Net Assets	(3,621)	13,790
Net Assets, Beginning of Fiscal Year	<u>90,059</u>	<u>76,269</u>
Net Assets, End of Fiscal Year	<u><u>\$86,438</u></u>	<u><u>\$90,059</u></u>

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

Ashland Area Convention and Visitors Bureau
A Division of the Ashland Area Chamber of Commerce
Statement of Cash Flows
For the Fiscal Years Ended June 30, 2003 and June 30, 2002

	Fiscal Year Ended	
	June 30, 2003	June 30, 2002
Cash flows from operating activities:		
Change in net assets	(\$3,621)	\$13,790
Adjustments to reconcile net assets to net cash provided by (used for) operating activities:		
Depreciation	905	547
Decrease in accounts receivable	0	9,782
Increase in accounts receivable	(1,002)	0
Increase in accounts payable	2,813	2,985
Total adjustments	2,716	13,314
Net cash provided by (used for) operating activities	(905)	27,104
Cash flows from investing activities:		
Purchases of furniture, fixtures and equipment	(11,741)	0
Invested in money market account	(15,125)	0
Net cash (used for) investing activities	(26,866)	0
Net increase (decrease) in cash	(27,771)	27,104
Cash at beginning of fiscal year	86,781	59,677
Cash at end of fiscal year	<u>\$59,010</u>	<u>\$86,781</u>

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

ASHLAND AREA CONVENTION AND VISITORS BUREAU
A DIVISION OF THE ASHLAND AREA CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 AND JUNE 30, 2002

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **DESCRIPTION OF THE REPORTING ENTITY**

The Ashland Area Convention and Visitors Bureau (the Bureau), a division of the Ashland Area Chamber of Commerce, Ashland County, Ohio, is a not-for-profit organization established in accordance with Section 501(c)(6) of the Internal Revenue Code. The Bureau was formed for the purpose of using funds generated within Ashland County by the county hotel excise tax. The Bureau operates under a nine-member Board of Directors who are internally elected and governed by the Ashland Area Chamber of Commerce.

The Bureau provides general public services to promote Ashland County travel and tourism. The Bureau promotes travel and tourism by extensive advertising and personal representation. The Bureau also works with other county convention and visitors bureaus to further interest in Ashland County.

B. **BASIS OF ACCOUNTING**

These financial statements for July 1, 2001 through June 30, 2003 for the Bureau were prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C. **ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in these financial statements. Accordingly, actual amounts may vary from those estimates.

D. **FIXED ASSETS**

Acquisitions of furniture, fixtures and equipment are not recorded as disbursements (capital outlays) when paid. These items are reflected as assets in the financial statements. They are reported at cost and depreciated by the straight-line method over their estimate useful lives. It is the Bureau's policy to capitalize disbursements for these items in excess of \$500.

ASHLAND AREA CONVENTION AND VISITORS BUREAU
A DIVISION OF THE ASHLAND AREA CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2003 AND JUNE 30, 2002

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

E. **FINANCIAL STATEMENT PRESENTATION**

The Bureau prepares its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Bureau is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. In addition, the Bureau is required to present a statement of cash flows. At June 30, 2003 and 2002, the Bureau did not have any temporarily or permanently restricted net assets. At this point, all net assets of the Bureau are restricted only in that they be used to further travel and tourism of Ashland County. These net assets are considered to be unrestricted for the presentation of these financial statements.

F. **INCOME TAXES**

The Bureau is a not-for-profit organization that is exempt from income taxes under Section 501(C)(6) of the Internal Revenue Code. The organization is not classified as a private foundation and as such, is not subject to Federal, state or local income taxes.

2. **RECEIVABLES AND HOTEL EXCISE TAX COLLECTIONS**

The Bureau is dependent on the collection of the hotel tax by the Ashland County Auditor. Bed taxes became a lien for the Bureau in 1997. The County Auditor adjusts the rates subject to political subdivision approval. Payments are due to the County by the 10th of each month for liability incurred the previous month. These payments are then forwarded to the Bureau by the end of that month.

The County is responsible for assessing, billing, collecting and distributing all bed taxes on behalf of the Bureau. The County also withholds a two percent of total fee for this service.

3. **CASH**

The Bureau maintains a cash checking account used for all general purposes. The Bureau's deposits are entirely insured by the Federal Depository Insurance Corporation.

**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 Directors
A Division of the Ashland Area Chamber of Commerce
Ashland Area Convention and Visitors Bureau
10 West Second Street
2nd Floor
Ashland, OH 44805-2223

We have audited the financial statements of the Ashland Area Convention and Visitors Bureau (the Bureau), a division of the Ashland Area Chamber of Commerce, as of and for the years ended June 30, 2003 and June 30, 2002, and have issued our report thereon dated December 29, 2003. 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 operations that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* (continued)

This report is intended solely for the information and use of management and the Board of Directors, 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 'G. B. Fink', with a stylized flourish at the end.

GARY B. FINK & ASSOCIATES, INC.
Certified Public Accountants

December 29, 2003



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

ASHLAND AREA 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
FEBRUARY 12, 2004**