



Mary Taylor, CPA  
Auditor of State



**FAYETTE COUNTY TRAVEL, TOURISM AND CONVENTION BUREAU  
FAYETTE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash and Net Assets As of June 30, 2006 and 2005 .....	5
Statement of Support, Cash Receipts and Cash Disbursements For the Year Ended June 30, 2006 and 2005.....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	9

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

Fayette County Travel, Tourism and Convention Bureau  
Fayette County  
101 East East Street  
Washington Court House, Ohio 43160

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 20, 2007

**This page intentionally left blank.**



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Fayette County Travel, Tourism and Convention Bureau  
Fayette County  
101 East East Street  
Washington Court House, Ohio 43160

To the Board of Trustees:

We have audited the accompanying financial statements of the Fayette County Travel, Tourism and Convention Bureau, Fayette County, Ohio (the Bureau), as of and for the years ended June 30, 2006 and 2005. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Bureau has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

In addition to the Statement of Support, Cash Receipts and Cash Disbursements the accompanying financial statements present, GAAP also requires presenting a statement of activities which identifies program revenue and general revenue separately. GAAP also requires additional note disclosure. While the Bureau does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require Bureaus to reformat their statements. The Bureau has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended June 30, 2006 and 2005 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Bureau as of June 30, 2006 and 2005, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Fayette County Travel, Tourism and Convention Bureau, Fayette County, as of June 30, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Bureau has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 2007, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

**Mary Taylor, CPA**  
Auditor of State

July 20, 2007

**FAYETTE CONTY TRAVEL, TOURISM AND CONVENTION BUREAU  
FAYETTE COUNTY**

**STATEMENT OF CASH AND NET ASSETS  
AS OF JUNE 30**

	<u>2006</u>	<u>2005</u>
Cash	\$43,996	\$33,284
Certificates of Deposit	<u>73,371</u>	<u>92,306</u>
	<u>\$117,367</u>	<u>\$125,590</u>
Net Assets		
Unrestricted		
Undesignated	<u>\$117,367</u>	<u>\$125,590</u>
Total Net Assets	<u>\$117,367</u>	<u>\$125,590</u>

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

**FAYETTE COUNTY TRAVEL, TOURISM AND CONVENTION BUREAU  
FAYETTE COUNTY**

**STATEMENT OF SUPPORT, CASH RECEIPTS AND CASH DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30**

	<b>2006</b>	<b>2005</b>
<b>CASH RECEIPTS</b>		
Lodging Tax	\$135,962	\$142,967
Interest	7,122	727
	<b>143,084</b>	<b>143,694</b>
 <b>CASH DISBURSEMENTS</b>		
Office Supplies and Expense	4,278	273
Miscellaneous Expense	780	933
Postage	1,686	707
Bank Charges	25	1
Management Fee	35,800	32,550
Rent	0	2,700
Telephone	1,659	479
Advertising	26,140	32,553
Insurance	2,986	3,049
Dues and Subscriptions	250	300
Meetings and Seminars	5,086	6,072
Professional Fees	0	2,037
Maintenance	2,750	2,500
Promotion	0	191
City of Washington Project Disbursements	0	74,129
Community Donations	6,500	6,950
Tourism Assistance Grants	63,367	63,510
	<b>151,307</b>	<b>228,934</b>
 <b>Change in Net Assets</b>	<b>(8,223)</b>	<b>(85,240)</b>
 <b>Net Assets, July 1, 2005</b>	<b>125,590</b>	<b>210,830</b>
 <b>Net Assets, June 30, 2006</b>	<b>\$117,367</b>	<b>\$125,590</b>

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

**FAYETTE COUNTY TRAVEL, TOURISM AND CONVENTION BUREAU  
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. Summary of Significant Accounting Policies**

**A. Description of the 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.

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. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Bureau recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash Deposits**

The Bureau maintains its cash balances in a demand deposit account and certificates of deposit at a local commercial bank.

The Bureau values certificates of deposit at cost.

**D. 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.

**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**

The Bureau records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**FAYETTE COUNTY TRAVEL, TOURISM AND CONVENTION BUREAU  
FAYETTE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. Summary of Significant Accounting Policies (Continued)**

**G. 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. Equity in Pooled Cash And Investments**

The Bureau maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at June 30 was as follows:

	<u>2006</u>	<u>2005</u>
Demand deposits	\$43,996	\$33,284
Certificates of deposit	73,371	92,306
Total deposits	<u>\$117,367</u>	<u>\$125,590</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. Receipts**

The Bureau receives substantially all of its receipts from the 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. Administrative Expenses**

The Bureau contracts with the Fayette County Chamber of Commerce to provide office space, utilities, accounting and secretarial services. Management fees totaled \$35,800 and \$32,550, for the years ended June 30, 2006 and 2005, respectively.

**5. Risk Management**

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions



# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Fayette County Travel, Tourism and Convention Bureau  
Fayette County  
101 East East Street  
Washington Court House, Ohio 43160

To the Board of Trustees:

We have audited the financial statements of the Fayette County Travel, Tourism and Convention Bureau, Fayette County, Ohio (the Bureau), as of and for the years ended June 30, 2006 and 2005, and have issued our report thereon dated July 20, 2007, wherein we noted the Bureau followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Bureau's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Bureau's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 20, 2007



**Mary Taylor, CPA**  
Auditor of State

**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  
SEPTEMBER 18, 2007**