



Mary Taylor, CPA
Auditor of State

**SPRINGFIELD AREA CONVENTION AND VISITORS BUREAU
CLARK COUNTY**

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Springfield Area Convention and Visitors Bureau
Clark County
333 North Limestone Street, Suite 201
Springfield, Ohio 45503

To the Board of Trustees:

We have audited the accompanying statement of financial position of the Springfield Area Convention and Visitors Bureau, Clark County, Ohio (the Bureau) as of December 31, 2006, and the related statements of activities and cash flows for the period then ended. These financial statements are the responsibility of 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 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 Springfield Area Convention and Visitors Bureau, Clark County as of December 31, 2006, and the changes in its net assets and its cash flows for the period then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Bureau changed its fiscal year end. This report and the accompanying statements cover the period September 1, 2005 through December 31, 2006.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 18, 2007

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**SPRINGFIELD AREA CONVENTION AND VISITORS BUREAU
CLARK COUNTY**

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2006**

Assets		
Current Assets		
Cash	\$265,942	
Accounts Receivable	<u>51,607</u>	
Total Current Assets		<u>\$317,549</u>
Capital Assets		
Office Equipment	13,624	
Furniture and Fixtures	21,501	
Vehicles	14,867	
Leasehold Improvements	11,059	
Accumulated Depreciation	<u>(46,113)</u>	
Total Capital Assets		<u>14,938</u>
TOTAL ASSETS		<u><u>332,487</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	<u>2,486</u>	
Total Current Liabilities		<u>2,486</u>
Net Assets		
Unrestricted	<u>330,001</u>	
Total Net Assets		<u>330,001</u>
Total Liabilities and Net Assets		<u><u>\$332,487</u></u>

The accompanying notes are an integral part of these financial statements

**SPRINGFIELD AREA CONVENTION AND VISITORS BUREAU
CLARK COUNTY**

**STATEMENT OF ACTIVITIES
FOR THE PERIOD ENDED DECEMBER 31, 2006**

Revenues		
City of Springfield Bed Tax	\$416,182	
Springfield Township Bed Tax	86,716	
Other Income	2,651	
Interest Income	<u>3,695</u>	
Total Revenues		<u>\$509,244</u>
 Administrative Expenses		
Administration Fees	253,482	
Travel	6,371	
Affiliations	4,060	
Staff Training	747	
Office Expense	1,572	
Insurance	1,447	
Depreciation	<u>8,381</u>	
Total Administrative Expenses		<u>276,060</u>
 Program Expenses		
Community Branding and Marketing	44,373	
Association and Groups	5,996	
In House Printing and Publications	58,559	
Motor Coach Marketing	8,894	
Special Convention Expenses	520	
Community Programs	<u>15,974</u>	
Total Program Expenses		<u>134,316</u>
Total Expenses		<u>410,376</u>
 Change in Net Assets		 98,868
 Net Assets - Beginning of Year		 <u>231,133</u>
 Net Assets - End of Year		 <u><u>\$330,001</u></u>

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

**SPRINGFIELD AREA CONVENTION AND VISITORS BUREAU
CLARK COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2006**

Cash Flows from Operating Activities

Change in Net Assets		\$98,868
Adjustment to Reconcile Change in Net Assets to Net Assets Provided by Operating Activities:		
Depreciation	\$8,381	
(Increase) Decrease in Operating Assets:		
Accounts Receivable	19,940	
Prepaid Expenses	387	
Increase (Decrease) in Operating Liabilities:		
Accounts Payables	<u>(15,063)</u>	
Total Adjustments		<u>13,645</u>
Net Cash Provided by Operating Activities		<u>112,513</u>

Cash Flor from Investing Activities

Purchase of Property and Equipment	<u>(2,572)</u>	
Net Cash Used in Investing Activities		<u>(2,572)</u>

Increase in cash

109,941

Cash - Beginning of the Year

156,001

Cash - End of the Year

\$265,942

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

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**SPRINGFIELD AREA CONVENTION AND VISITORS BUREAU
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Springfield Area Convention and Visitors Bureau (the Bureau) operates in conjunction with the Greater Springfield Chamber of Commerce. The Bureau has a 3 year contract with the City of Springfield and the Springfield Township requiring the Bureau to promote the City and surrounding area for conventions and tourism. The agreement provides that the City and the Township fund the promotion from an accommodation tax.

A. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principals generally accepted in the United States of America.

B. Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) 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.

C. Change of Fiscal Year

In 2006, the Bureau changed its fiscal year from the period September 1 through August 31, to a calendar year period ending on December 31. The accompanying financial statements reflect a 16 month period ending December 31, 2006.

D. Capital Assets

Capital assets are carried at cost, less accumulated depreciation computed on the straight line method over their estimated useful lives. When assets are sold, disposed of, or abandoned, the cost and accumulated depreciation is reduced and the resulting gain or loss is reflected as gain/loss on sale/disposal of assets. Properties and equipment are depreciated over their estimated useful lives as follows:

<u>Description</u>	<u>Estimated Lives in Years</u>
Office Equipment	3-7
Furniture and Fixtures	5-10
Vehicles	5
Leasehold Improvements	39

E. Tax Status

The Bureau is a non-profit organization and, as such, does not pay federal, state, or local income taxes under Section 501 (c) (6) of the Internal Revenue Code.

**SPRINGFIELD AREA CONVENTION AND VISITORS BUREAU
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED DECEMBER 31, 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Funding

The Bureau has a 3 year contract with the City of Springfield and the Springfield Township requiring the Bureau to promote the City and surrounding area for conventions and tourism. The agreement provides that the City and the Township fund the promotion from an accommodation tax. The provisions are so written that the funding is based upon total accommodation tax collections received by the City and the Township. Any monies not expended by the Bureau in a fiscal year shall be held by the Bureau for allocation to the Bureau's expanding programs and special projects subject to reasonable budget approval by the Bureau's Board of Trustees.

The agreements with the City and Township provide for almost all of the Bureau's revenues. Any change in contract terms and/or renewal options would have a negative impact to the Bureau's ability to continue its operations.

G. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United State of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DONATED SERVICES

No amounts have been reflected in the statements for donated services since no objective basis is available to measure the value of such services.

3. RELATED PARTY TRANSACTIONS

The Bureau operates in conjunction with the Greater Springfield Chamber of Commerce. As such, the administrative fee of \$253,482 charged includes the Bureau's proportionate share of salaries, payroll taxes, employee benefits, facility costs, fees, overhead, and other administrative costs. Payments made to the Chamber of Commerce during the period equaled \$263,326.

The Bureau is dependent upon the Greater Springfield Chamber of Commerce.

4. CONCENTRATION OF CREDIT RISK

The Bureau maintains cash balances with a financial institution throughout the year in excess of the amount insured by the Federal Depository Insurance Corporation. The financial institution has a strong credit rating and management believes there is minimal risk concerning these deposits.



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*

Springfield Area Convention and Visitors Bureau
Clark County
333 North Limestone Street, Suite 201
Springfield, Ohio 45503

To the Board of Trustees:

We have audited the financial statements of Springfield Area Convention and Visitors Bureau, Clark County, (the Bureau) as of and for the period ended December 31, 2006, and have issued our report thereon dated July 18, 2007, wherein we noted the Bureau changed its fiscal year. This report and the accompanying statements cover a period from September 1, 2005 through December 31, 2006. 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 the 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.

We noted certain matters that we reported to the Bureau's management in a separate letter dated July 18, 2007.

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 did note certain noncompliance or other matters that we reported to the Bureau's management in a separate letter dated July 18, 2007.

We intend this report solely for the information and use of the audit committee, management, the 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 18, 2007



Mary Taylor, CPA
Auditor of State

SPRINGFIELD AREA CONVENTION AND VISITORS BUREAU

CLARK 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
DECEMBER 24, 2007**