



Mary Taylor, CPA
Auditor of State

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY

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Mary Taylor, CPA

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INDEPENDENT ACCOUNTANTS' REPORT

Clermont County Convention and Visitors Bureau
Clermont County
410 E. Main Street
Batavia, Ohio 45103

To the Board:

We have audited the accompanying financial statements of the Clermont County Convention and Visitors Bureau, Clermont County, Ohio (the Bureau), as of and for the year ended December 31, 2004, and the related statements of activity and net assets and cash flows, as listed in the table of contents. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express opinions 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. 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Clermont County Convention and Visitors Bureau, Clermont County, Ohio, as of December 31, 2004, and the changes in financial position and cash flows, thereof for the year 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 11, 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

December 11, 2007

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**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**STATEMENT OF NET ASSETS
DECEMBER 31, 2004**

Assets:	
Cash and cash equivalents	\$53,273
Accounts receivable	27,056
Other assets	893
Property and equipment	<u>300,411</u>
<i>Total Assets</i>	<u><u>\$381,633</u></u>
 Liabilities:	
Accounts payable	\$19,507
Accrued expenses	5,782
Mortgage payable	<u>44,428</u>
<i>Total Liabilities</i>	<u>69,717</u>
 <i>Net Assets - Unrestricted</i>	 <u>311,916</u>
 <i>Total Liabilities and Net Assets</i>	 <u><u>\$381,633</u></u>

See accompanying notes to the basic financial statements

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2004**

Revenue and Other Support:

Lodging tax	\$407,062
Interest income	721
Other	<u>3,416</u>
<i>Total Revenue and Other Support</i>	<u>411,199</u>

Expenses:

Payroll and payroll taxes	175,427
Advertising and marketing	78,183
Benefits	38,402
Depreciation	21,208
Repairs and maintenance	15,341
Professional fees	14,645
Telephone	13,591
Utilities	5,884
Office supplies	5,520
Meals and entertainment	5,066
Automobile	4,156
Insurance	3,742
Technology	3,489
Booths, fees, and dues	3,229
Interest	3,156
Property taxes	2,589
Miscellaneous	1,149
Printing	742
Postage	<u>585</u>

Total Expenses: 396,104

Change in unrestricted net assets 15,095

Unrestricted net assets, beginning of year 296,821

Unrestricted net assets, end of year \$311,916

See accompanying notes to the basic financial statements

**CLERMONT COUNTY CONVENTION AND VISITORS BUREAU
CLERMONT COUNTY**

**STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2004**

Cash Flows from Operating Activities:	
Change in net assets	\$15,095
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	21,208
Changes in:	
Receivables	536
Accrued payable and accrued expenses	6,502
 <i>Net cash provided by operating activities</i>	 43,341
 Cash Flows from Investing Activities:	
Purchase of property and equipment	(1,983)
 Cash Flows from Financing Activities:	
Principal payments on long-term debt	<u>(44,564)</u>
 Net Change in cash and cash equivalents	 (3,206)
 <i>Cash and cash equivalents, beginning of year</i>	 <u>56,479</u>
 <i>Cash and cash equivalents, end of year</i>	 <u><u>\$53,273</u></u>
 Supplement Cash Flows Information:	
Interest paid	\$3,156

See accompanying notes to the basic financial statements

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CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

1 - Nature of Activities and Summary of Significant Accounting Policies

Nature of Activities

Clermont County Convention and Visitors Bureau (Organization) was incorporated as a not-for-profit organization under the laws of the state of Ohio. The Organization's mission and principal activities are to promote special events and encourage travel and tourism in Clermont County. The Organization revenue is derived principally from county lodging taxes imposed on local motels and hotels located in Clermont County.

Financial Statement Presentation

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. SFAS No. 117 requires, among other things, the net assets to be classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations and may be utilized at the discretion of the Board of Trustees to support the Organization's purposes and operations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that will be met either by actions of the Organization satisfying the purpose or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. As of December 31, 2004 there were no temporarily restricted net assets.

Permanently restricted net assets – Net assets for which the donor has stipulated that the principal be maintained in perpetuity and that only the income from the investment thereof be expended either for the general purpose of the Organization or for purposes specified by the donor. As of December 31, 2004 there were no permanently restricted net assets.

Cash and Cash Equivalents

The Organization considers bank deposits and all highly liquid investments with original maturities of three months or less to be cash and cash equivalents. The Organization maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk.

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. As of December 31, 2004 receivables consisted of lodging taxes imposed by the county, management believes the balance to be fully collectible

Property and Equipment

Property and equipment are recorded at cost or, if donated or impaired, at fair value at the time of the gift or determination. Depreciation is calculated on a straight-line basis over the estimated useful lives of the respective assets. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized.

In accordance with Statement of Financial Accounting Standards No. 144, *Accounting for the Impairment of Disposal of Long-lived Assets*, the Organization assesses the recoverability of the carrying amount of property and equipment if certain events or changes occur, such as a significant decrease in market value of the assets or a significant change in operating conditions.

Contributions

The Organization records gifts of cash and other assets at their fair market value as of the date of contribution. Such donations are recorded as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts having donor stipulations which are satisfied in the period the gift is received are reported as unrestricted revenue.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization.

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS
(Continued)

1 - Nature of Activities and Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code and a similar provision of state law. The Organization is not considered a private foundation.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses have been classified based upon the actual direct expenditures and cost allocations based upon estimates of time spent by Organization personnel. These costs have been allocated as follows:

Program services	\$ 282,177
General and administrative	<u>115,256</u>
	<u>\$ 397,433</u>

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets in the financial statements and accompanying notes. Actual results could differ from those estimates.

2 - Property and Equipment

Property and equipment as of December 31 consists of the following:

Building	\$ 214,275
Furniture and fixtures	<u>119,555</u>
	333,830
Less: accumulated depreciation	<u>(69,144)</u>
	264,686
Land	<u>35,725</u>
	<u>\$ 300,411</u>

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS
(Continued)

3 - Mortgage Payable

The mortgage bears interest at 4.10% and is payable in monthly installments of \$860; final payment due 2010. The note is secured by the property on East Main Street.

Aggregate annual maturities of long-term debt at December 31, 2004 are:

2005	\$	7,100
2006		7,400
2007		7,700
2008		8,000
2009		8,300
2010		5,928
		<hr/>
	\$	44,428

4 - Retirement Plan

The Organization participates in a simplified employee pension plan that covers all full time employees. The Plan provides that the organization shall make a contribution determined by the Board of Trustees. The cost of this plan was \$9,326 for the year ended December 31, 2004.



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*

Clermont County Convention and Visitors Bureau
Clermont County
410 E. Main Street
Batavia, Ohio 45103

To the Bureau Council:

We have audited the financial statements of the Clermont County Convention and Visitor's Bureau, Clermont County, Ohio (the Bureau), as of and for the year ended December 31, 2004, and have issued our report thereon dated December 11, 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 to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Bureau's management dated December 11, 2007, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

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*. In a separate letter to the Bureau's management dated December 11, 2007, we reported other matters related to noncompliance we deemed immaterial.

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Clermont County Convention and Visitors Bureau
Clermont County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management and the Board of Trustees. It is not intended for anyone other than these specified parties.

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

December 11, 2007



Mary Taylor, CPA
Auditor of State

CLERMONT COUNTY CONVENTION AND VISITORS BUREAU

CLERMONT 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
JANUARY 8, 2008**