



**Auditor of State
Betty Montgomery**

**HARDIN COUNTY TOURIST AND CONVENTION BUREAU
HARDIN COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Hardin County Tourist and Convention Bureau
Hardin County
128 North Main St
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of the Hardin County Tourist and Convention Bureau, Hardin County (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 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.

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 balance 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 July 28, 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.

Hardin County Tourist and Convention Bureau
Hardin 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

July 28, 2003

**HARDIN COUNTY TOURIST AND CONVENTION BUREAU
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:

Advertising	\$433
Sale of Bi-Centennial Signs and Coverlets	34,984
Interest	365
Lodging Tax - City	9,987
Lodging Tax - County	22,141
Miscellaneous	2,192
Special Events	1,440
	<hr/>
Total Cash Receipts	71,542

Cash Disbursements:

Current:	
Advertising	3,639
Miscellaneous	5,465
Bi-Centennial Signs and Coverlets	24,997
Insurance	1,090
Office Expenses	2,484
Payroll and Payroll Taxes	18,687
Seminar and Travel	2,091
Special Events	1,875
Utilities	1,468
	<hr/>
Total Cash Disbursements	61,796

Total Receipts Over Disbursements	9,746
Fund Cash Balance, January 1	<hr/> 18,103
Fund Cash Balance, December 31	<hr/> <hr/> \$27,849

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

**HARDIN COUNTY TOURIST AND CONVENTION BUREAU
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

Cash Receipts:

Advertising	\$280
Sale of Bi-Centennial Signs and Coverlets	1,188
Interest	664
Lodging Tax - City	9,619
Lodging Tax - County	20,816
Miscellaneous	1,376
Special Events	582
	<hr/>
Total Cash Receipts	34,525

Cash Disbursements:

Current:	
Advertising	6,022
Miscellaneous	2,768
Bi-Centennial Signs and Coverlets	2,535
Insurance	930
Office Expenses	5,819
Payroll and Payroll Taxes	20,124
Seminar and Travel	1,715
Special Events	304
Utilities	2,038
	<hr/>
Total Cash Disbursements	42,255

Total Receipts (Under) Disbursements	(7,730)
Fund Cash Balance, January 1	<hr/> 25,833
Fund Cash Balance, December 31	<hr/> <hr/> \$18,103

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

**HARDIN COUNTY TOURIST AND CONVENTION BUREAU
HARDIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Hardin County Tourist and Convention Bureau (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 a non-profit corporation under Ohio Revised Code Chapter 1702 and the Internal Revenue Code Section 501(c) 3. The Bureau is directed by a thirteen member Board of Trustees. The mission of the Hardin County Tourist and Convention Bureau is to contribute to the quality of life in Hardin County by promoting travel, tourism, the hospitality of industry, their rich cultural heritage and area attractions to visitors and residents, thereby generating economic growth for business and industry. The Board of Directors establishes programs to plan and implement promotional and marketing strategies that generate travel and tourism related business in Hardin County.

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 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

C. Cash and Investments

The Bureau maintains a checking account, savings account and certificates of deposit. These accounts are valued at cost.

D. Fund Accounting

The Bureau uses fund accounting to segregate cash and investments that are restricted as to use. The Bureau classifies its fund into the following type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

E. Budgetary Process

The Bureau prepares an annual budget. The Bureau is not required to comply with the budgetary requirements of the Ohio Revised Code Section 5705. However, the Bureau's bylaws do require the finance committee to prepare an annual budget. There are no other budgetary requirements. A summary of 2002 and 2001 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

**HARDIN COUNTY TOURIST AND CONVENTION BUREAU
HARDIN COUNTY**

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

2. EQUITY IN POOLED CASH AND INVESTMENTS

The District maintains a cash and investments pool used by the general fund. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2002	2001
Demand deposits	\$14,384	\$5,083
Savings accounts	6,588	6,345
Certificates of deposit	6,877	6,675
Total deposits	\$27,849	\$18,103

Deposits: Demand deposits and certificates of deposit are insured by the Federal Depository Insurance Corporation. Savings accounts are insured by the Federal Saving Loan Insurance Corporation.

3. BUDGETARY ACTIVITY

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

2002 Budgeted vs. Actual Receipt			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$40,260	\$71,542	\$31,282

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$40,260	\$61,796	(\$21,536)

2001 Budgeted vs. Actual Receipt			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$39,960	\$34,525	(\$5,435)

**HARDIN COUNTY TOURIST AND CONVENTION BUREAU
HARDIN COUNTY**

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

3. BUDGETARY ACTIVITY (Continued)

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$39,960	\$42,255	(\$2,295)

4. LODGING EXCISE TAX

The Bureau receives hotel and motel tax monies derived from 3% lodging excise taxes enacted by Hardin County and the City of Kenton. Hardin County remits the full 3% and the City of Kenton remits 1.5% to the Bureau.

5. RETIREMENT SYSTEMS

All employees contribute to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. For 2002 and 2001 employees contributed 6.2% of their gross salaries. The Society contributed an amount equal to 6.2% of participant's gross salaries through December 31, 2002.

6. RISK MANAGEMENT

Commercial Insurance

The Bureau has obtained commercial insurance for the following risks:

- • General liability;
- • Property Coverage;
- • Public Officials Liability.

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**Auditor of State
Betty Montgomery**

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

Hardin County Tourist and Convention Bureau
Hardin County
128 North Main St
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the financial statements of the Hardin County Tourist and Convention Bureau (the "Bureau"), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 28, 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Bureau in a separate letter dated July 28, 2003.

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 operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated July 28, 2003.

Hardin County Tourist and Convention Bureau
Hardin County
Independent Accountants' Report on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the 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

July 28, 2003

**HARDIN COUNTY TOURIST AND CONVENTION BUREAU
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2002-001

Noncompliance

Ohio Rev. Code Section 117.38 states that cash-basis entities must file annual reports with the Auditor of State within 60 days of the fiscal year end. Also, the entity must publish notice in a local newspaper stating the financial report is available for public inspection at the office of the chief fiscal officer. The Bureau did not file their annual financial statements for 2002 and 2001.

The Bureau should implement controls to help assure that the annual financial report is filed with the Auditor of State within 60 days of each fiscal year end and that notice is published in a local newspaper stating the financial report is available for public inspection.



**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

HARDIN COUNTY TOURIST AND CONVENTION BUREAU

HARDIN 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 9, 2003**