



Mary Taylor, CPA
Auditor of State

CHAMPAIGN COUNTY CONVENTION AND VISITOR'S BUREAU
CHAMPAIGN COUNTY

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Mary Taylor, CPA
Auditor of State

Champaign County Convention and Visitor's Bureau
Champaign County
113 Miami Street
Urbana, Ohio 43078

To the Board of Directors:

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.

Mary Taylor

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September 12, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Champaign County Convention and Visitor's Bureau
Champaign County
113 Miami Street
Urbana, Ohio 43078

To the Board of Directors:

We were engaged to audit the accompanying financial statements of Champaign County Convention and Visitor's Bureau, Champaign County, (the Bureau), as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Bureau's management.

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.

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 governments 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 December 31, 2007 and 2006 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 December 31, 2007 and 2006, or its changes in financial position for the years then ended.

We were unable to obtain evidential matter, in the form of receipts, deposits, invoices, bank statements, and reconciliations, supporting the existence, valuation, completeness, and accuracy of receipts, disbursements, and cash balances reported on the financial statements for 2007 and 2006.

Because of the significance of the matters stated in the preceding paragraph, the scope of our work was not sufficient to enable us to express, and we do not express, an opinion on the financial statements referred to in paragraph 1 for the years ended December 31, 2007 and 2006.

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.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2008, 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 engagement.

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

September 12, 2008

**CHAMPAIGN COUNTY CONVENTION AND VISITOR'S BUREAU
CHAMPAIGN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Cash Receipts:		
City Motel Tax	\$28,042	\$29,665
Interest Income		6
Total Cash Receipts	28,042	29,671
Cash Disbursements:		
Operating Expenses:		
Ohio's Historic West (OHW)	2,722	2,722
Advertising	2,316	3,436
County FAM Tour	446	
Home and Garden Tour	500	500
Art Affair on the Square	50	50
Balloon Festival	3,262	4,706
Barn Tour	7,506	5,357
Staff, Printing, Mailing	5,838	4,437
Web Development	4,000	405
Conferences and Training	75	75
County Maps	1,500	
Other		5,160
Total Cash Disbursements	28,215	26,848
Total Receipts Over Disbursements	(173)	2,823
Fund Cash Balance, January 1	2,823	
Fund Cash Balance, December 31	\$2,650	\$2,823

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

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**CHAMPAIGN COUNTY CONVENTION AND VISITOR'S BUREAU
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Champaign County Convention and Visitor's 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 standing committee within the Champaign County Chamber of Commerce, a non-profit corporation under Ohio Revised Code Chapter 1702 and the Internal Revenue Code Section 501(c)6. The Bureau is directed by an eight member Board of Directors. The Board's goal is the promotion and publicizing of Champaign County in order to bring patronage and business of tourists and organizations representing agriculture, the arts, education and natural resources for the benefit of the citizens and businesses of Champaign 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 the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. This basis 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 and Investments

The Bureau maintains a checking account and has no investments.

D. Fund Accounting

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

1. General Fund

The General Fund reports all financial resources except those required to be accounted for in another fund.

E. Budgetary Process

The Bureau is not required to comply with the budgetary requirements of Ohio Revised Code Section 5705; however the Bureau prepares an annual budget for its fund. A summary of 2007 and 2006 budgetary activity is presented in Note 3.

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.

**CHAMPAIGN COUNTY CONVENTION AND VISITOR'S BUREAU
CHAMPAIGN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

2. CASH

The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand deposits	\$2,650	\$2,823

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,000	\$28,042	(\$1,958)

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$30,000	\$28,215	\$1,785

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$30,000	\$29,671	(\$329)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$29,250	\$26,848	\$2,402

4. RISK MANAGEMENT

The Bureau is insured under the Chamber of Commerce and is covered for the following risks:

- Property Coverage, and
- General Liability

5. SUBSEQUENT EVENT

The Director resigned June 20, 2008 from the Chamber of Commerce and Bureau. The Board has not hired a replacement at this time.



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*

Champaign County Convention and Visitor's Bureau
Champaign County
113 Miami Street
Urbana, Ohio 43078

To the Board of Directors:

We were engaged to audit the financial statements of Champaign County Convention and Visitor's Bureau, Champaign County, (the Bureau), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 12, 2008, 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 did not express an opinion on the 2007 and 2006 financial statements because we were unable to obtain evidential matter supporting receipts, disbursements, and cash balances reported on the financial statements for 2007 and 2006.

Internal Control over Financial Reporting

In planning and performing our engagement, 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-002.

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.

**Internal Control over Financial Reporting
(Continued)**

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 deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2007-001 and 2007-002 are also material weaknesses.

We also noted certain internal control matters that we reported to the Bureau's management in a separate letter dated September 12, 2008.

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 engagement and accordingly, we do not express an opinion. The results of our tests disclosed an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2007-001.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Bureau's management in a separate letter dated September 12, 2008.

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



Mary Taylor, CPA
Auditor of State

September 12, 2008

**CHAMPAIGN COUNTY CONVENTION AND VISITOR'S BUREAU
CHAMPAIGN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2007 AND 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2007-001

Noncompliance Citation and Material Weakness

Ohio Rev. Code Section 149.351 states all records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commission provided for under Section 149.41, Revised Code.

The Bureau failed to maintain several records including:

- Detailed ledgers from January to June 2006
- Bank statements and corresponding bank reconciliations from January through June 2006
- Expenditure supporting documentation for any 2006 and 30.4% of 2007 total expenditures
- Deposit verification slips
- Check stubs

In addition, the Bureau experienced computer failure during 2006. This resulted in some of the destroyed records noted above due to no back-up procedures adopted and performed. Furthermore, the Bureau's bank statements do not include fronts or backs of canceled checks. The lack of records could not support the financial statement amounts for 2006 or 2007.

The Bureau should retain all records for a time period approved by the Board, which should include adequate time for audit purposes. In addition, it should perform the following:

- Print the monthly reports showing the transactions that occurred during the month;
- Request canceled checks copies from the bank;
- Perform a daily back-up (at minimum) to ensure records are properly maintained and also kept in a secure area offsite; and
- Develop a disaster recovery plan to mitigate another occurrence of a computer system crash.

FINDING NUMBER 2007-002

Material Weakness

Financial Reporting

The Bureau's financial statements for 2006 and 2007 were not presented properly. Errors included the following:

- Beginning and ending cash balances were not included (\$2,650 in 2007 and \$2,823 in 2006)
- Reported Lodging Tax revenue did not agree to confirmed amounts (\$1,084 or 4% in 2007 and \$3,356 or 12.8% in 2006)
- Interest was not presented in 2006
- Expenses were not carried forward from ledgers and presented accurately on the financial statements (\$930 in 2007 and \$5,160 in 2006)

**FINDING NUMBER 2007-002
(Continued)**

Audit adjustments were necessary to present cash balances, interest revenue, and actual lodging tax revenue and various expenses. The Director should use due care when preparing annual financial reports. The annual report should include beginning cash balances, all revenues, all expenses, and ending cash balances. The Director should agree the cash balances to the bank reconciliations and ledgers at the end of the year to ensure accuracy and completeness. In addition, the Board should review and approve monthly and annual reports including bank reconciliations. These processes will improve financial reporting and accountability as well as provide the Board with necessary information regarding the Bureau's transactions.

Officials' Response:

We did not receive a response from Officials to the findings reported above.



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CHAMPAIGN COUNTY CONVENTION AND VISITOR'S BUREAU

CHAMPAIGN 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
OCTOBER 9, 2008**