HANCOCK COUNTY CONVENTION AND VISITORS BUREAU
HANCOCK COUNTY

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007

Mary Taylor, CPA
Auditor of State

HANCOCK COUNTY CONVENTION AND VISITORS BUREAU
HANCOCK COUNTY

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Mary Taylor, CPA
Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Hancock County Convention and Visitors Bureau
123 East Main Cross Street
Findlay, Ohio 45840

To the Board of Trustees:

We have audited the accompanying Statement of Financial Position of the Hancock County Convention and Visitors Bureau, (the Bureau), as of and for the years ended December 31, 2007 and 2006, and the related statement of activities and cash flows for the years then ended. 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 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Hancock County Convention and Visitors Bureau, Hancock County, as of December 31, 2007 and 2006, and the respective changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 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 audit.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 5, 2008

HANCOCK COUNTY CONVENTION AND VISITORS BUREAU
HANCOCK COUNTY

STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

ASSETS	2007	2006
Current Assets:		
Cash and Cash Equivalents	$68,640	$200,038
Accounts Receivable		287
Accounts Receivable - Hotel/Motel Tax	87,850	88,651
Prepaid Expenses	548	1,043
Total Current Assets	157,038	290,019
Net Property and Equipment	41,757	48,670
Total Assets	$198,795	$338,689

LIABILITIES AND NET ASSETS

	2007	2006
Current Liabilities:		
Accounts Payable	$2,336	$2,977
Account Payable - Greater Findlay, Inc.	2,960	19,304
Total Current Liabilities	5,296	22,281
Net Assets		
Unrestricted		
Operating	151,742	267,738
Fixed Assets	41,757	48,670
Total Net Assets	193,499	316,408
Total Liabilities and Net Assets	$198,795	$338,689

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

HANCOCK COUNTY CONVENTION AND VISITORS BUREAU
HANCOCK COUNTY

STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
Changes in Unrestricted Net Assets:		
Operating Revenue:		
Hotel/Motel Tax	$390,073	$366,611
Interest Income	8,687	5,823
Total Operating Revenue	398,760	372,434
Operating Expenses		
Salaries	60,993	77,972
Purchased Salaries	23,542	20,000
Marketing and Promotion	351,605	123,108
Employee Benefits and Taxes	13,008	14,827
Rent	11,400	11,400
Travel and Entertainment	4,638	4,809
Training	2,387	1,249
Depreciation	14,587	14,416
Professional Fees	3,074	4,830
Telephone	4,415	3,689
Board Development	594	444
Repair and Maintenance	2,584	2,368
Postage	3,100	2,785
Supplies and Miscellaneous	1,219	4,579
Insurance and Dues	2,630	2,874
Utilities and Maintenance	21,893	3,251
Total Operating Expenses	521,669	292,601
Increase/(Decrease) in Net Assets	(122,909)	79,833
Net Assets, Beginning of Year	316,408	236,575
Net Assets, End of Year	$193,499	$316,408

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

HANCOCK COUNTY CONVENTION AND VISITORS BUREAU
HANCOCK COUNTY

STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	($122,909)	$79,833
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	14,587	14,416
Changes in operating assets and liabilities:		
Decrease in accounts receivable - Trade	287	1,130
(Increase)/Decrease in hotel/motel tax receivable	801	(17,109)
(Increase)/Decrease in prepaids	495	(327)
(Decrease) in accounts payable	(16,985)	(1,325)
Total Adjustments	(815)	(3,215)
Net Cash Provided by Operating Activities	(123,724)	76,618
Net Cash Used Capital Assets		
Payments for Purchase of Property and Equipment	(7,674)	(16,784)
Net Increase/(Decrease) in Cash and cash equivalents	(131,398)	59,834
Cash and cash equivalents at beginning of year	200,038	140,204
Cash and cash equivalents at end of year	$68,640	$200,038

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

A. NATURE OF THE ORGANIZATION

The Hancock County Commissioners enacted Resolution 1988-336 and 1988-337 on December 22, 1988. These ordinances authorized Hancock County to enter into an agreement with GreaterFindlay, Inc. (GFI) to provide for the operations of the Convention and Visitors' Bureau (the Bureau). These ordinances also levy a hotel-motel tax to fund this agreement. The purpose of the Bureau is to promote and publicize Hancock County, and the City of Findlay, in order to bring the patronage of business and tourism and cultural, educational, religious, professional, and sports organizations into the County. In the event of termination, any and all monies remaining originally received by the Bureau from the County shall be returned to the General Fund of the County.

Beginning in 2004, GFI entered into a five-year agreement with the County in which the Bureau will receive the full 3% tax assessed by the County from hotels and motels. The spending of such funds must promote and publicize Hancock County. GFI may not use said funds to make grants to other organizations. The agreement will expire December 31, 2008.

The Bureau operates as a component unit of GFI. GFI's Board of Directors is responsible for approval of the budget of the Bureau, hiring employees, approving expenditures, and signing the checks of the Bureau. When GFI makes expenditures on behalf of the Bureau, GFI prepares an invoice. The Bureau then writes a check to reimburse GFI based on the invoice. All transactions that are considered "at arms length" are based on substantive documentation, and are recorded on the books of the Bureau. The Bureau paid $251,180 in 2007 and $158,233 in 2006 to GFI for salaries, fringe benefits, rent, insurance, telephone, postage, travel expenses, and reimbursement of some of the program expenses.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accounting policies of the Bureau conform to generally accepted accounting principles and reflect practices appropriate for a non-profit organization. The financial statements have been prepared on the accrual basis of accounting.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 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, temporarily restricted, and permanently restricted.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Bureau considers all highly liquid debt instruments purchased with maturities of three months or less to be cash equivalents.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end December 31, 2007 and 2006 are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Property and Equipment

Property and equipment is recorded at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market value as of the date received. Depreciation is computed by the straight-line method over estimated useful lives ranging from 3 to 40 years. The costs of normal maintenance and repairs that do not add to the value of the assets or materiality extend an asset's life are not capitalized. The Bureau maintains a capitalization threshold of $1,000.

Classification of Net Assets

The Bureau recognizes tax revenues on the date which the hotels and motels receive the tax dollars. Special events revenues are recognized on the date at which the event has occurred.

Contributions

The Bureau has adopted SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

The Bureau reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit their use. When a donor-imposed 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. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising Costs

Advertising costs are charged to operations when incurred.

C. CASH AND CASH EQUIVALENTS

Balances of cash and cash equivalents at financial banking institutions exceeded the federally insured limit of $100,000 at December 31, 2006 by $100,038. All amounts were secured by FDIC in 2007. The Bureau regularly monitors the financial condition of the institution in which it has depository accounts and believes the risks of loss are minimal.

D. PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2007 and 2006 consists of the following:

	2007	2006
Furniture and Equipment	$ 104,607	$ 97,493
Leasehold Improvements	11,290	11,290
Total Property and Equipment	115,897	108,783
Less: Accumulated Depreciation	(74,140)	(60,113)
Net Property and Equipment	$ 41,757	$ 48,670

Depreciation expense was $14,587 and $14,416 in 2007 and 2006, respectively.

E. RETIREMENT PLAN

The Bureau, through GFI, has a qualified profit-sharing plan for which full-time employees are eligible after one year of service provided that they are twenty-one years of age or older. The plan allows eligible employees to defer up to 15% of their compensation in accordance with the Internal Revenue Code Section 401(k). The Bureau contributes 3% of an employee's compensation to the plan and matches up to 4% of the employee's deferral. Profit sharing expense for 2007 and 2006 was $2,266 and $2,270, respectively.

F. CONCENTRATIONS

The majority of the Bureau's revenues are tax revenues derived from bed tax assessed by the County from hotels and motels. Large fluctuations in tourism could have a material effect on the Bureau's revenues.

G. RELATED PARTIES

Two members of GFI's Board of Directors operate and/or manage local businesses that the Bureau dealt with during the normal course of business. For the years ended December 31, 2007 and 2006, the amounts of these business services charged to operating expenses are $2,903 and $6,602, respectively.

H. RISK MANAGEMENT

The Bureau is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Bureau obtains coverage through GFI's policy; they pay 12% of the premium for their portion of the coverage. During fiscal year 2007 the Bureau contracted for the following insurance coverage:

Coverage provided by the Cincinnati Insurance Company as follows:

Property	$	119,904
General Liability		120,000
Inland Marine		5,040
Employee Dishonesty		6,000
Commercial Umbrella		240,000

Settled claims have not exceeded this commercial coverage in any of the past two-years and there has been no significant reduction in insurance coverage. The Bureau did incur some losses in 2007 due to the flood for which they were not covered.

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

Hancock County Convention and Visitors Bureau
123 East Main Cross Street
Findlay, Ohio 45840

To the Board of Trustees:

We have audited the financial statements of the Hancock County Convention and Visitors Bureau (the Bureau, as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated September 5, 2008. 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.

We noted certain matters that we reported to the Bureau's management in a separate letter dated September 5, 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 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, the Board of Trustees, and the Advisory Board. We intend it for no one other than these specified parties.

Mary Taylor

Mary Taylor, CPA
Auditor of State

September 5, 2008

CONVENTION AND VISITORS BUREAU

HANCOCK 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 7, 2008