

**UNION COUNTY CONVENTION & VISITORS BUREAU
UNION COUNTY, OHIO**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2007 and 2006



Mary Taylor, CPA

Auditor of State

Board of Trustees
Union County Convention and Visitors Bureau
227 East Fifth Avenue
Marysville, Ohio 43040

We have reviewed the *Independent Auditors' Report* of the Union County Convention and Visitors Bureau, prepared by Dale Saylor & Associates, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Union County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 18, 2008

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**UNION COUNTY CONVENTION & VISITORS BUREAU
UNION COUNTY, OHIO**

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Dale Saylor & Associates
Certified Public Accountants
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(614) 766-4224 / FAX (614) 766-4301

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Union County Convention and Visitors Bureau
227 East Fifth Street
Marysville, Ohio 43040

We have audited the accompanying statements of assets and net assets – modified cash basis of the Union County Convention and Visitors Bureau, (a nonprofit organization) as of December 31, 2007 and 2006 and the related statements of revenue, expenses, and changes in net assets – modified cash basis and cash flows for the years then ended. 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 audits.

We conducted our audits 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 the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described more fully in Note 1, the Bureau has prepared these financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of the Union County Convention and Visitors Bureau as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, on the accounting basis Note 1 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 22, 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. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Dale Saylor and Associates

Dublin, Ohio
April 22, 2008

**UNION COUNTY CONVENTION AND VISITORS BUREAU
UNION COUNTY, OHIO**

**STATEMENT OF ASSETS AND NET ASSETS – MODIFIED CASH BASIS
AS OF DECEMBER 31, 2007 AND 2006**

ASSETS		
	<u>2007</u>	<u>2006</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ <u>23,696</u>	\$ <u>28,231</u>
TOTAL CURRENT ASSETS	<u>23,696</u>	<u>28,231</u>
FIXED ASSETS		
Equipment, net of accumulated depreciation of \$ 324	<u>1,295</u>	<u>-</u>
TOTAL FIXED ASSETS	<u>1,295</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 24,991</u>	<u>\$ 28,231</u>
NET ASSETS		
NET ASSETS		
Unrestricted	\$ <u>24,991</u>	\$ <u>28,231</u>
TOTAL NET ASSETS	<u>\$ 24,991</u>	<u>\$ 28,231</u>

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

**UNION COUNTY CONVENTION AND VISITORS BUREAU
UNION COUNTY, OHIO**

**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS – MODIFIED CASH
BASIS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
REVENUE AND OTHER SUPPORT		
Excise tax on lodging	\$ 100,000	\$ 104,464
Sponsorships	11,684	12,180
Events/fundraisers	3,888	-
Interest	397	360
Miscellaneous	<u>-</u>	<u>4,411</u>
TOTAL REVENUE AND OTHER SUPPORT	115,969	121,415
EXPENSES		
Wages	59,032	21,788
Administrative fee	11,000	11,000
Advertising/promotion	19,662	28,985
Event fees	7,276	10,746
Contractual services	1,017	27,617
Education/seminars	1,116	1,346
Travel/mileage	1,103	392
Telephone	340	193
Postage	1,399	-
Office supplies	956	3,451
Accounting/legal fees	869	4,429
Dues/subscriptions	-	5,000
Printing/promotional	11,955	-
Insurance	2,400	-
Miscellaneous	760	1,654
Depreciation	<u>324</u>	<u>-</u>
TOTAL EXPENSES	<u>119,209</u>	<u>116,601</u>
CHANGES IN NET ASSETS	(3,240)	4,814
NET ASSETS AT BEGINNING OF YEAR	<u>28,231</u>	<u>23,417</u>
NET ASSETS AT END OF YEAR	\$ <u>24,991</u>	\$ <u>28,231</u>

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

**UNION COUNTY CONVENTION AND VISITORS BUREAU
UNION COUNTY, OHIO**

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

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from bed tax	\$ 100,000	\$ 104,464
Cash received from sponsorships	11,684	12,180
Cash received from fundraisers	3,888	-
Interest received	397	360
Miscellaneous income	-	4,411
Cash paid to suppliers and employees	(118,885)	(116,601)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(2,916)</u>	<u>4,814</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(1,619)</u>	<u>-</u>
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	<u>(1,619)</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	(4,535)	4,814
CASH AT BEGINNING OF YEAR	<u>28,231</u>	<u>23,417</u>
CASH AT END OF YEAR	\$ <u>23,696</u>	\$ <u>28,231</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Change in net assets	\$ (3,240)	\$ 4,814
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	<u>324</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ <u>(2,916)</u>	\$ <u>4,814</u>

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

**UNION COUNTY CONVENTION AND VISITORS BUREAU
UNION COUNTY, OHIO**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Union County Convention and Visitors Bureau (the Bureau) was formed on December 31, 1992, as a not-for-profit organization for the purpose of promoting tourism for Union County, Ohio. The organization receives an allocation from Union County for a portion of the Transient Guest Tax Collection.

Accounting Basis

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, receipts are recognized when received in cash rather than when earned and disbursements are recognized when a payment is made rather than when a liability is incurred. Accordingly, the accompanying statements of revenue, expenses, and changes in net assets and cash flows are not intended to present the financial position and results of operations in conformity with accounting principles accepted in the United States of America.

Budgetary Process

The Bureau prepares an annual budget for its internal use. However, there is no legal requirement for the Bureau to prepare a budget.

Depreciation

Equipment is recorded at cost and depreciated over estimated useful lives using the straight-line method. Costs of repairs and maintenance are charged to expense as incurred.

Income Taxes

The Bureau is a non-profit organization that is exempt from taxes under Section 501(c)(6) of the Internal Revenue Code.

NOTE 2 - CASH AND INVESTMENTS

The Bureau maintains checking and savings accounts at a local bank. The carrying amount of cash at December 31 is as follows:

Deposits:	<u>2007</u>	<u>2006</u>
Checking account	\$ 15,582	\$ 22,214
Savings account	<u>8,114</u>	<u>6,017</u>
Total Deposits	\$ <u>23,696</u>	\$ <u>28,231</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**UNION COUNTY CONVENTION AND VISITORS BUREAU
UNION COUNTY, OHIO**

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

NOTE 3 - ADMINISTRATIVE EXPENSES

The Bureau contracts with the Union County Chamber of Commerce to provide office space, utilities, accounting, and secretarial services. Management fees totaled \$11,000 for each of the years ended December 31, 2007 and 2006.

NOTE 4 - RELIANCE ON BED TAX RECEIPTS

The Bureau receives a significant amount of its support from a permissive lodging excise tax. The amount of receipts is solely dependent on the number of hotel rooms in Union County, the occupancy rate of those rooms, and the average rental rate. The excise tax is collected by the Union County Auditor's office. The loss of these receipts would have an adverse effect on the Bureau's financial condition.

NOTE 5 - CHANGE IN ACCOUNTING METHOD

The Bureau changed its accounting method from the cash receipts and disbursements basis of accounting to the modified cash basis. Effective January 1, 2006 the Bureau has decided to capitalize fixed assets.

NOTE 6 - CORRECTION OF AN ERROR

The net asset balance on the December 31, 2005 audit report understated net assets by \$1,396. The correct net asset balance as of December 31, 2005 is restated as follows:

Balance in net assets at December 31, 2005, per prior audit report	\$ 24,813
Less: effect of error correction	<u>(1,396)</u>
Balance in net assets at December 31, 2005, as adjusted	\$ <u>23,417</u>

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Board of Trustees of
Union County Convention & Visitors Bureau
227 East Fifth Street
Marysville, Ohio 43040

We have audited the statements of assets and net assets – modified cash basis of Union County Convention & Visitors Bureau (the Bureau), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 22, 2008, wherein we noted that the Bureau prepared its financial statements using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. We conducted our audits 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.

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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Union County Convention & Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Union County Convention & Visitors 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 the normal course of 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 a misstatement of the Bureau's financial statements that is more-than-inconsequential will not be prevented or detected by the Bureau's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Bureau's internal control.

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 deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS, Continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we reported to the Bureau's management in a separate letter dated April 22, 2008.

This report is intended solely for the information and use of the officers, management, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

Dale Saylor and Associates

Dublin, Ohio
April 22, 2008



Mary Taylor, CPA
Auditor of State

UNION COUNTY CONVENTION AND VISITORS BUREAU

UNION 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
JULY 1, 2008**