



**Auditor of State
Betty Montgomery**

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Convention and Visitors Bureau
Seneca County
114 South Washington Street
Tiffin, Ohio 44883-2840

To the Board of Trustees:

We have audited the accompanying financial statements of Seneca County Convention and Visitors Bureau (the Bureau) as of and for the years ended December 31, 2003 and 2002. 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 cash balances of the Seneca County Convention and Visitors Bureau as of December 31, 2003 and 2002, 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 February 19, 2004 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.

This report is intended solely for the information and use of the audit committee, management, 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.

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Betty Montgomery
Auditor of State

February 19, 2004

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
Cash Receipts		
County Hotel/Motel Lodging Tax	\$ 63,733	\$ 52,940
Fund Raisers	2,887	1,639
Dues	9,009	6,768
Sales Advertising	4,770	10,762
Interest Earned	46	159
Donations	5	5
Miscellaneous	2,498	1,605
Total Cash Receipts	82,948	73,878
Cash Disbursements		
Office Expenses, Utilities, Phone	50,079	50,998
Promotions, Fund Raisers	13,061	24,506
Insurance, Annual Meeting Expenses	5,997	2,853
Other Expenses	1,270	2,363
Total Cash Disbursements	70,407	80,720
Total Receipts Over/(Under) Disbursements	12,541	(6,842)
Cash Balances, January 1	24,003	30,845
Cash Balances, December 31	\$ 36,544	\$ 24,003

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

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**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Seneca County Convention and Visitors 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 directed by an appointed twelve-member Board of Trustees. The Board consists of seven elected members and five appointed members consisting of Mayor of Fostoria, Mayor of Tiffin, Director of Fostoria Chamber of Commerce, Director of Tiffin Chamber of Commerce and a Seneca County Commissioner. The Seneca County provides funding to meet the Bureau's operating costs under the agreement which established the Bureau. This accompanying financial statement presents this funding as County Hotel/Motel Lodging Tax Receipts. The Bureau serves the public by encouraging economic development of the County through the promotion of tourism

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).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Fund Accounting

The Bureau classifies its funds into the following type:

GENERAL FUND

The General Fund is the general operating fund. It is used to account for all financial resources.

D. Budgetary Process

The Bureau prepares an annual budget for its fund. It is used to account for all financial resources.

E. 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.

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. EQUITY IN POOLED CASH

The carrying amount of cash at December 31 follows:

	2003	2002
Demand deposits	\$36,544	\$24,003

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$59,400	\$82,948	\$23,548

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$73,330	\$70,407	(\$2,923)

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$69,202	\$73,878	\$4,676

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
Total	\$84,470	\$80,720	(\$3,750)

4. RISK MANAGEMENT

Commercial Insurance

The Bureau has obtained commercial insurance for general liability.



**Auditor of State
Betty Montgomery**

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

Convention and Visitors Bureau
Seneca County
114 South Washington Street
Tiffin, Ohio 44883-2840

To the Board of Trustees:

We have audited the accompanying financial statements of Seneca County Convention and Visitors Bureau (the Bureau) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated February 19, 2004. 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 *Governmental Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Bureau in a separate letter dated February 19, 2004.

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 do not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated February 19, 2004.

This report is intended solely for the information and use of the audit committee, management, and 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

February 19, 2004

**CONVENTION AND VISITORS BUREAU
SENECA COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2003 AND 2002**

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

FINDING NUMBER 2003-001

Finding for Recovery

The employment agreement dated July 1, 2003 states "Employee shall be compensated for her services at an annual rate of \$27,000 payable in 26 equal installments."

The Executive Director Malinda Ruble was paid 27 installments of \$1,038.46 in the amount \$28,038.42 in calendar year 2003.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery for public money that was illegally expended is hereby issued against Malinda Ruble in the amount of one thousand thirty-eight dollars and forty-two cents (\$1,038.42) and in favor of the Seneca County Convention and Visitors Bureau.

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**Auditor of State
Betty Montgomery**

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SENECA COUNTY CONVENTION AND VISITORS BUREAU

SENECA 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
MARCH 9, 2004**