



**THE GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU  
DEFIANCE COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

The Greater Defiance Area  
Tourism and Visitors Bureau  
Defiance County  
415 Second Street  
Defiance, Ohio 43512

To the Board of Trustees:

We have audited the accompanying financial statements of The Greater Defiance Area Tourism and Visitors Bureau, Defiance County, Ohio, (the Bureau) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 audits 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 audits provide 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 Bureau as of December 31, 1999 and 1998, 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 April 26, 2000 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.

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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

April 26, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

|   | <u>1999</u>            | <u>1998</u>            |
|---|------------------------|------------------------|
| <b>Cash Receipts:</b>                       |                        |                        |
| Intergovernmental                           | \$69,674               | \$68,165               |
| Festival                                    | 10,206                 | 9,326                  |
| Interest                                    | 357                    | 1,067                  |
| Membership Dues                             | 835                    | 400                    |
| Souvenirs                                   | 1,403                  | 3,288                  |
| Miscellaneous                               | 979                    | 1,303                  |
|   | <u>83,454</u>          | <u>83,549</u>          |
| <b>Cash Disbursements:</b>                  |                        |                        |
| Advertising                                 | 15,549                 | 16,716                 |
| Festival                                    | 20,243                 | 16,657                 |
| Memberships and Dues                        | 2,215                  | 985                    |
| Building and Equipment Rental               | 4,187                  | 4,127                  |
| Office Supplies                             | 3,093                  | 5,665                  |
| Insurance                                   | 928                    | 406                    |
| Miscellaneous                               | 3,245                  | 5,475                  |
| Telephone                                   | 2,297                  | 1,798                  |
| Souvenirs                                   | 2,267                  | 1,913                  |
| State Audit                                 |                        | 1,498                  |
| Support                                     | 7,902                  |                        |
| Salaries and Benefits                       | 14,393                 | 22,701                 |
|   | <u>76,319</u>          | <u>77,941</u>          |
| Total Cash Receipts Over Cash Disbursements | 7,135                  | 5,608                  |
| Cash Balances, January 1                    | <u>44,880</u>          | <u>39,272</u>          |
| <b>Cash Balances, December 31</b>           | <u><u>\$52,015</u></u> | <u><u>\$44,880</u></u> |

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

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**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Greater Defiance Area Tourism and Visitors Bureau, Defiance County, (the Bureau) is a non-profit corporation established as an independent entity by the Defiance City Council in 1986. The purpose of the Bureau is to promote the tourism industry in the greater Defiance area and to inform the general public of interesting people, places, and events in the greater Defiance area so as to promote the greater Defiance tourism industry. The Bureau is directed by a voluntarily appointed ten-member Board.

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.

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

**C. Cash and Investments**

Certificates of deposit are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. 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.

**E. Unpaid Vacation and Sick Leave**

Employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the basis of accounting used by the Bureau.

**2. EQUITY IN CASH**

The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(Continued)**

**2. EQUITY IN CASH (Continued)**

|                         | <u>1999</u>            | <u>1998</u>            |
|-------------------------|------------------------|------------------------|
| Demand deposits         | \$32,332               | \$30,197               |
| Certificates of deposit | <u>19,683</u>          | <u>14,683</u>          |
| Total deposits          | <u><u>\$52,015</u></u> | <u><u>\$44,880</u></u> |

Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

The Bureau annually budgets receipts and expenditures even though this is not statutorily required. Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts

| <u>Budgeted<br/>Receipts</u> | <u>Actual<br/>Receipts</u> | <u>Variance</u> |
|------------------------------|----------------------------|-----------------|
| <u>\$80,000</u>              | <u>\$83,454</u>            | <u>\$3,454</u>  |

1999 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Appropriation<br/>Authority</u> | <u>Budgetary<br/>Expenditures</u> | <u>Variance</u> |
|------------------------------------|-----------------------------------|-----------------|
| <u>\$80,000</u>                    | <u>\$76,319</u>                   | <u>\$3,681</u>  |

1998 Budgeted vs. Actual Receipts

| <u>Budgeted<br/>Receipts</u> | <u>Actual<br/>Receipts</u> | <u>Variance</u> |
|------------------------------|----------------------------|-----------------|
| <u>\$72,875</u>              | <u>\$83,549</u>            | <u>\$10,674</u> |

1998 Budgeted vs. Actual Budgetary Basis Expenditures

| <u>Appropriation<br/>Authority</u> | <u>Budgetary<br/>Expenditures</u> | <u>Variance</u>  |
|------------------------------------|-----------------------------------|------------------|
| <u>\$72,875</u>                    | <u>\$77,941</u>                   | <u>(\$5,066)</u> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**4. RETIREMENT SYSTEMS**

The Bureau's employee contributes the required 6.2 percent of her gross wages to Social Security. The Bureau's liability is also 6.2 percent of gross salaries.

**5. RISK MANAGEMENT**

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Employee Dishonesty

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

The Greater Defiance Area  
Tourism and Visitors Bureau  
Defiance County  
415 Second Street  
Defiance, Ohio 43512

To the Board of Trustees:

We have audited the accompanying financial statements of The Greater Defiance Area Tourism and Visitors Bureau, Defiance County, Ohio, (the Bureau) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 26, 2000. We conducted our audits in accordance with generally accepted auditing standards 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 April 26, 2000.

This report is intended for the information and use of 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**Jim Petro**  
Auditor of State

April 26, 2000



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**THE GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU, INC.**

**DEFIANCE 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  
MAY 23, 2000**