



**Auditor of State
Betty Montgomery**

**NAPOLEON/HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU
HENRY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances - For the Years Ended December 31, 2003 and 2002	3
Notes to the Financial Statements.....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Napoleon/Henry County Chamber of Commerce Visitors Bureau
Henry County
611 North Perry Street
Napoleon, Ohio 43545-1701

To the Board of Directors:

We have audited the accompanying financial statements of Napoleon/Henry County Chamber of Commerce 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 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 June 2, 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 management, the Board of Directors, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

June 2, 2004

**NAPOLEON/HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU
HENRY 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		
Lodging Tax	\$ 33,441	\$ 39,157
Interest	181	366
Miscellaneous	-	500
	33,622	40,023
Total Cash Receipts		
Cash Disbursements		
Administrative	4,137	3,659
Personnel Services	9,247	10,320
Advertising	960	1,428
Christmas Decorations	12,659	15,399
Professional Dues	510	528
Office Supplies	1,400	1,000
Postage	590	431
Promotions	1,488	2,639
Rent	4,150	4,150
Travel and Meals	168	353
Fire Works	1,000	1,000
Telephone	1,400	1,000
Miscellaneous	3,622	7,258
	41,331	49,165
Total Cash Disbursements		
Total Cash Disbursements Over Cash Receipts	(7,709)	(9,142)
Cash Balances, January 1	29,581	38,723
Cash Balances, December 31	\$ 21,872	\$ 29,581

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

This page intentionally left blank.

**NAPOLEON/HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU
HENRY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Napoleon/Henry County Chamber of Commerce Visitors Bureau, Henry County, (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 directed by a six-member Board of Directors.

The Napoleon/Henry County Chamber of Commerce and the City of Napoleon entered into an agreement to establish and operate a Convention and Visitors Bureau. The Bureau promotes and publicizes the City of Napoleon and its surrounding areas in order to bring the patronage and business of tourists to the area. The Bureau advertises cultural, educational, religious, professional, and sports organization of the surrounding business area.

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. Budgetary Process

1. Appropriations

Budgetary expenditures may not exceed appropriations at the fund function level of control, per the Chamber of Commerce's bylaws. The Board of Directors annually approves a budget which is submitted to the City of Napoleon's Council Members.

**NAPOLEON/HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU
HENRY COUNTY**

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

2. Estimated Resources

Estimated resources include estimates of cash to be received from lodging tax monies collected by the City of Napoleon.

A summary of 2003 and 2002 budgetary activity appears in Note 3.

D. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. EQUITY IN POOLED CASH

The Bureau maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2003	2002
Total Demand Deposits	<u>\$ 21,872</u>	<u>\$ 29,581</u>

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2003 and 2002 as follows:

2003 Budgeted vs. Actual Receipts		
Budgeted	Actual	
Receipts	Receipts	Variance
<u>\$ 30,173</u>	<u>\$33,622</u>	<u>\$ 3,449</u>

2003 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation	Budgetary	
Authority	Expenditures	Variance
<u>\$ 42,660</u>	<u>\$ 41,331</u>	<u>\$ 1,329</u>

**NAPOLEON/HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU
HENRY COUNTY**

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

2002 Budgeted vs. Actual Receipts

Budgeted Receipts	Actual Receipts	Variance
\$ 40,000	\$ 40,023	\$ 23

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Appropriation Authority	Budgetary Expenditures	Variance
\$ 49,142	\$ 49,165	\$ (23)

7. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.
- Errors and omissions.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

Napoleon/Henry County Chamber of Commerce Visitors Bureau
Henry County
611 North Perry Street
Napoleon, Ohio 43545-1701

To the Board of Directors:

We have audited the accompanying financial statements of Napoleon/Henry County Chamber of Commerce Visitors Bureau (the Bureau) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 2, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Bureau in a separate letter dated June 2, 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 June 2, 2004.

This report is intended solely for the information and use of management and the Board of Directors, 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

June 2, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

NAPOLEON HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU

HENRY 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
JUNE 29, 2004**