

**REYNOLDSBURG VISITORS AND
COMMUNITY ACTIVITIES BUREAU**

FINANCIAL STATEMENTS

Years ended December 31, 2003 and 2002



**Auditor of State
Betty Montgomery**

Board of Directors
Reynoldsburg Visitors & Community Activities Bureau
7374 E. Main St.
Reynoldsburg, OH 43065

We have reviewed the Independent Auditor's Report of the Reynoldsburg Visitors & Community Activities Bureau, Franklin County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2002 through December 31, 2003. 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 Reynoldsburg Visitors & Community Activities Bureau is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 31, 2004

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**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Reynoldsburg Visitors and Community Activities Bureau

We have audited the accompanying statement of financial position of Reynoldsburg Visitors and Community Activities Bureau (a not-for-profit organization) as of December 31, 2003 and 2002 and the related statements 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 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 standard 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, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reynoldsburg Visitors and Community Activities Bureau as of December 31, 2003 and 2002, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 21, 2004, on our consideration of Reynoldsburg Visitors and Community Activities Bureau's internal control structure 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.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
July 21, 2004

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2003 AND 2002**

	2003	2002
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 37,074	\$ 23,802
Bed Tax Receivable	8,361	7,781
Prepaid expenses	150	150
Total Current Assets	45,585	31,733
Furniture and Equipment - net	-	-
TOTAL ASSETS	\$ 45,585	\$ 31,733
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Payroll withholding payable	\$ 1,422	\$ 1,378
Unrestricted Net Assets	44,163	30,355
TOTAL LIABILITIES AND NET ASSETS	\$ 45,585	\$ 31,733

See notes to financial statements.

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
REVENUE AND SUPPORT		
Bed Tax	\$ 71,048	\$ 64,233
Donations	3,045	566
Fitness Challenge	15,730	15,293
Interest Income	72	40
Miscellaneous	34	10,000
TOTAL REVENUE AND SUPPORT	89,929	90,132
EXPENSES:		
Advertising	3,532	1,388
Bank Service Charges	82	72
Community Activities	15,259	10,794
COHC	840	597
Co-op Fees	-	1,500
Dues and subscriptions	2,118	1,460
Heartland Fees	388	580
Insurance	1,078	800
Meals and Entertainment	254	-
Miscellaneous	45	50
Office and Postage	3,741	4,280
Professional Fees	860	1,596
Rent	4,140	4,120
Salaries and Wages	38,155	36,688
Taxes	3,233	3,101
Telephone	1,885	2,028
Travel	-	101
Utilities	511	651
TOTAL EXPENSES	76,121	69,806
INCREASE IN NET ASSETS	13,808	20,326
NET ASSETS AT BEGINNING OF YEAR, restated	30,355	10,029
NET ASSETS AT END OF YEAR	\$ 44,163	\$ 30,355

See notes to financial statements.

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	2003	2002
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in Net Assets	\$ 13,808	\$ 20,326
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
(Increase) Decrease in:		
Bed Tax Receivable	(580)	(3,548)
Prepaid Expenses	-	50
Increase (Decrease) in:		
Payroll Withholding Payable	44	113
	13,272	16,941
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH AT BEGINNING OF YEAR	23,802	6,861
CASH AT END OF YEAR	\$ 37,074	\$ 23,802

See notes to financial statements.

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
FRANKLIN COUNTY**

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Reynoldsburg Visitors and Community Activities Bureau (“the Bureau”), a not-for-profit organization, was incorporated in 1989 to promote the economic development of the City of Reynoldsburg, Ohio on a local, state, and national level. Actively promoting the historical, cultural, recreational, and natural value and quality of the City; promoting travel, tourism, and convention activities; and creating a community calendar of events to achieve this purpose. The Bureau also assists in organizing and sponsoring community events in and around Reynoldsburg. The Bureau receives a majority of its revenue from the City of Reynoldsburg.

Basis of Accounting

These financial statements have been prepared utilizing the accrual method of accounting.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Accounts Receivable

This asset represents the amount of bed tax collected by the City of Reynoldsburg and payable to the Bureau as of the end of the year that have not yet been received by the Bureau.

Furniture and Equipment

These assets are recorded at cost. The Bureau follows the practice of capitalizing all expenditures for those assets with a cost of at least \$500 and a useful life of one year or greater. Depreciation is calculated by the straight-line method based on estimated useful lives of 5-7 years. Repairs and maintenance costs are charged to expense as incurred.

Donated Services and Supplies

No amounts have been recorded for donated services and supplies relating to the Fitness Challenge and other programs, since no objective basis is available to measure the value of such services and supplies.

Income Taxes

The Bureau is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code, and therefore has made no provisions for federal income taxes in the financial statements. In addition, the Bureau has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

**REYNOLDSBURG VISTIORS AND COMMUNITY ACTIVITIES BUREAU
FRANKLIN COUNTY**

NOTES TO FINANCIAL STATEMENTS

2. LEASE

The Bureau leases office space under an operating lease. Under this lease, the Bureau pays rent on a year to year basis. Total rent expense was \$4,140 and \$4,120 for the years ending December 31, 2003 and 2002, respectively.

3. CITY OF REYNOLDSBURG

The Bureau's 1997 contract with the City of Reynoldsburg provides for general operations support from the revenues of the City's hotel/motel tax.

4. PROGRAMS

The Bureau organizes, participates in, and/or sponsors many local events including: the community prayer breakfast, Fourth of July and Founders Day celebrations, Ohio State Fair, Mount Carmel Health Fitness Challenge, Tomato Festival, Community Tree Lighting, and Christmas on the Town.

5. CONCENTRATIONS

Bed tax was 79% and 71% in 2003 and 2002, respectively, of all revenues.

6. PROPERTY, PLANT, AND EQUIPMENT

These assets are recorded at cost and shown net of accumulated depreciation of \$800 as of December 31, 2003 and 2002, respectively.

7. CASH AND INVESTMENTS

The Bureau maintains a checking account at Bank One. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	\$27,074	\$23,802

8. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- * Comprehensive property and general liability

9. RESTATEMENT OF FUND BALANCE

The Bureau converted back to the accrual method of accounting requiring a restatement of net assets as of December 31, 2001. Previously reported net assets was \$6,861, which required a adjustment of \$3,168 to value net assets at December 31, 2001 at \$10,029.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

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

To the Board of Directors
Reynoldsburg Visitors and Community Activities Bureau

We have audited the statement of financial position of Reynoldsburg Visitors and Community Activities Bureau, a not-for-profit organization, as of and for the years ended December 31, 2003 and 2002 and the related statements of activities and cash flows, and have issued our report thereon dated July 21, 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 Reynoldsburg Visitors and Community Activities Bureau's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions 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*. We noted certain immaterial instances of noncompliance, which we have reported to the management of Reynoldsburg Visitors and Community Activities Bureau in a separate letter dated July 21, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Reynoldsburg Visitors and Community Activities 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 operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of Reynoldsburg Visitors and Community Activities Bureau in a separate letter dated July 21, 2004.

This report is intended for the information of the board of directors, management, and the Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
July 21, 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

REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU

FRANKLIN 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
SEPTEMBER 14, 2004**