



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

THE GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY

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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 (the Bureau) as of and for the years ended December 31, 2001 and 2000. 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 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, 2001 and 2000, 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 December 31, 2001 and 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. 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 audits.

The Greater Defiance Area Tourism and Visitors Bureau
Defiance County
Report of Independent Accountants
Page 2

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

Jim Petro
Auditor of State

April 9, 2002

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

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2001 AND 2000**

	Governmental Fund Types	
	2001	2000
Cash Receipts:		
Intergovernmental	\$72,580	\$83,210
Festival	314	482
Investment Income	1,822	2,458
Membership Dues	365	695
Souvenirs	2,770	877
Other Receipts	393	286
	78,244	88,008
Total Cash Receipts		
Cash Disbursements:		
Advertising	14,689	19,959
Festival	2,340	17,001
Postage	2,684	1,605
Building and Equipment Rental	4,323	4,829
Office Supplies	4,793	1,058
Insurance	428	928
Miscellaneous	5,624	10,847
Telephone	2,700	2,346
Souvenirs	362	112
State Audit		1,905
Professional Fees	1,909	314
Trust Fund Disbursements		
Salaries and Benefits	37,056	20,628
	76,908	81,532
Total Cash Disbursements		
Total Cash Receipts Over Cash Disbursements	1,336	6,476
Fund Cash Balances, January 1	58,491	52,015
Fund Cash Balances, December 31	\$59,827	\$58,491

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

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 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. Budgetary Process

The Bureau adopts an annual budget. The budget is prepared by the Treasurer and approved by the board. Budgets are approved for the individual revenue and expenditure line items of the Bureau.

A summary of 2001 and 2000 budgetary activity appears in Note 2.

E. 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.

F. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Bureau uses.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$84,100</u>	<u>\$78,244</u>	<u>(\$5,856)</u>

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$84,100</u>	<u>\$76,908</u>	<u>\$7,192</u>

2000 Budgeted vs. Actual Receipts			
<u>Fund Type</u>	<u>Budgeted Receipts</u>	<u>Actual Receipts</u>	<u>Variance</u>
General	<u>\$70,500</u>	<u>\$88,008</u>	<u>\$17,508</u>

2000 Budgeted vs. Actual Budgetary Basis Expenditures			
<u>Fund Type</u>	<u>Appropriation Authority</u>	<u>Budgetary Expenditures</u>	<u>Variance</u>
General	<u>\$70,500</u>	<u>\$81,532</u>	<u>(\$11,032)</u>

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Bureau invests in certificates of deposit. The carrying amount of cash and investments at December 31 was as follows:

	2001	2000
Demand deposits	\$29,219	\$36,875
Certificates of deposit	30,608	21,616
Total deposits	<u>\$59,827</u>	<u>\$58,491</u>

Deposits are insured by the Federal Depository Insurance Corporation.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. RETIREMENT SYSTEMS

The Bureau's employees contribute the required 6.2 percent of their gross wages to Social Security. The Bureau's liability is also 6.2 percent of gross salaries.

5. RISK MANAGEMENT

Commercial Insurance

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- 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 financial statements of The Greater Defiance Area Tourism and Visitors Bureau (the Bureau) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated April 9, 2002. 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.

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 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 9, 2002.

The Greater Defiance Area Tourism and Visitors Bureau
Defiance County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

April 9, 2002



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GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU

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 9, 2002**