



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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

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REPORT OF INDEPENDENT ACCOUNTANTS

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 the Napoleon/Henry County Chamber of Commerce Visitors Bureau (the Bureau) as of and for the period and year ended December 31, 2000 and 2001. 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 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 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, 2000 and 2001, and its cash receipts and disbursements for the period and year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2002 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.

Napoleon/Henry County Chamber of Commerce Visitors Bureau
Henry County
Report of Independent Accountants
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This report is intended solely for the information and use of the finance committee, management, 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.

Jim Petro
Auditor of State

March 25, 2002

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BALANCES
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>2001</u>
Cash Receipts:	
Interest	\$924
Lodging Tax	<u>36,228</u>
Total Cash Receipts	<u>37,152</u>
Cash Disbursements:	
Administrative	11,713
Advertising	4,720
Christmas Decorations	16,544
Professional Dues	775
Office Supplies	963
Office Systems Upgrade	273
Postage and Delivery	535
Promotions	827
Rent Expense	4,483
Marketing Supplies Expense	820
Telephone Expense	950
Travel Expense	60
Miscellaneous	<u>107</u>
Total Cash Disbursements	<u>42,769</u>
Total Disbursements Over Receipts	(5,618)
Cash Balances, January 1	<u>44,341</u>
Cash Balances, December 31	<u><u>\$38,723</u></u>

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

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BALANCES
FOR THE PERIOD ENDED DECEMBER 31, 2000**

	<u>2000</u>
Cash Receipts:	
Lodging Tax	<u>\$49,242</u>
Cash Disbursements:	
Administrative	8,680
Advertising	3,602
Christmas Decorations	3,603
Professional Dues	700
Office Supplies	619
Office Systems Upgrade	4,955
Postage and Delivery	780
Promotions	4,085
Rent Expense	4,000
Marketing Supplies Expense	1,817
Telephone Expense	750
Travel Expense	185
Miscellaneous	516
Audit Expense	<u>1,151</u>
Total Cash Disbursements	<u>35,442</u>
Total Receipts Over Disbursements	13,800
Cash Balances, December 1	<u>30,541</u>
Cash Balances, December 31	<u><u>\$44,341</u></u>

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Napoleon/Henry County Chamber of Commerce Visitors Bureau, (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 organizations of the surrounding business area.

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. 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.

D. Budgetary Process

The Bureau budgets its fund annually.

1. Appropriations

Budgetary expenditures may not exceed appropriations 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.

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 2001 and 2000 budgetary activity appears in Note 4.

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

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

2. EQUITY IN CASH

The carrying amount of cash at December 31 was as follows:

	2001	2000
Demand deposits	\$38,723	\$44,341

Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

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

4. BUDGETARY ACTIVITY

Budgetary activity for the years ending 2001 and 2000 follows:

2001 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$37,152	\$37,152	

2001 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$42,969	\$42,769	\$200

2000 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$49,242	\$49,242	

2000 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$35,442	\$35,442	



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**REPORT OF INDEPENDENT ACCOUNTANTS 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 the Napoleon/Henry County Chamber of Commerce Visitors Bureau (the Bureau) as of and for the period and year ended December 31, 2000 and 2001, and have issued our report thereon dated March 25, 2002. We conducted our audit 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 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 instance of noncompliance that is required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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.

Napoleon/Henry County Chamber of Commerce Visitors Bureau
Henry County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

Jim Petro
Auditor of State

March 25, 2002



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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
MAY 9, 2002**