

WESTERVILLE VISITOR'S AND CONVENTION BUREAU

REGULAR AUDIT

JANUARY 1, 1998 - DECEMBER 31, 1999

**FISCAL YEARS AUDITED UNDER GENERALLY ACCEPTED
GOVERNMENT AUDITING STANDARDS.
1998 - 1999**

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

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Board of Trustees
Westerville Visitor's and Convention Bureau
Westerville, Ohio

We have reviewed the Independent Auditor's Report of the Westerville Visitor's and Convention Bureau, Franklin County, prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 1998 through December 31, 1999. 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 Westerville Visitor's and Convention Bureau is responsible for compliance with these laws and regulations.



JIM PETRO
Auditor of State

June 26, 2000

WOLF, ROGERS, DICKEY & Co.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report

To the Board of Trustees of the
Westerville Visitor's and Convention Bureau
Westerville, Ohio

We have audited the accompanying statements of assets and fund balance – cash basis of the Westerville Visitor's and Convention Bureau as of and for the years ended December 31, 1998 and 1999 and the related statements of revenues, expenses and fund balance – cash basis for the years then ended. These financial statements are the responsibility of the Organization'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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statement of cash receipts and disbursements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, these financial statements have been prepared on the modified cash basis of accounting, 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 assets and fund balance – cash basis of Westerville Visitor's and Convention Bureau as of December 31, 1998 and 1999 and the changes in its fund balance – cash basis for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 11, 2000, on our consideration of the Westerville Visitor's and Convention 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 the management and board of trustees and is not intended to be and should not be used by anyone other than these specific parties.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

Delaware, Ohio
May 11, 2000

Westerville Visitor's and Convention Bureau
Statements of Assets and Fund Balance – Cash Basis
December 31, 1999 and 1998

Assets

	<u>1999</u>	<u>1998</u>
Cash	\$ 8,339	10,534
Office equipment and furnishings, net of accumulated depreciation of \$6,612 and \$5,028, respectively	<u>7,874</u>	<u>6,165</u>
	\$ <u>16,213</u>	<u>16,699</u>

Fund Balance

Fund balance	\$ <u>16,213</u>	<u>16,699</u>
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See accompanying notes to financial statements

Westerville Visitor's and Convention Bureau
Statements of Revenues, Expenses and Fund Balance – Cash Basis
For the Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Excise tax on lodging	\$ 92,634	88,674
Membership dues	2,565	1,830
Interest	220	751
Other	<u>415</u>	<u>157</u>
Total revenues	95,834	91,412
Expenses:		
Salaries	35,164	33,654
Marketing and promotions	30,646	25,760
Rent and utilities	6,601	4,476
Payroll taxes and health benefits	5,137	4,419
Office	4,598	6,178
Printing	3,502	3,592
Conferences, training and travel	3,177	2,855
Telephone	2,959	3,169
Depreciation	1,584	1,701
Dues and memberships	1,505	1,410
Professional fees	1,195	3,877
Other	<u>252</u>	<u>1,191</u>
Total expenses	96,320	92,282
Excess of expenses over revenue	(486)	(870)
Fund balance – beginning of year	<u>16,699</u>	<u>17,569</u>
Fund balance – end of year	\$ <u>16,213</u>	<u>16,699</u>

See accompanying notes to financial statements

Westerville Visitor's and Convention Bureau
Notes to Financial Statements
For the Years Ended December 31, 1999 and 1998

(1) Summary of Significant Accounting Policies

Organization

The Westerville Visitors and Convention Bureau (the Bureau) is a not-for-profit organization which promotes travel and tourism in the City of Westerville. The organization is funded by an excise tax on lodging of transient guests within the City of Westerville. The Bureau also receives annual dues from its member organizations.

Basis of Presentation

The financial statements are prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. Revenue is recognized when received and, except for fixed asset purchases, expenses are recognized when paid. Fixed assets are capitalized at cost and depreciated over the estimated useful lives on a straight-line basis.

Property and Equipment

Fixed assets having a cost in excess of \$200 and a useful life of more than one year, are capitalized at cost and depreciated over their estimated useful lives on the straight-line basis.

Income Taxes

The Bureau is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

(2) Leases

The Bureau shares office space with the Westerville Chamber of Commerce, under a lease agreement expiring December 1, 2003. The lease requires annual lease payments of \$3,276 plus a share of utilities.

(3) Excise Tax on Lodging

As required by the Ohio Revised Code, the Bureau receives a minimum of 25% of the 6% excise tax collected by the City of Westerville. The Bureau also receives an additional allocation of the excise tax at the discretion of the Westerville City Council. In 1999 and 1998, the Bureau received the following funds from the City:

	<u>1999</u>	<u>1998</u>
Minimum 25% share	\$ 30,261	31,046
Additional City allocation	<u>62,373</u>	<u>57,628</u>
	<u>\$ 92,634</u>	<u>88,674</u>

The excise tax collected for December 1999 was received by the Bureau in 2000 and is not reflected in the accompanying financial statements. The Bureau's minimum 25% share of this collection was \$1,983.

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Report 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 Trustees of the
Westerville Visitor's and Convention Bureau

We have audited the financial statements of the Westerville Visitor's and Convention Bureau (the Bureau) (a nonprofit organization) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 11, 2000. 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 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*.

Internal Control Over Financial Reporting

In planning 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.

This report is intended solely for the information and use of the management and board of trustees and is not intended to be and should not be used by anyone other than these specified parties.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

Delaware, Ohio
May 11, 2000



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OFFICE OF THE AUDITOR

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WESTERVILLE VISITOR'S AND CONVENTION 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.

By: *Susan Babbitt*

Date: JULY 13, 2000