



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU
AUGLAIZE COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Auglaize and Mercer Counties Convention and Visitors Bureau
Auglaize County
900 Edgewater Drive
St. Marys, OH 45885

To the Board of Trustees:

We have audited the accompanying financial statements of the Auglaize and Mercer Counties Convention 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 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 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 May 22, 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. 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 of the audit committee, management, 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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 22, 2002

**AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU
AUGLAIZE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	2001	2000
Cash Receipts:		
Lodging Tax	\$127,360	\$135,995
Membership Fees	8,750	8,555
Advertising	7,458	6,300
Special Functions	5,806	2,607
Donations	0	965
Miscellaneous	506	745
Total Cash Receipts	149,880	155,167
Cash Disbursements:		
Salaries and Wages	48,118	44,847
Benefits	6,709	6,422
Advertising and Promotion	61,645	43,622
Repairs and Maintenance	3,218	4,210
Publications and Memberships	1,602	2,756
Supplies	9,640	9,860
Contract Services	7,211	8,931
Special Functions Expense	4,492	3,753
Miscellaneous	648	711
Capital Outlay	1,347	1,960
Repayment of Loans	5,550	5,910
Interest Expense	8,539	9,029
Total Cash Disbursements	158,719	142,011
Total Receipts Over/(Under) Disbursements	(8,839)	13,156
Other Financing Receipts/(Disbursements):		
Interest Income	774	1,030
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(8,065)	14,186
Cash Balances, January 1	53,608	39,422
Cash Balances, December 31	\$45,543	\$53,608

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

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**AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Auglaize and Mercer Counties Convention and Visitors Bureau, (the Bureau), is organized in accordance with Chapter 1702 of the Ohio Revised Code.

The Bureau operates under a nineteen member board. There are seven appointees from Auglaize County, seven appointees from Mercer County, an Auglaize County Commissioner or designee, a Mercer County Commissioner or designee, and one representative from each of the following; the Celina/Mercer County Chamber of Commerce, the St. Marys Area Chamber of Commerce, and the Wapakoneta Area Chamber of Commerce. Each appointee serves for a term of three years.

The Bureau was established in 1992 and its purpose is to promote tourism and attract tourists and conventions to Auglaize and Mercer Counties. The Bureau is a joint venture between Auglaize and Mercer Counties.

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

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.

Certificates of deposit are valued at cost.

D. Budgetary Process

The Bureau prepares an annual budget. A summary of 2001 and 2000 budgetary activity appears in Note 3.

**AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU
AUGLAIZE COUNTY**

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

2. EQUITY IN CASH AND INVESTMENTS

The carrying amount of cash and investments at December 31 follows:

	<u>2,001</u>	<u>2,000</u>
Demand deposits	16,364	24,879
Certificates of deposit	29,179	28,729
Total deposits	<u>45,543</u>	<u>53,608</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

3. Budgetary Activity

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

2001 Budget vs. Actual Receipts

Budgeted Receipts	Actual Receipts	Variance
\$167,600	\$150,654	(\$16,946)

2001 Budget vs. Actual Expenditures

Budgeted Expenditures	Actual Expenditures	Variance
\$167,611	\$158,719	\$ 8,892

2000 Budget vs. Actual Receipts

Budgeted Receipts	Actual Receipts	Variance
\$147,500	\$156,197	\$8,697

2000 Budget vs. Actual Expenditures

Budgeted Expenditures	Actual Expenditures	Variance
\$147,500	\$142,011	\$ 5,489

4. DEBT

Debt outstanding at December 31, 2001 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Bank Loan - Van Purchase	\$8,170	8.75%
Bank Loan - Building Construction	94,595	8.00%
Total	<u>\$102,765</u>	

The van loan is payable over a period of five years at \$324 per month, and is collateralized by the purchased vehicle. The building loan was for the construction of a facility to house the Bureau, and is payable over a period of fifteen years at the rate of \$850 per month. This promissory note is collateralized by the revenue, and real and personal property of the Bureau.

**AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU
AUGLAIZE COUNTY**

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

4. DEBT (Continued)

Amortization of the above debt, including interest, is scheduled as follows:

	<u>Van Loan</u>	<u>Building Loan</u>
Year ending December 31:		
2002	\$3,884	\$10,205
2003	3,883	10,205
2004	1,295	10,205
2005		10,205
2006		10,205
2007 - 2014		70,280
Total	<u>\$9,062</u>	<u>\$121,305</u>

5. RISK MANAGEMENT

Commercial Insurance

The Auglaize and Mercer Counties Convention and Visitors Bureau has obtained commercial insurance for the following risks:

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

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130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
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Facsimile 937-285-6688
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND
ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Auglaize and Mercer Counties Convention and Visitors Bureau
Auglaize County
900 Edgewater Drive
St. Marys, OH 45885

To the Board of Trustees:

We have audited the accompanying financial statements of the Auglaize and Mercer Counties Convention and Visitors Bureau, (the Bureau), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated May 22, 2002. 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*.

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 May 22, 2002.

Auglaize and Mercer Counties Convention and Visitors Bureau
Auglaize County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
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This report is intended solely for the information and use of the audit committee, management and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end of the last name.

Jim Petro
Auditor of State

May 22, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU

AUGLAIZE 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 25, 2002**