



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

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 - 1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**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, Ohio 45885

To the Board of Trustees:

We have audited the accompanying financial statements of the Auglaize and Mercer Counties Convention and Visitors Bureau, Auglaize County, (the Bureau) as of and for the years ended December 31, 1999 and 1998. 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, 1999 and 1998, 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 11, 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.

This report is intended solely for the information and use of the 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".

**Jim Petro**  
Auditor of State

May 11, 2000

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
<b>Cash Receipts:</b>		
Lodging Tax	\$122,910	\$119,360
Membership	5,665	5,370
Visitors Guide	936	4,088
Special Functions	4,485	4,089
Miscellaneous	<u>1,813</u>	<u>0</u>
Total Cash Receipts	<u>135,809</u>	<u>132,907</u>
<b>Cash Disbursements:</b>		
Salaries and Wages	42,221	37,667
Benefits	6,137	4,794
Advertising and Promotion	56,700	45,104
Repairs and Maintenance	2,497	3,320
Publications	1,626	1,011
Supplies	7,546	6,337
Contract Services	8,430	11,034
Function Expense	3,710	5,076
Miscellaneous	2,321	2,266
Capital Outlay	132,807	680
Repayment of Loan Principal	2,256	0
Interest Expense	<u>2,884</u>	<u>0</u>
Total Cash Disbursements	<u>269,135</u>	<u>117,289</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(133,326)</u>	<u>15,618</u>
<b>Other Financing Receipts/(Disbursements):</b>		
Proceeds from Loans	116,483	0
Interest Income	1,234	313
Donations	<u>2,125</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>119,842</u>	<u>313</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(13,484)	15,931
Cash Balance, January 1	<u>52,906</u>	<u>36,975</u>
<b>Cash Balance, December 31</b>	<u><b>\$39,422</b></u>	<u><b>\$52,906</b></u>

*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, 1999 AND 1998**

**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 promote tourism and attract tourists and conventions to Auglaize and Mercer Counties. The Bureau is 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**

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. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

**D. Budgetary Process**

The Bureau prepares an annual budget. A summary of 1999 and 1998 budgetary activity appears in Note 3.

**2. CASH AND INVESTMENTS**

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

	<u>1999</u>	<u>1998</u>
Demand deposits	\$36,241	\$40,406
Certificates of deposit	3,181	12,500
	<u>\$39,422</u>	<u>\$52,906</u>
Total deposits	<u>\$39,422</u>	<u>\$52,906</u>

**AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU**  
**AUGLAIZE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**2. CASH AND INVESTMENTS (Continued)**

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation. At December 31, 1999, the carrying amount of the Bureau's deposits were \$39,422 and the bank balance was \$39,718. At December 31, 1998, the carrying amount of the Bureau's deposits were \$52,906 and the bank balance was \$54,134.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$143,200	\$139,168	(\$4,032)

1999 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$143,200	\$134,047	\$9,153

1998 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$103,500	\$133,220	\$29,720

1998 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$113,500	\$116,894	(\$3,394)

**4. DEBT**

Debt outstanding at December 31, 1999, was as follows:

	Principal	Interest Rate
Bank Loan - Van Purchase	\$13,964	8.75%
Bank Loan - Building Construction	100,284	8.00%
Total	\$114,248	

**AUGLAIZE AND MERCER COUNTIES CONVENTION AND VISITORS BUREAU**  
**AUGLAIZE COUNTY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**  
**(Continued)**

**4. DEBT (Continued)**

The van loan is payable over a period of five years at \$324 per month. The building loan, was for the construction of a facility to house the Bureau. This loan, which is amortized over a period of twenty years, is payable over a period of fifteen years at \$843 per month, with a balloon payment due on September 19, 2014. Both loans are collateralized by the property purchased with the note.

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

Year ending December 31:	Van Bank Loan	Building Bank Loan	Total
2000	\$3,884	\$10,118	\$14,002
2001	3,883	10,117	14,000
2002	3,884	10,118	14,002
2003	3,883	10,117	14,000
2004	1,295	10,118	11,413
Subsequent	<u>0</u>	<u>149,236</u>	<u>149,236</u>
Total	16,829	199,824	216,653
Less Interest	<u>2,865</u>	<u>99,540</u>	<u>102,405</u>
Principal	<u>\$ 13,964</u>	<u>\$ 100,284</u>	<u>\$ 114,248</u>

**5. RISK MANAGEMENT**

The Bureau is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During 1999, they contracted with several companies for various types of insurance as follows:

Company	Type of Coverage	Maximum	Deductible
Erie Insurance Exchange	Ultrapack Policy:		
	Bodily Injury Liability (Each Occurrence)	\$1,000,000	None
	Property Damage Liability (Aggregate)	2,000,000	
	Personal Injury Liability		
	Advertising Injury Liability		
	Medical Payments (Each Person)	5,000	None
	Property Protection, including contents	\$141,500	\$200
Erie Insurance Company	Employee Dishonesty Coverage	\$15,000	
	Commercial Auto Policy:		
	Liability Protection	1,000,000	None
	Medical Payments	5,000	None
	Uninsured/Underinsured Motorists	1,000,000	None
	Comprehensive Collision		50 250

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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 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, Auglaize County, (the Bureau), 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'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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated May 11, 2000.

This report is intended for the information and use of management and the 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.

**Jim Petro**  
Auditor of State

May 11, 2000



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 20, 2000**