

PICKAWAY COUNTY VISITORS BUREAU

STATEMENTS OF FINANCIAL POSITION

* * * * *

December 31, 1999 and 1998



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Board of Trustees
Pickaway County Visitors Bureau
Circleville , Ohio

We have reviewed the Independent Auditor's Report of the Pickaway County Visitors Bureau, Pickaway County, prepared by Harr & Scherer, CPAs, Inc., for the audit period January 1, 1998 to 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 Pickaway County Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

July 31, 2000

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Harr & Scherer, CPAs, Inc.

To the Board of Trustees
Pickaway County Visitors Bureau
Circleville, Ohio

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statements of financial position of Pickaway County Visitors Bureau (a division of Circleville-Pickaway Chamber of Commerce, a non-profit organization) as of December 31, 1999 and 1998 and the related statements of activities and changes in net assets and cash flows 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 audits.

We conducted our audits 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pickaway County Visitors Bureau as of December 31, 1999 and 1998 and the results of its activities and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated June 29, 2000 on our consideration of the Pickaway County Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Circleville, Ohio
June 29, 2000

Harr & Scherer, CPAs

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PICKAWAY COUNTY VISITORS BUREAU

STATEMENTS OF FINANCIAL POSITION

December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 47,834	\$ 43,062
Investments	37,000	37,000
Accounts receivable	4,580	5,500
TOTAL CURRENT ASSETS	<u>89,414</u>	<u>85,562</u>
PROPERTY AND EQUIPMENT		
Office equipment	4,578	2,125
Less accumulated depreciation	<u>(1,732)</u>	<u>(1,062)</u>
NET PROPERTY AND EQUIPMENT	<u>2,846</u>	<u>1,063</u>
TOTAL ASSETS	<u>\$ 92,260</u>	<u>\$ 86,625</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accrued Liabilities	\$ 0	\$ 0
NET ASSETS	<u>92,260</u>	<u>86,625</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 92,260</u>	<u>\$ 86,625</u>

The accompanying notes are an integral part of these financial statements.

PICKAWAY COUNTY VISITORS BUREAU

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Years Ended December 31, 1999 and 1998

	1999	1998
Revenue:		
Lodging excise tax	\$ 68,371	\$ 70,315
Interest income	2,979	3,054
Other	120	1,576
TOTAL REVENUE	71,470	74,945
Expenses:		
Salaries and wages	23,249	21,241
Employment taxes	1,779	1,693
Travel	2,335	3,304
Advertising	19,790	17,459
Marketing	3,544	13,466
Postage	1,117	747
Professional development	662	778
Professional services	775	1,582
Administrative support	5,100	5,100
Copier	500	500
Dues	1,114	1,100
Rent	1,500	1,500
Telephone	1,932	1,923
Depreciation	670	425
Office supplies	1,350	1,291
Miscellaneous	418	326
TOTAL EXPENSES	65,835	72,435
INCREASE IN NET ASSETS	5,635	2,510
Net assets, beginning of year	86,625	84,115
Net assets, end of year	\$ 92,260	\$ 86,625

The accompanying notes are an integral part of these financial statements

PICKAWAY COUNTY VISITORS BUREAU

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 5,635	\$ 2,510
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	670	425
Changes in assets and liabilities:		
Accounts receivable	920	(1,604)
Accounts payable	0	(1,130)
Total adjustments	<u>1,590</u>	<u>(2,309)</u>
Net cash provided by operating activities	<u>7,225</u>	<u>201</u>
 CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of equipment	<u>(2,453)</u>	<u>0</u>
 CASH FLOW FROM FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
 Net increase in cash and cash equivalents	4,772	201
Cash and cash equivalents at beginning of year	<u>43,062</u>	<u>42,861</u>
Cash and cash equivalents at end of year	<u>\$ 47,834</u>	<u>\$ 43,062</u>

The accompanying notes are an integral part of these financial statements.

PICKAWAY COUNTY VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS

December 31, 1999 and 1998

NATURE OF ACTIVITY

Pickaway County Visitors Bureau (the Bureau) is a component unit of the Circleville-Pickaway County Chamber of Commerce (the Chamber), a not-for-profit organization. The Bureau was formed to promote and foster tourism, meetings and conventions, within Pickaway County in south central Ohio.

The Bureau is governed by a committee consisting of members of the Chamber, hotel/motel, retail and restaurant industries. The Chamber also provides administrative support, various supplies, occupancy, etc. to the Bureau for which the Bureau reimburses the Chamber. The Bureau paid the Chamber \$7,100 in 1999 and \$7,151 in 1998 for services and supplies.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pickaway County Visitors Bureau presents its financial statements in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under SFAS No. 117, the Bureau is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a Statement of Cash Flows. Since the Bureau's scope of operations is narrow, it only has one class of net assets (unrestricted).

Cash and Cash Equivalents – Short-term, highly liquid debt instruments that are readily convertible to known amounts of cash and have original maturities of three months or less are considered to be cash equivalents. All cash and cash equivalents were fully insured under the FDIC.

Accounts Receivable – Accounts receivable represent taxes due at December 31, 1999 and 1998 from various government entities but not collected until 1999 and 2000, respectively. The Bureau considers the accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Income Taxes – As noted previously, the Bureau is a component unit of the Circleville-Pickaway Chamber of Commerce which is exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. Thus, no provision or accrual for income taxes is included in these financial statements.

Revenue – Revenue is recorded when earned. The primary source of revenue is derived from a contractual agreement between Monroe Township, Circleville Township, Pickaway Township, the City of Circleville and the Chamber of Commerce. According to the agreement, the Chamber is the designated agency to receive the 3% lodging excise tax collected by the townships and the city. Of this 3%, the Bureau receives 1.5%.

Use of Estimates – The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

PICKAWAY COUNTY VISITORS BUREAU

NOTES TO FINANCIAL STATEMENTS - Continued

December 31, 1999 and 1998

INVESTMENTS

Investments as of December 31, 1999 and 1998 consist of certificates of deposit and are recorded in the financial statements at cost, which does not vary significantly from market value. Since the certificates of deposit were redeemed at cost on the maturity date, they are recorded at cost rather than at market value. These certificates of deposit were fully insured by the FDIC. None of the financial instruments are held for trading purposes. They include the following as of December 31, 1999 and 1998:

	<u>1999</u>	
<u>Description</u>	<u>Cost</u>	<u>Market Value</u>
Provident Bank 5.05%, April 28, 1999, matures on April 28, 2000	\$ 19,000	\$ 18,962
First Federal Savings Bank 5.9%, November 3, 1999, matures on May 3, 2000	<u>18,000</u>	<u>17,980</u>
Total	<u>\$ 37,000</u>	<u>\$ 36,942</u>

	<u>1998</u>	
<u>Description</u>	<u>Cost</u>	<u>Market Value</u>
Oriental Bank & Trust 5.4%, April 15, 1998, matures on April 15, 1999	\$ 19,000	\$ 18,994
Western Bank 5.1%, October 8, 1998, matures on October 8, 1999	<u>18,000</u>	<u>17,948</u>
Total	<u>\$ 37,000</u>	<u>\$ 36,942</u>

Harr & Scherer, CPAs, Inc.

To the Board of Trustees
Pickaway County Visitors Bureau
Circleville, Ohio

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

We have audited the financial statements of Pickaway County Visitors Bureau (a division of Circleville-Pickaway Chamber of Commerce, a non-profit organization), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 29, 2000. We conducted our audits 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 Pickaway County Visitors 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 Pickaway County Visitors 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 for the information of the Board of Trustees and management and is not intended to be and should not be used by anyone other than these specified parties.

Circleville, Ohio
June 29, 2000

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PICKAWAY COUNTY VISITORS BUREAU

PICKAWAY 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
SEPTEMBER 19, 2000**