THE GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU DEFIANCE COUNTY

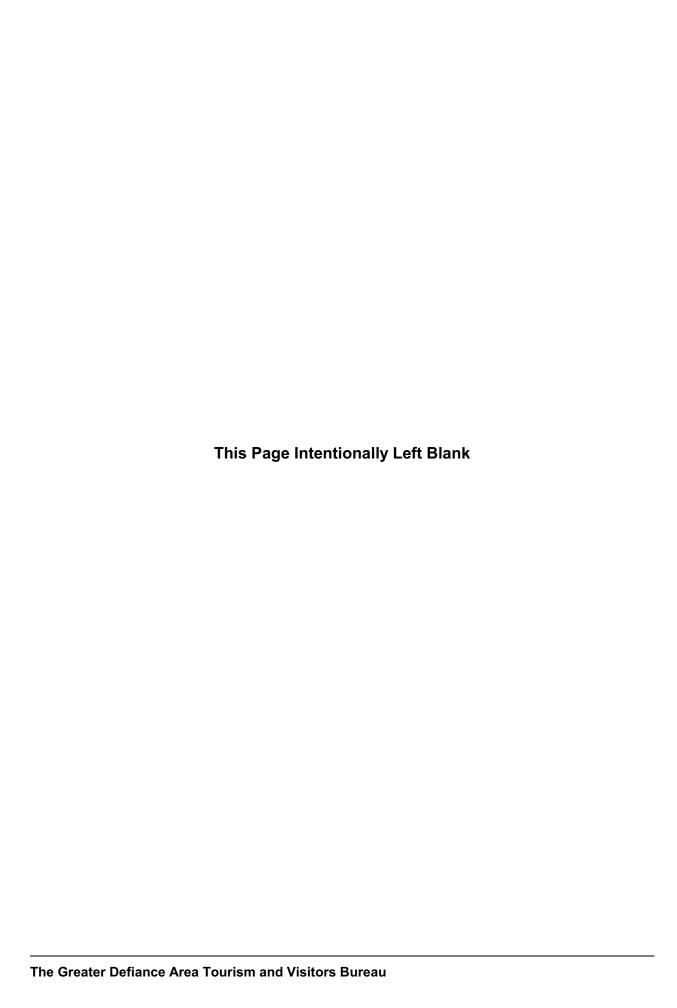
REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



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REPORT OF INDEPENDENT ACCOUNTANTS

The Greater Defiance Area Tourism and Visitors Bureau Defiance County 415 Second Street Defiance, Ohio 43512

To the Board of Trustees:

We have audited the accompanying financial statements of The Greater Defiance Area Tourism and Visitors Bureau, Defiance County, Ohio, (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 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 audits 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 audits 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, 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 April 26, 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.

The Greater Defiance Area Tourism and Visitors Bureau Defiance County Report of Independent Accountants Page 2

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

Jim Petro Auditor of State

April 26, 2000

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

	1999	1998
Cash Receipts:		
Intergovernmental	\$69,674	\$68,165
Festival	10,206	9,326
Interest	357	1,067
Membership Dues	835	400
Souvenirs	1,403	3,288
Miscellaneous	979	1,303
Total Cash Receipts	83,454	83,549
Cash Disbursements:		
Advertising	15,549	16,716
Festival	20,243	16,657
Memberships and Dues	2,215	985
Building and Equipment Rental	4,187	4,127
Office Supplies	3,093	5,665
Insurance	928	406
Miscellaneous	3,245	5,475
Telephone	2,297	1,798
Souvenirs	2,267	1,913
State Audit		1,498
Support	7,902	
Salaries and Benefits	14,393	22,701
Total Cash Disbursements	76,319	77,941
Total Cash Receipts Over Cash Disbursements	7,135	5,608
Cash Balances, January 1	44,880	39,272
Cash Balances, December 31	\$52,015	\$44,880

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

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NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1999 AND 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Greater Defiance Area Tourism and Visitors Bureau, Defiance County, (the Bureau) is a non-profit corporation established as an independent entity by the Defiance City Council in 1986. The purpose of the Bureau is to promote the tourism industry in the greater Defiance area and to inform the general public of interesting people, places, and events in the greater Defiance area so as to promote the greater Defiance tourism industry. The Bureau is directed by a voluntarily appointed ten-member Board.

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

D. 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.

E. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation leave in certain circumstances, such as upon leaving employment. Unpaid vacation leave is not reflected as a liability under the basis of accounting used by the Bureau.

2. EQUITY IN CASH

The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1999 AND 1998 (Continued)

2. EQUITY IN CASH (Continued)

	<u>1999</u>	<u>1998</u>
Demand deposits Certificates of deposit	\$32,332 19,683	\$30,197 14,683
Total deposits	\$52,015	\$44,880

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

The Bureau annually budgets receipts and expenditures even though this is not statutorily required. Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts				
	Budgeted	Actual	_	
	Receipts	Receipts	Variance	
	\$80,000	\$83,454	\$3,454	
199	99 Rudgeted vs. <i>A</i>	Actual Budgetary I	Basis Expenditures	
100	Appropriation	Budgetary	Basis Experiantics	
	Authority	Expenditures	Variance	
	\$80,000	\$76,319	\$3,681	
	_			
_	1998 Bud	geted vs. Actual F	Receipts	
	Budgeted	Actual		
	Receipts	Receipts	Variance	
	\$72,875	\$83,549	\$10,674	
1998 Budgeted vs. Actual Budgetary Basis Expenditures				
	Appropriation	Budgetary		
	Authority	Expenditures	Variance	
	\$72,875	\$77,941	(\$5,066)	

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1999 AND 1998 (Continued)

4. RETIREMENT SYSTEMS

The Bureau's employee contributes the required 6.2 percent of her gross wages to Social Security. The Bureau's liability is also 6.2 percent of gross salaries.

5. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Employee Dishonesty

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REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS

The Greater Defiance Area Tourism and Visitors Bureau Defiance County 415 Second Street Defiance, Ohio 43512

To the Board of Trustees:

We have audited the accompanying financial statements of The Greater Defiance Area Tourism and Visitors Bureau, Defiance County, Ohio, (the Bureau) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 26, 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 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 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 instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

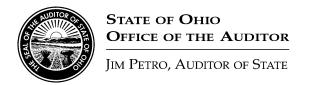
In planning and performing our audits, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. 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 April 26, 2000.

The Greater Defiance Area Tourism and Visitors Bureau Defiance 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 management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro Auditor of State

April 26, 2000



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THE GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU, INC. DEFIANCE 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.

CLERK OF THE BUREAU

Susan Babbitt

CERTIFIED MAY 23, 2000