

**REYNOLDSBURG VISITORS AND
COMMUNITY ACTIVITIES BUREAU**

FINANCIAL STATEMENTS

Years ended December 31, 2001 and 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Directors
Reynoldsburg Visitors & Community Activities Bureau
Reynoldsburg, OH 43068

We have reviewed the Independent Auditor's Report of the Reynoldsburg Visitors & Community Activities Bureau, Franklin County, prepared by Wolfe, Wilson, & Phillips, Inc., for the audit period January 1, 2000 through December 31, 2001. 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 Reynoldsburg Visitors & Community Activities 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 11, 2002

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WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Reynoldsburg Visitors and Community Activities Bureau

We have audited the accompanying financial statements of Reynoldsburg Visitors and Community Activities Bureau (a not-for-profit organization) 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 standard 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, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.

As described in Note 1, Reynoldsburg Visitors and Community Activities Bureau prepares its financial statements on the cash basis, which is a comprehensive basis of accounting prescribed or permitted by the Auditor of State, other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements of Reynoldsburg Visitors and Community Activities Bureau as of December 31, 2001 and 2000, and 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 June 18, 2002, on our consideration of Reynoldsburg Visitors and Community Activities Bureau's internal control structure 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 officials authorized to receive this report under Section 117.26, Ohio Revised Code and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 18, 2002

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN
FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
YEARS ENDED DECEMBER 31, 2001 AND 2000**

<u>Revenue and Support</u>	<u>2001</u>	<u>2000</u>
Bed Tax	\$39,885.92	\$34,263.67
Donations	0.00	390.00
Fitness challenge	6,394.04	4,905.38
Fourth of July	235.12	861.87
Interest income	92.26	169.74
Miscellaneous	<u>1,400.26</u>	<u>7,500.00</u>
	48,007.60	48,090.66
 <u>Expenses</u>		
Advertising	1,297.44	3,830.58
Bank service charges	105.47	4.80
Community activities	1,633.13	418.90
Continuing education	50.00	0.00
Dues and subscriptions	4,090.80	2,164.34
Insurance	330.00	550.00
Meals and entertainment	405.60	470.31
Miscellaneous	42.02	117.98
Office supplies and postage	2,442.98	1,613.51
Professional fees	759.00	1,295.48
Rent	3,890.00	3,750.00
Salaries and wages	34,850.09	32,959.92
Taxes	2,793.67	3,021.89
Telephone	2,293.21	2,106.13
Travel	1,161.20	971.14
Utilities	<u>585.15</u>	<u>730.25</u>
	56,729.76	54,005.23
 DECREASE IN CASH BALANCE	 (8,722.16)	 (5,914.57)
 CASH BALANCE AT BEGINNING OF YEAR, RESTATED	 <u>15,582.81</u>	 <u>21,497.38</u>
 CASH BALANCE AT END OF YEAR	 <u>\$6,860.65</u>	 <u>\$15,582.81</u>

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity

The Reynoldsburg Visitors and Community Activities Bureau (“the Bureau”), a not-for-profit organization, was incorporated in 1989 to promote the economic development of the City of Reynoldsburg, Ohio on a local, state, and national level. Actively promoting the historical, cultural, recreational, and natural value and quality of the City; promoting travel, tourism, and convention activities; and creating a community calendar of events to achieve this purpose. The Bureau also assists in organizing and sponsoring community events in and around Reynoldsburg. The Bureau receives a majority of its revenue from the City of Reynoldsburg.

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.

Fund Accounting

The Bureau uses fund accounting to segregate cash that is restricted as to use. The Bureau classifies its fund into the following type:

General Fund

The General Fund is the general operating fund. It’s used to account for all financial resources except those required by law or contract to be restricted.

Donated Services and Supplies

No amounts have been recorded for donated services and supplies relating to the Fitness Challenge and other programs, since no objective basis is available to measure the value of such services and supplies.

Income Taxes

The Bureau is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code, and therefore has made no provisions for federal income taxes in the financial statements. In addition, the Bureau has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS**

2. LEASE

The Bureau leases office space under an operating lease. Under this lease, the Bureau pays rent on a year to year basis. Total rent expense was \$3,890.00 and \$3,750.00 for the years ending December 31, 2001 and 2000, respectively.

3. CITY OF REYNOLDSBURG

The Bureau's 1997 contract with the City of Reynoldsburg provides for general operations support from the revenues of the City's hotel/motel tax.

4. PROGRAMS

The Bureau organizes, participates in, and/or sponsors many local events including: the community prayer breakfast, Fourth of July and Founders Day celebrations, Ohio State Fair, Mount Carmel Health Fitness Challenge, Tomato Festival, Community Tree Lighting, and Christmas on the Town.

5. CONCENTRATIONS

Bed tax was 83.08% and 71.25% in 2001 and 2000, respectively, of all receipts.

6. 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.

7. CASH AND INVESTMENTS

The Bureau maintains a checking account at Bank One. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$6,860.65	\$15,582.81

8. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- * Comprehensive property and general liability

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU
FRANKLIN COUNTY
NOTES TO FINANCIAL STATEMENTS**

9. RESTATEMENT OF FUND BALANCE

Prior reports were completed on the GAAP basis, while the Auditor of State's Request for Proposal stated that the cash basis should be followed. The result of this changed Fund Balance as of 1/1/2000 from \$24,651.45 to \$21,497.38.

**WOLFE, WILSON, & PHILLIPS, INC.
37 SOUTH SEVENTH STREET
ZANESVILLE, OHIO 43701**

**REPORT OF INDEPENDENT ACCOUNTANTS 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 Directors
Reynoldsburg Visitors and Community Activities Bureau

We have audited the financial statements of Reynoldsburg Visitors and Community Activities Bureau, a not-for-profit organization, as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 18, 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 Reynoldsburg Visitors and Community Activities Bureau's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions 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*. We noted certain immaterial instances of noncompliance, which we have reported to the management of Reynoldsburg Visitors and Community Activities Bureau in a separate letter dated June 18, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Reynoldsburg Visitors and Community Activities 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 operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of Reynoldsburg Visitors and Community Activities Bureau in a separate letter dated June 18, 2002.

This report is intended for the information of the board of directors, management, and the Auditor of State, and is not intended to be and should not be used by anyone other than these specified parties.

Wolfe, Wilson, & Phillips, Inc.
Zanesville, Ohio
June 18, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES 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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 6, 2002**