

**WESTERVILLE VISITORS AND CONVENTION BUREAU**

REGULAR AUDIT

JANUARY 1, 2000 – DECEMBER 31, 2001

**WOLF, ROGERS, DICKEY & CO.**  
*Certified Public Accountants*





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Board of Trustees of the  
Westerville Visitors and Convention Bureau  
Westerville, Ohio

We have reviewed the Independent Auditor's Report of the Westerville Visitors and Convention Bureau, Franklin County, prepared by Wolf, Rogers, Dickey & Co., 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 Westerville Visitors and Convention 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

August 20, 2002

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Independent Auditors' Report

To the Board of Trustees of the  
Westerville Visitors and Convention Bureau  
Westerville, Ohio

We have audited the accompanying financial statements of the Westerville Visitors and Convention Bureau as of and for the years ended December 31, 2001 and 2000. 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 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 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 described in Note 1, the Organization 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 fund cash balances of Westerville Visitors and Convention 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 issued our report dated June 13, 2002, on our consideration of the Westerville Visitors and Convention 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 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.

  
Certified Public Accountants

Delaware, Ohio  
June 13, 2002

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**Westerville Visitors and Convention Bureau**  
**Statements of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances**  
**For the Years Ended December 31, 2001 and 2000**

	<u>2001</u>	<u>2000</u>
Cash receipts:		
Excise tax on lodging	\$ 95,722	98,517
Membership dues	3,967	4,101
Interest	134	188
Other	<u>142</u>	<u>333</u>
Total cash receipts	99,965	103,139
Cash disbursements:		
Salaries	42,233	37,425
Marketing and promotions	26,946	30,321
Office	6,826	4,310
Rent and utilities	5,427	7,548
Payroll taxes and health benefits	5,235	7,497
Printing	4,076	2,532
Telephone	2,636	3,024
Professional fees	2,498	4,035
Conferences, training and travel	2,109	1,981
Dues and memberships	250	1,675
Other	<u>250</u>	<u>250</u>
Total cash disbursements	<u>98,486</u>	<u>100,598</u>
Total receipts over disbursements	1,479	2,541
Fund cash balances – beginning of year	<u>10,879</u>	<u>8,338</u>
Fund cash balances – end of year	\$ <u>12,358</u>	<u>10,879</u>

See accompanying notes to financial statements

**Westerville Visitors and Convention Bureau  
Notes to Financial Statements  
For the Years Ended December 31, 2001 and 2000**

(1) Summary of Significant Accounting Policies

Organization

The Westerville Visitors and Convention Bureau (the Bureau) is a not-for-profit organization which promotes travel and tourism in the City of Westerville. The organization is funded by an excise tax on lodging of transient guests within the City of Westerville. The Bureau also receives annual dues from its member organizations. The Bureau is directed by a seven member Board of Trustees appointed by the Council of the City of Westerville, Westerville Chamber of Commerce, Otterbein College and the local lodging establishments.

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.

Cash Deposits

The Bureau maintains its cash balances in a demand deposit account at a local commercial bank and maintains a \$100 petty cash fund. There were no investments in 2001 or 2000.

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

Income Taxes

The Bureau is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

(2) Leases

The Bureau shares office space with the Westerville Chamber of Commerce, under a lease agreement expiring December 1, 2003. The lease requires annual lease payments of \$3,276 plus a share of utilities.

The Bureau also leases office equipment pursuant to an operating lease that expires in April 2006. Terms of the lease require semi-annual payments of \$852.

(3) Excise Tax on Lodging

As required by the Ohio Revised Code, the Bureau receives a minimum of 25% of the 6% excise tax collected by the City of Westerville. The Bureau also receives an additional allocation of the excise tax at the discretion of the Westerville City Council. In 2001 and 2000, the Bureau received the following funds from the City:

**Westerville Visitors and Convention Bureau**  
**Notes to Financial Statements**  
**For the Years Ended December 31, 2001 and 2000**

(3) Excise Tax on Lodging – continued

	<u>2001</u>	<u>2000</u>
Minimum 25% share	\$ 25,226	28,437
Additional City allocation	<u>70,496</u>	<u>70,080</u>
	\$ <u>95,722</u>	<u>98,517</u>

(4) Concentrations

The Bureau receives substantial revenue from the lodging excise tax levied by the City of Westerville. A reduction of that tax, or the City of Westerville's discretionary allocation could have a significant impact on the operations of the Bureau.

Report 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 Trustees of the  
Westerville Visitors and Convention Bureau

We have audited the financial statements of the Westerville Visitors and Convention Bureau (the Bureau) (a nonprofit organization) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated June 13, 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 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 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 in a separate letter dated June 13, 2002.

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

  
Certified Public Accountants

Delaware, Ohio  
June 13, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**WESTERVILLE VISITORS AND CONVENTION 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  
SEPTEMBER 3, 2002**