



**GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2007



Mary Taylor, CPA
Auditor of State

**GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY**

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Mary Taylor, CPA Auditor of State

Greater Defiance Area
Tourism and Visitors Bureau
Defiance County
1330 Pinehurst Drive
Defiance, Ohio 43512-8669

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 23, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Greater Defiance Area
Tourism and Visitors Bureau
Defiance County
1330 Pinehurst Drive
Defiance, Ohio 43512-8669

To the Board of Trustees:

We have audited the accompanying financial statements of the Greater Defiance Area Tourism and Visitors Bureau, Defiance County, (the Bureau) as of and for the years ended December 31, 2007 and 2006. 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 standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Bureau has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the fund the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Bureau's larger (i.e. major) funds separately. While the Bureau does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require bureaus to reformat their statements. The Bureau has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

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In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Bureau as of December 31, 2007 and 2006, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Greater Defiance Area Tourism and Visitors Bureau, Defiance County, as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The Bureau has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

April 23, 2008

**GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Cash Receipts:		
Intergovernmental		\$64,327
Investment Income	\$841	1,526
Membership Dues		309
Souvenirs		4,376
Other Receipts	2,277	1,073
 Total Cash Receipts	 3,118	 71,611
Cash Disbursements:		
Current Disbursements:		
Advertising		3,961
Event Expenses		3,971
Professional Services	6,415	5,308
Final Distribution Expense	35,848	
Insurance		807
Miscellaneous Expense	3,012	5,294
Office Supplies	191	1,528
Postage	16	1,479
Rental Expense	1,553	7,432
Salaries and Benefits	707	43,036
Advertising Refund	3,086	
Travel Expense		587
Telephone	179	2,202
 Total Cash Disbursements	 51,007	 75,605
 Total Cash Disbursements Over Cash Receipts	 (47,889)	 (3,994)
 Fund Cash Balances, January 1	 \$47,889	 51,883
 Fund Cash Balances, December 31	 \$47,889	 \$47,889

**GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

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 to promote the greater Defiance tourism industry. The Bureau is directed by a voluntarily appointed ten-member Board.

The Bureau's management believes this financial statement presents 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

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.

Certificates of deposit are valued at cost.

D. Fund Accounting

The Bureau uses only one fund classification, a General Fund. The General Fund is the general operating fund. It is used to account for all financial resources.

E. Budgetary Process

The Bureau adopts an annual budget. The budget is prepared by the Director and approved by the Board. Budgets are approved for the individual revenue and expenditure line items of the Bureau.

A summary of 2006 budgetary activity appears in Note 3. The Bureau did not pass a budget in 2007.

F. 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.

**GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Bureau's basis of accounting.

2. CASH

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

	2007	2006
Demand deposits		\$15,432
Certificates of deposit		32,457
Total fund balance		\$47,889

Deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ending December 31, 2006 follows:

2006 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$90,250	\$71,611	(\$18,639)

2006 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$90,250	\$75,605	\$14,645

4. RETIREMENT SYSTEM

The Bureau's employees contribute the required 6.2 percent of their gross wages to Social Security. The Bureau's liability is also 6.2 percent of gross salaries

**GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability; and
- Employee Dishonesty

6. TOURISM BUREAU CLOSURE

The closure of the Bureau on December 31, 2007, was approved by the Defiance County Common Pleas Court. The remaining fund balance of \$35,848 was remitted to the City of Defiance on December 21, 2007. All bank accounts of the Bureau were subsequently closed.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Greater Defiance Area
Tourism and Visitors Bureau
Defiance County
1330 Pinehurst Drive
Defiance, Ohio 43512-8669

To the Board of Trustees:

We have audited the financial statements of the Greater Defiance Area Tourism and Visitors Bureau, Defiance County, (the Bureau) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 23, 2008, wherein we noted the Bureau followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Bureau's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Bureau's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note a certain noncompliance matter that we reported to the Bureau's management in a separate letter dated April 23, 2008.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 23, 2008

**GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU
DEFIANCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Finding for recovery for using public monies to purchase alcohol	Yes	Corrected
2005-002	Material Weakness for not performing monthly reconciliations	N/A	Finding No Longer Valid
2005-003	Material Weakness for the lack of monitoring control by the Board	N/A	Finding No Longer Valid



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GREATER DEFIANCE AREA TOURISM AND VISITORS BUREAU

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.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 13, 2008**