

Westerville Visitors and Convention Bureau

Franklin County, Ohio

Regular Audit

January 1, 2006 through December 31, 2007

Years Audited Under GAGAS: 2007 and 2006

BALESTRA, HARR & SCHERER, CPAs, INC.

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Mary Taylor, CPA
Auditor of State

Board of Trustees
Westerville Visitors and Convention Bureau
20 West Main Street
Westerville, Ohio 43081

We have reviewed the *Independent Auditor's Report* of the Westerville Visitors and Convention Bureau, Franklin County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2006 through December 31, 2007. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 20, 2008

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Independent Auditor's Report

Board of Trustees
Westerville Visitors and Convention Bureau
20 West Main Street
Westerville, Ohio 43081


We have audited the accompanying financial statements of the Westerville Visitors and Convention Bureau (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 *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.

As described in Note 1, the Bureau prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Bureau as of December 31, 2007 and 2006, and the change in financial position 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 August 22, 2008, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.
August 22, 2008

Westerville Visitors and Convention Bureau
Statements of Cash Receipts, Cash Disbursements and Changes in Net Assets
For the Years Ended December 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Cash receipts:		
Excise tax on lodging	\$83,781	\$71,622
Membership dues	7,335	3,931
Events/fundraisers	8,355	9,025
Rent Subsidy	4,200	3,850
Interest	215	90
Miscellaneous	0	145
	<u>103,886</u>	<u>88,663</u>
Cash disbursements:		
Annual Meeting	320	200
Membership Campaign	296	0
Advertising	30,069	11,417
Promotion	2,928	215
COHC	766	2,138
Fourth Friday	3,338	2,625
History Exhumed	0	314
Murder Mystery	0	1,858
Copier	1,605	1,803
Computer	2,794	0
Office Supplies	3,098	1,281
Repairs and Maintenance	457	0
Bank Charges	30	0
Postage	759	284
Printing and Stationary	163	351
Insurance	1,563	500
Accounting Services	1,009	3,747
Memberships	2,905	4,255
Salaries	36,205	35,110
Payroll Taxes	2,990	3,002
Workers Compensation	122	197
Fees	20	202
Travel	41	256
Meals and Entertainment	75	0
Rent	9,000	9,375
Telephone	1,953	1,797
Internet	59	0
Utilities	1,930	2,033
Other	98	29
	<u>104,593</u>	<u>82,989</u>
Total cash disbursements:	<u>104,593</u>	<u>82,989</u>
Total receipts over disbursements:	(707)	5,674
Net assets, January 1:	<u>14,797</u>	<u>9,123</u>
Net assets, December 31:	<u>\$14,090</u>	<u>\$14,797</u>

See accompanying notes to the financial statements.

Westerville Visitors and Convention Bureau
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

NOTE 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 Bureau 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 ten member Board of Trustees appointed by the Council of the City of Westerville, the Westerville Chamber of Commerce, Otterbein College, and the local lodging establishments.

Basis of Accounting:

These financial statements follow the cash basis of accounting which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters.

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 2007 or 2006.

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.

NOTE 2-LEASES

In February 2004, the Bureau entered into a rental lease agreement for office space. The agreement is for a term of 3 years, ending January 31, 2007, and requires annual payments of \$7,200 for the first year; \$8,100 for the second year; and \$9,000 for the third year. These annual payments are to be remitted in equal monthly installments.

In November 2006, the Bureau extended its rental lease for the period of February 2007 through January 2010. The extended agreement calls for monthly payments of \$750, for total annual payments of \$9,000.

NOTE 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 2007 and 2006, the Bureau received the following funds from the City:

	<u>2007</u>	<u>2006</u>
Minimum 25% share	\$20,948	\$17,906
Additional City allocation	<u>62,833</u>	<u>53,716</u>
Total received	<u>\$83,781</u>	<u>\$71,622</u>

Westerville Visitors and Convention Bureau
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

NOTE 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.

NOTE 5-RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- General liability
- Business personal property

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The Bureau has not incurred significant reductions in insurance coverage from the prior year by category or risk.

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**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Trustees
Westerville Visitors and Convention Bureau
20 West Main Street
Westerville, Ohio 43081

We have audited the accompanying financial statements of the Westerville Visitors and Convention Bureau (the Bureau), as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 22, 2008 wherein we noted the Bureau follows the cash basis of accounting. 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.

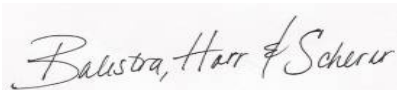
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies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

Members of the Board
Westerville Visitors and Convention Bureau
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of
Financial Statements Performed in Accordance With *Government Auditing Standards*
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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 intend this report solely for the information and use of management and members of the Board. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
August 22, 2008



Mary Taylor, CPA
Auditor of State

WESTERVILLE VISITORS & 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
NOVEMBER 6, 2008