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**SPRINGFIELD . CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

**INDEPENDENT AUDITORS' REPORT  
WITH  
FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 1999**

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**SPRINGFIELD . CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

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CONVENTION AND VISITORS BUREAU FUND**

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Board of Directors  
Springfield - Clark County Chamber of Commerce  
Convention and Visitors Bureau Fund  
Springfield, Ohio

We have reviewed the independent auditor's report of the Springfield - Clark County Chamber of Commerce Convention and Visitors Bureau Fund, Clark County, prepared by Mesarvey, Russell & Co., LLC, Certified Public Accountants, for the audit period September 1, 1998 through August 31, 1999. 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 Springfield - Clark County Chamber of Commerce Convention and Visitors Bureau Fund is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

April 18, 2000

# Mesarvey, Russell & Co., LLC

Certified Public Accountants

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## INDEPENDENT AUDITORS' REPORT

**Board of Directors  
Springfield . Clark County Chamber of Commerce  
Convention and Visitors Bureau Fund  
Springfield, Ohio**

We have audited the statement of assets, liabilities and fund balances arising from the cash transactions of the Springfield . Clark County Chamber of Commerce - Convention and Visitors Bureau Fund as of August 31, 1999, and the related statements of revenues and expenses, changes in fund balances, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Chamber's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and those standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of 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.

The accounts of the Springfield . Clark County Chamber of Commerce - Convention and Visitors Bureau Fund are maintained and the accompanying financial statements have been prepared on the cash basis of accounting modified as described in Note 1. Accordingly, the accompanying statements, although serving a practical purpose to the Springfield . Clark County Chamber of Commerce - Convention and Visitors Bureau Fund, do not purport to reflect financial condition and results of operations in conformity with generally accepted accounting principles.

In our opinion, the accompanying financial statements present fairly in all material respects the assets, liabilities and fund balances arising from the cash transactions of the Springfield . Clark County Chamber of Commerce - Convention and Visitors Bureau Fund at August 31, 1999, and the revenues and expenses, changes in fund balances, and changes in cash balances for the year then ended in conformity with the basis of accounting described above.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 13, 1999 on our consideration of the Bureau's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, and contracts.

*Mpsawey, Russell & Co LLC*

Limited Liability Company  
Independent Certified Public Accountants

October 13, 1999

**SPRINGFIELD • CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

**STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES**

**AUGUST 31, 1999**

**ASSETS**

**GENERAL FUND**

Cash	69 336		
Certificate of Deposit	<u>28 461</u>		
		97 797	
Prepaid expense - lease		2 500	
Accounts receivable		<u>64</u>	
			100 361

**EQUIPMENT FUND**

Vehicle	15 738		
Office equipment and audio visual	<u>37 379</u>		
Cost basis	53 117		
Accumulated depreciation	<u>(36 018)</u>		
			<u>17 099</u>
			<u>117 460</u>

**FUND BALANCES**

**GENERAL FUND**

Fund balance			100 361
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**EQUIPMENT FUND**

Fund balance			<u>17 099</u>
			<u>117 460</u>

See accompanying notes.

**SPRINGFIELD • CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

**STATEMENT OF REVENUES AND EXPENSES**

**YEAR ENDED AUGUST 31, 1999**

**REVENUES**

City of Springfield accommodations tax	175 685
Springfield Township accommodations tax	76 965
Interest earned	1 753
Bus tour revenue	<u>540</u>

254 943

**ADMINISTRATIVE EXPENSES**

Administrative fees	172 306
Professional fees	3 249
Vehicle lease	3 093
Office expense	2 648
Travel	1 923
Restructuring fees	1 296
Computer expense	466
Bank charges	<u>125</u>

185 106

**PROGRAM EXPENSES**

Job Fair expense	18 125
Brochures	12 250
Advertising	8 636
Trade shows	7 564
Joint advertising/arts program	5 349
Promotions	4 125
Welcome Bags	3 057
Regional co-op	2 627
City/County Maps	1 929
Special convention expenses	1 687
Welcome Cedarville	1 121
Bureau newsletter	755
Bureau meetings	681
Taste of Springfield	643
Other programs	463
What's Happening Hotline	462
Welcome Wittenberg	461
Antique Program	423
Info racks	335
Motor Coach Program	117
Front desk program	<u>17</u>
Total expenses	<u>70 827</u>

**EXCESS OF EXPENSES OVER REVENUE, Before depreciation**

( 990)

Equipment Fund: Depreciation

4 730

**NET EXCESS OF EXPENSES OVER REVENUE**

( 5 720)

See accompanying notes.

**SPRINGFIELD • CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

**STATEMENT OF CHANGES IN FUND BALANCES**

**YEAR ENDED AUGUST 31, 1999**

**GENERAL FUND**

<u>BALANCE</u> , Beginning of year	107 711
Less: Excess of expenses over revenues before depreciation	( 990)
Less: Transfer to Equipment Fund	( 6 360)
<u>BALANCE</u> , End of year	<u>100 361</u>

**EQUIPMENT FUND**

<u>BALANCE</u> , Beginning of year	15 469
Add: Additions	6 360
Deduct: Depreciation	( 4 730)
<u>BALANCE</u> , End of year	<u>17 099</u>

See accompanying notes.

**SPRINGFIELD • CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

**STATEMENT OF CHANGES IN CASH BALANCES**

**YEAR ENDED AUGUST 31, 1999**

**SOURCES OF CASH**

Excess of expenses over revenues	( 5 720)	
Add items not affecting cash:		
Depreciation	4 730	
Decrease in prepaid expenses	1 250	
Increase in accounts receivables	( 64)	
Decrease in accounts payable	<u>( 639)</u>	
Cash used in operations		( 443)

**USES OF CASH**

Purchase of equipment	( 6 360)	
Purchase of certificate of deposit	<u>( 28 461)</u>	
Cash used in investing activities		( 34 821)

**DECREASE IN CASH**

( 35 264)

**CASH, Beginning**

**104 600**

**CASH, Ending**

**69 336**

See accompanying notes.

**SPRINGFIELD • CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

**NOTES TO FINANCIAL STATEMENTS**

**AUGUST 31, 1999**

Note 1. Summary of Significant Accounting Policies.

Accounting Method - The Fund uses the cash basis method of accounting modified to recognize certain accounts receivable and accounts payable. Accounts receivable and accounts payable represent project income and expenses. These financial statements include only activities and balances of the Convention and Visitors Bureau Fund of the Springfield . Clark County Chamber of Commerce.

Fund Accounting - In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Chamber, the accounts are maintained in accordance with the principles of "fund accounting". This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds that are in accordance with activities or objectives specified. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds that have similar characteristics have been combined into fund groups. Accordingly, all financial transactions have been recorded and reported by fund group.

Within each fund group, funds restricted by outside sources are so indicated and are distinguished from unrestricted funds designated for specific purposes by action of the Board of Directors. Externally restricted funds may only be utilized in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Board retains full control to use in achieving any of its purposes.

Fixed Assets - Fixed assets are accounted for as a separate equipment fund. Additions are added to the fund whereas retirements and depreciation are subtracted from the fund. Fixed assets are depreciated over three to seven years using the straight line method.

Tax Status - The Convention and Visitors Bureau is a separate activity of the Springfield . Clark County Chamber of Commerce, which is a non-profit organization and, as such, does not pay federal, state or local income taxes.

Cash and Cash Equivalents - For purposes of reporting cash flows, all amounts maintained in the checking account and certificates of deposit with an original maturity of three months or less are considered cash and cash equivalents.

Funding - The Bureau has 10 year contracts with the City of Springfield and Springfield Township requiring the Bureau to promote the city and surrounding area for conventions and tourism. The agreement provides that the city and the township fund the promotion from an accommodation tax based upon budgets submitted by the Bureau. The provisions are so written that the funding is based upon the pro rata share of accommodation tax collections received by each party as compared to total accommodation tax collections received by the city and township. To the extent budgeted funds forwarded by either party to the Bureau exceed the actual tax collections, the Bureau is liable to

return such funds. Effective March 1, 1990 for the City of Springfield and May 1, 1990 for Springfield Township, these agreements have been modified to the following funding provisions.

The City and Township's payments to the Chamber shall be one half of the 6% accommodation tax collected plus one half of any penalties collected. Any monies not expended by the Chamber in a fiscal year shall be held by the Chamber for allocation to the Bureau's expanding programs and special projects subject to reasonable budget approval by the Bureau's Board of Trustees. The existing contracts expire October 31, 1999.

Note 2. Donated Services.

No amounts have been reflected in the statements for donated services since no objective basis is available to measure the value of such services.

Note 3. Related Party Transactions.

The Bureau operates in conjunction with the Springfield . Clark County Chamber of Commerce. As such, the administrative fee of \$172,306 charged includes the Bureau's proportionate share of salaries, payroll taxes, rent, fees and other administrative costs. The Bureau pays one half of the operating costs of a vehicle owned by the Springfield . Clark County Chamber of Commerce.

Note 4. Leases.

The Bureau leases a vehicle under a four year lease with an option to purchase at the end of the lease for fair market value. A prepayment of \$5,000 was made and is being amortized over the life of the lease. Lease expense for the year ended August 31, 1999 was \$3,093. The remaining commitment under this lease is:

Year ending August 31, 2000	2 289
2001	2 289

Note 5. Subsequent Event.

Effective October 31, 1999, it is the intention of the Chamber to spin off the Convention and Visitors Bureau Fund into a completely separate legal entity.

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## INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

**Board of Directors  
Springfield • Clark County Chamber of Commerce  
Convention and Visitors Bureau Fund  
Springfield, Ohio**

The Schedule of Year 2000 Readiness on Page 10 is not a required part of the basic financial statements of Springfield • Clark County Chamber of Commerce - Convention and Visitors Bureau Fund, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Springfield • Clark County Chamber of Commerce - Convention and Visitors Bureau Fund is or will become year 2000 compliant, that Springfield • Clark County Chamber of Commerce - Convention and Visitors Bureau Fund's year 2000 remediation efforts will be successful in whole or in part, or that parties with which Springfield • Clark County Chamber of Commerce - Convention and Visitors Bureau Fund does business are or will become year 2000 compliant.

*Mesarvey, Russell & Co. LLC*

Limited Liability Company  
Independent Certified Public Accountants

October 13, 1999

**SPRINGFIELD • CLARK COUNTY CHAMBER OF COMMERCE  
CONVENTION AND VISITORS BUREAU FUND**

**SCHEDULE OF YEAR 2000 READINESS**

**AUGUST 31, 1999**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other equipment that may adversely affect the organization's operations as early as 1999.

Springfield • Clark County Chamber of Commerce – Convention and Visitors Bureau Fund engaged the services of a computer consulting firm to assess the readiness of their systems that are necessary for conducting operations. Installation of new software and hardware that is believed to be year 2000 compliant has been performed. Testing and validation of the systems still need to be completed.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the organization is or will be Year 2000 ready, that the organization's remediation efforts will be successful in whole or in part, or that parties with whom the organization does business will be year 2000 ready.

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**Board of Directors**  
**Springfield • Clark County Chamber of Commerce**  
**Convention and Visitors Bureau Fund**  
**Springfield, Ohio**

## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

We have audited the financial statements of the Springfield • Clark County Chamber of Commerce - Convention and Visitors Bureau Fund (the Bureau) as of and for the year ended August 31, 1999, and have issued our report thereon dated October 13, 1999. We conducted our audit 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, and contracts, 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 and performing 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.

This report is intended for the information of management and the Board of Directors. However, this report is a matter of public record and its distribution is not limited.

*Mesarvey, Russell & Co. LLC*

Limited Liability Company  
Independent Certified Public Accountants

October 13, 1999



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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SPRINGFIELD - CLARK COUNTY CHAMBER OF COMMERCE CONVENTION  
AND VISITORS BUREAU FUND

CLARK 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.

By *Susan Babbitt*

Date: MAY 9, 2000