



**NAPOLEON/HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU  
HENRY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED NOVEMBER 30, 1999-1998**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



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## REPORT OF INDEPENDENT ACCOUNTANTS

Napoleon/Henry County  
Chamber of Commerce Visitors Bureau  
Henry County  
611 North Perry Street  
Napoleon, Ohio 43545-1701

To the Board of Directors:

We have audited the accompanying financial statements of the Napoleon/Henry County Chamber of Commerce Visitors Bureau (the Bureau) as of and for the years ended November 30, 1999 and 1998. 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 audits 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. Those standards require that we plan and perform the audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1, the Bureau 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 cash balances of the Bureau as of November 30, 1999 and 1998, 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 also issued our report dated March 8, 2000 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 grants.

Napoleon/Henry County  
Chamber of Commerce Visitors Bureau  
Henry County  
Report of Independent Accountants  
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This report is intended solely for the information and use of the finance committee, management, Board of Directors 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.

**Jim Petro**  
Auditor of State

March 8, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED NOVEMBER 30, 1999 AND 1998**

	<b>1999</b>	<b>1998</b>
<b>Cash Receipts:</b>		
Lodging Tax	\$ 42,849	\$ 17,287
<b>Cash Disbursements:</b>		
Administrative	5,000	5,000
Advertising		172
Christmas Decorations	1,209	857
Bond Expense	113	
Dues and Subscriptions	310	85
Miscellaneous	125	1,494
Office Supplies	400	400
Postage and Delivery	442	354
Postcards	1,800	
Program Expense	142	
Promotions	5,220	911
Rent Expense	4,000	4,000
Marketing Supplies Expense		20
Telephone Expense	500	500
Travel Expense	98	101
	19,359	13,894
Total Receipts Over Disbursements	23,490	3,393
Cash Balances, December 1	7,051	3,658
<b>Cash Balances, November 30</b>	<b>\$ 30,541</b>	<b>\$ 7,051</b>

*The notes to the financial statement are an integral part of this statement.*

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**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 1999 AND 1998**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Napoleon/Henry County Chamber of Commerce, Visitor's Bureau, (the Bureau) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Bureau is directed by a six-member Board of Directors.

The Napoleon/Henry County Chamber of Commerce and the City of Napoleon entered into an agreement to establish and operate a Convention and Visitors Bureau. The Bureau promotes and publicizes the City of Napoleon and its surrounding areas in order to bring the patronage and business of tourists to the area. The Bureau advertises cultural, educational, religious, professional, and sports organizations of the surrounding business area.

**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.

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

**C. 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.

**D. Budgetary Process**

The Bureau budgets its fund annually.

**1. Appropriations**

Budgetary expenditures may not exceed appropriations per the Chamber of Commerce's bylaws. The Board of Directors annually approves a budget which is submitted to the City of Napoleon's Council members.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received from lodging tax monies collected by the City of Napoleon.

A summary of 1999 and 1998 budgetary activity appears in Note 4.

**NOTES TO THE FINANCIAL STATEMENTS  
NOVEMBER 30, 1999 AND 1998**

**2. EQUITY IN CASH**

The carrying amount of cash at November 30 was as follows:

	<b>1999</b>	<b>1998</b>
Demand deposits	\$ 30,541	\$ 7,051

Deposits are insured by the Federal Depository Insurance Corporation.

**3. RISK MANAGEMENT**

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$ 15,000	\$ 42,849	\$ 27,849

1999 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 15,000	\$ 19,359	\$ (4,359)

1998 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$ 15,000	\$ 17,287	\$ 2,287

1998 Budgeted vs. Actual Budgetary Basis Expenditures		
Appropriation Authority	Budgetary Expenditures	Variance
\$ 15,000	\$ 13,894	\$ 1,106

In 1999 expenditures exceeded appropriations.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Napoleon/Henry County  
Chamber of Commerce Visitors Bureau  
Henry County  
611 North Perry Street  
Napoleon, Ohio 43545-1701

To the Board of Directors:

We have audited the accompanying financial statements of the Napoleon/Henry County Chamber of Commerce Visitors Bureau (the Bureau) as of and for the years ended November 30, 1999 and 1998, and have issued our report thereon dated March 8, 2000. We conducted our audits 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, 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-20135-001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered 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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated March 8, 2000.

Napoleon/Henry County  
Chamber of Commerce Visitors Bureau  
Henry County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
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This report is intended for the information and use of the finance committee, management, the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

March 8, 2000

**SCHEDULE OF FINDINGS  
DECEMBER 31, 1999 AND 1998**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 1999-20135-001**

**Noncompliance Citation**

Articles of Incorporation for the Napoleon Area Chamber of Commerce, Article VII, Section 3, Budget, states no committee may exceed its appropriation without the consent of the Board of Directors. In 1999 expenditures exceeded appropriations by \$4,359. Adequate revenues were available to increase appropriations. We recommend that quarterly budget to actual statements be presented to the Board of Directors. These should be reviewed to ensure actual receipts/expenditures amounts are within budgeted receipts/expenditures amounts. Any changes made to these budgets should be approved by the Board of Directors prior to them being made.





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**NAPOLEON/HENRY COUNTY CHAMBER OF COMMERCE VISITORS BUREAU**

**HENRY 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  
APRIL 11, 2000**