



**CONVENTION AND VISITORS BUREAU
SANDUSKY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balance – General Fund	3
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Convention and Visitors Bureau
Sandusky County
1510 East State Street
Fremont, Ohio 43420-4052

To the Board of Trustees:

We have audited the accompanying financial statements of the Sandusky County Convention and Visitors Bureau (the Bureau) as of and for the years ended December 31, 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 audits.

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 described 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 fund cash balances of the Convention and Visitors Bureau, Sandusky County, as of December 31, 1999 and 1998, and its combined 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 May 4, 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.

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.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

May 4, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BALANCES – GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**

	<u>General 1999</u>	<u>General 1998</u>
Revenues:		
Hotel/Motel Tax	\$146,929	\$155,417
Interest	190	224
Line of Credit	30,000	38,500
Advertising	2,550	1,325
Reimbursements	981	2,579
Worker's Compensation Rebate		352
	<u>180,650</u>	<u>198,397</u>
Total Operating Revenue		
	<u>180,650</u>	<u>198,397</u>
Expenditures:		
Administration:		
Salaries	67,839	67,885
IRA Employer Match	1,548	1,285
Payroll Taxes	5,397	5,371
Workman's Compensation	229	61
Employee Insurance	3,631	2,237
	<u>78,644</u>	<u>76,839</u>
Total Administration		
	<u>78,644</u>	<u>76,839</u>
Operations:		
Accounting	1,900	1,575
Rent	7,920	7,260
Telephone	7,242	6,787
Repairs	79	1,310
Bank Service Charges	40	45
Copier Maintenance	384	667
Postage Machine Rental	659	529
Postage	2,504	3,401
United Parcel Service	1,934	1,280
Office Supplies	2,272	2,360
General Insurance	526	841
Printing/Stationary	3,527	6,753
Utilities	2,428	2,428
Debt Service	18,906	40,172
Equipment	3,621	3,084
Building Services	2,017	1,386
Miscellaneous	658	1,251
Film and Developing	285	293
Travel Expenses	4,451	4,283
Membership Dues	3,189	2,128
Subscriptions	422	339

(Continued)

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN CASH BALANCES – GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998
(Continued)**

	<u>General 1999</u>	<u>General 1998</u>
Market Shows	2,080	363
Conferences, Meetings	3,118	3,134
Co-op Programs	1,584	2,687
Ohio Travel Treasurers	1,500	
PR Campaign	1,500	
PR/Logo/Launch	612	
Advertising	2,614	3,975
Graphic Design	696	
Special Projects	8,128	6,288
Giveways	3,166	
Visitors Guide	4,442	7,499
Public Relations	1,038	1,756
Penalties	638	
Computer Services	377	442
Marketing Plan	429	
	<u>175,530</u>	<u>191,155</u>
Total Operating Expenses		
Operating Income	5,120	7,242
Retained Earnings at Beginning of Year	<u>10,040</u>	<u>2,798</u>
Retained Earnings at End of Year	<u>\$ 15,160</u>	<u>\$ 10,040</u>

The notes to the general-purpose financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Entity

The Sandusky County Commissioners enacted Resolution 1985-0194 on February 25, 1985 to levy a hotel lodging excise tax of three percent (3%). Resolution 1985-0341 authorized Sandusky County to enter into an agreement with the Chamber of Commerce of Sandusky County to provide for the operation of a Convention and Visitors Bureau. Resolution 1989-0452 on June 1, 1989 terminated the involvement of the Chamber of Commerce and authorized the Convention and Visitors Bureau to incorporate. Resolution 1989-0541 authorized Sandusky County to enter into an agreement with Sandusky County Convention and Visitors Bureau, Inc. for the operation of the Bureau. The purpose of the Convention and Visitors Bureau is the promotion and publicizing of Sandusky County in order to bring the patronage of business and tourists and cultural, educational, religious, professional, and sports organizations into the county.

The current contract is a five year agreement, beginning January 1, 1996 and ending December 31, 2000. In the event of termination, any and all monies remaining originally received from the County shall be returned to the General Fund of the County.

The Bureau is directed by a twelve member Board of Trustees. The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

B. Basis of Accounting

The financial statements of the Sandusky County Convention and Visitors Bureau 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. Cash

The savings account is valued at cost.

D. Fund Accounting

The Bureau uses fund accounting to segregate cash that is restricted as to use. The Bureau classifies its fund into the following fund type:

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process

The Bureau prepares an annual budget for its fund. There is no legal requirement for the Bureau to prepare a budget.

F. Fixed Assets and Depreciation

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

2. EQUITY IN POOLED CASH

The Bureau maintains it's cash in checking and savings accounts. The carrying amount of cash at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	<u>\$15,160</u>	<u>\$10,040</u>

All deposits are insured by the Federal Depository Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 1999 and 1998 follows:

1999 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$141,812</u>	<u>\$180,650</u>	<u>\$38,838</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	<u>\$141,812</u>	<u>\$175,530</u>	<u>(\$33,718)</u>

1998 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$136,495</u>	<u>\$198,397</u>	<u>\$61,902</u>

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

1998 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$136,395	\$191,155	(\$54,760)

4. HOTEL/MOTEL TAX

The Convention and Visitors Bureau receives 99 percent of the hotel/motel taxes collected by the Sandusky County Auditor. The tax, levied by the County Commissioners on February 25, 1985, is an excise tax of three percent on lodging furnished to transient guests throughout the County.

5. DEBT ACTIVITY

The Bureau has a line of credit with Croghan Colonial Bank. As of December 31, 1999 the Bureau owed \$13,040 in credit and interest.

6. RETIREMENT SYSTEM

Employees are under the social security system. The Bureau's liability is 6.2% of employees' wages.

7. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

The Bureau also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

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One Government Center
Room 1420
Toledo, Ohio 43604-2246
Telephone 419-245-2811
800-443-9276
Facsimile 419-245-2484
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Convention and Visitors Bureau
Sandusky County
1510 East State Street
Fremont, Ohio 43420-4052

To the Board of Trustees:

We have audited the financial statements of the Sandusky County Convention and Visitors Bureau (the Bureau) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 4, 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, 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 of the Bureau in a separate letter dated May 4, 2000.

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

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

Jim Petro
Auditor of State

May 4, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

CONVENTION AND VISITORS BUREAU

SANDUSKY 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 25, 2000