



**Auditor of State  
Betty Montgomery**



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

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - For the Years Ended December 31, 2003 and 2002 .....	3
Notes to the Financial Statement .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

## **INDEPENDENT ACCOUNTANTS' REPORT**

Greater Defiance Area  
Tourism and Visitors Bureau  
Defiance County  
415 East 2nd Street  
Defiance, Ohio 43512-2252

To the Board of Trustees:

We have audited the accompanying financial statement of the Greater Defiance Area Tourism and Visitors Bureau, Defiance County, (the Bureau) as of and for the years ended December 31, 2003 and 2002. This financial statement is the responsibility of the Bureau's management. Our responsibility is to express an opinion on this financial statement based on our audits.

We conducted our audits 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 audits to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement 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.

Greater Defiance Area Tourism and Visitors Bureau  
Defiance County  
Independent Accountants' Report  
Page 2

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund cash balances of the Bureau as of December 31, 2003 and 2002, 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 May 19, 2004 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of the audit committee, management, the Board, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 19, 2004

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

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
GENERAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
<b>Cash Receipts</b>		
Intergovernmental	\$ 83,567	\$ 82,225
Festival	340	695
Investment Income	680	1,738
Membership Dues	1,615	1,595
Souvenirs	6,453	6,146
Bicentennial Income	17,990	160
Other Receipts	2,025	3,754
	<u>112,670</u>	<u>96,313</u>
<b>Cash Disbursements</b>		
Current:		
Advertising	11,711	19,967
Bicentennial	23,454	-
Professional Services	680	4,347
Festival	323	1,492
Insurance	418	418
Miscellaneous Expense	4,546	6,340
Office Supplies	7,785	5,977
Postage	1,150	895
Rental Expense	5,376	5,514
Souvenirs	2,682	7,168
Salaries and Benefits	50,163	49,545
Telephone	2,420	2,968
	<u>110,708</u>	<u>104,631</u>
Total Cash Disbursements	<u>110,708</u>	<u>104,631</u>
Total Cash Receipts Over/(Under) Cash Disbursements	1,962	(8,318)
Fund Cash Balances, January 1	<u>51,509</u>	<u>59,827</u>
<b>Fund Cash Balances, December 31</b>	<b>\$ 53,471</b>	<b>\$ 51,509</b>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

**This page intentionally left blank.**

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

NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2003 AND 2002

**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**

This financial statement follows 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).

This statement includes 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 except those required by law or contract to be restricted.

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

NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2003 AND 2002  
(Continued)

**E. Budgetary Process**

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

A summary of 2003 and 2002 budgetary activity appears in Note 3.

**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 statement.

**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. EQUITY IN POOLED CASH AND INVESTMENTS**

The Bureau maintains a cash and investments pool. The carrying amount of cash and investments at December 31 was as follows:

	2003	2002
Demand deposits	\$ 34,836	\$ 19,253
Certificates of deposit	18,635	32,256
Total deposits	<u>\$ 53,471</u>	<u>\$ 51,509</u>

Deposits are insured by the Federal Depository Insurance Corporation.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2003 and 2002 follows:

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

NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2003 AND 2002  
(Continued)

2003 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 85,300	\$ 112,670	\$ 27,370

2003 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 84,300	\$ 110,708	\$ (26,408)

2002 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 85,100	\$ 96,313	\$ 11,213

2002 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 85,100	\$ 104,631	\$ (19,531)

**4. RETIREMENT SYSTEMS**

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 STATEMENT  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**5. RISK MANAGEMENT**

**Commercial Insurance**

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Employee Dishonesty.



**Auditor of State  
Betty Montgomery**

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

Greater Defiance Area  
Tourism and Visitors Bureau  
Defiance County  
415 East 2nd Street  
Defiance, Ohio 43512-2252

To the Board of Trustees:

We have audited the accompanying financial statement of the Greater Defiance Area Tourism and Visitors Bureau, Defiance County, (the Bureau) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 19, 2004. We conducted our audits 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.

**Compliance**

As part of obtaining reasonable assurance about whether the Bureau's financial statement is 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 statement 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 statement 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 19, 2004.

This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 19, 2004



**Auditor of State  
Betty Montgomery**

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

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**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  
JUNE 22, 2004**