

**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.**

**FINANCIAL STATEMENTS**

**JULY 31, 2001 AND 2000**

*Whited Seigneur Sams & Rabe*

CERTIFIED PUBLIC ACCOUNTANTS

213 South Paint Street

Chillicothe, Ohio 45601-3828

(740) 702-2600 – Voice (740) 702-2610 – Fax





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  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Board of Trustees  
Ross-Chillicothe Convention and Visitors Bureau, Inc.  
P.O. Box 353  
Chillicothe, Ohio 45601

We have reviewed the independent auditor's report of the Ross-Chillicothe Convention and Visitors Bureau, Inc., Ross County, prepared by Whited Seigneur Sams & Rahe, for the audit period August 1, 2000 through July 31, 2001. 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 Ross-Chillicothe Convention and Visitors Bureau, Inc. is responsible for compliance with these laws and regulations.

JIM PETRO  
Auditor of State

January 31, 2002

**This Page is Intentionally Left Blank.**

**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
TABLE OF CONTENTS**

	<b>Page</b>
Independent Auditor's Report	
Statements of Financial Position – July 31, 2001 and 2000	1
Statements of Activities – Years Ended July 31, 2001 and 2000	2
Statement of Functional Expenses – Year Ended July 31, 2001	3
Statement of Functional Expenses – Year Ended July 31, 2000	4
Statements of Cash Flows – Years Ended July 31, 2001 and 2000	5
Notes to the Financial Statements	6
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	8

# Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

Jerry B. Whited, CPA  
Donald R. Seigneur, CPA



John R. Sams, CPA  
Barry L. Rahe, CPA

213 South Paint Street  
Chillicothe, Ohio 45601  
(740) 702-2600 – Voice (740) 702-2610 – Fax

---

December 17, 2001

Board of Trustees  
Ross-Chillicothe Convention  
and Visitors Bureau, Inc.  
P. O. Box 353  
Chillicothe, Ohio 45601

## Independent Auditor's Report

We have audited the accompanying statements of financial position of Ross-Chillicothe Convention and Visitors Bureau, Inc. (Bureau) (a nonprofit organization) as of July 31, 2001 and 2000, and the related statements of activities, functional expenses, and cash flows for the years then ended. 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 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ross-Chillicothe Convention and Visitors Bureau, Inc. as of July 31, 2001 and 2000, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2001, 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 audit.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs

**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
STATEMENTS OF FINANCIAL POSITION  
JULY 31, 2001 AND 2000**

**ASSETS**

<u>CURRENT ASSETS:</u>	<u>2001</u>	<u>2000</u>
Cash:		
Petty Cash	\$ 100	\$ 100
Checking	58,811	22,064
Savings-Huntington	94,701	80,711
Savings-Citizens	<u>18,420</u>	<u>37,654</u>
TOTAL CASH	172,032	140,529
Accounts Receivable	48,460	0
Prepaid Expenses	<u>2,675</u>	<u>4,393</u>
TOTAL CURRENT ASSETS	223,167	144,922
 <u>DEPRECIABLE ASSETS:</u>		
Equipment	39,974	41,675
Railroad Cars	27,278	27,278
Leasehold Improvements	15,720	15,720
Less: Accumulated Depreciation	<u>(48,594)</u>	<u>(44,818)</u>
NET DEPRECIABLE ASSETS	34,378	39,855
 <u>OTHER ASSETS:</u>		
Deposits	<u>16</u>	<u>16</u>
TOTAL ASSETS	<u>\$ 257,561</u>	<u>\$ 184,793</u>

**LIABILITIES AND NET ASSETS**

<u>CURRENT LIABILITIES:</u>		
Accounts Payable	\$ 1,927	\$ 1,556
Accrued Payroll Taxes	<u>418</u>	<u>253</u>
TOTAL CURRENT LIABILITIES	2,345	1,809
 <u>NET ASSETS</u>		
Unrestricted/Total	<u>255,216</u>	<u>182,984</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 257,561</u>	<u>\$ 184,793</u>

**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
STATEMENTS OF ACTIVITIES  
YEARS ENDED JULY 31, 2001 AND 2000**

<u>REVENUES, GAINS, AND OTHER SUPPORT:</u>	<u>UNRESTRICTED/TOTAL</u>	
	<u>2001</u>	<u>2000</u>
County Motel Tax	\$ 212,664	\$ 166,743
City Motel Tax	55,560	55,813
Visitors Guide	18,647	17,812
In-Kind Support - Rent	1,200	1,200
Interest Revenue	4,755	5,048
Miscellaneous	<u>833</u>	<u>300</u>
TOTAL REVENUES, GAINS AND OTHER SUPPORT	293,659	246,916
<u>EXPENSES:</u>		
Program	180,852	217,267
Management & General	<u>40,575</u>	<u>41,008</u>
TOTAL EXPENSES	<u>221,427</u>	<u>258,275</u>
CHANGE IN NET ASSETS	72,232	(11,359)
NET ASSETS, BEGINNING OF YEAR	<u>182,984</u>	<u>194,343</u>
NET ASSETS, END OF YEAR	<u>\$ 255,216</u>	<u>\$ 182,984</u>



**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JULY 31, 2001**

	Management and <u>General</u>	Program <u>Services</u>	<u>Total</u>
Director Salary	\$ 11,330	\$ 23,003	\$ 34,333
Assistant Director Salary	0	0	0
Sales Director Salary	1,788	16,090	17,878
Secretary Salary	1,282	17,029	18,311
Payroll Taxes	1,264	4,479	5,743
Employee Health Insurance	1,470	2,985	4,455
Repairs and Maintenance	587	919	1,506
Fam Tours	0	125	125
Utilities	2,064	3,229	5,293
Telephone	3,650	2,986	6,636
Rent	4,431	8,069	12,500
Insurance	1,807	2,827	4,634
Office Supplies	1,414	2,212	3,626
Small Equipment	121	188	309
Dues and Memberships	0	2,255	2,255
Accounting	6,593	0	6,593
Visitors Guide	0	31,527	31,527
Brochures – Tecumseh	0	10,000	10,000
Postage	123	6,052	6,175
Promotion/Projects	0	10,418	10,418
Advertising	0	7,004	7,004
Printed Material	0	4,384	4,384
Meals and Entertainment	0	316	316
Registration/Booth	0	9,729	9,729
Travel Expense	0	441	441
Lodging	0	757	757
Vehicle Lease	0	4,095	4,095
Depreciation	2,344	3,665	6,009
Miscellaneous	0	1,300	1,300
Security	0	575	575
Bureau Projects	0	2,741	2,741
Sponsorship	0	1,048	1,048
Retirement	199	404	603
Interest	108	0	108
	<u>108</u>	<u>0</u>	<u>108</u>
<b>TOTAL EXPENSES</b>	<u><b>\$ 40,575</b></u>	<u><b>\$ 180,852</b></u>	<u><b>\$ 221,427</b></u>

**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JULY 31, 2000**

	Management and <u>General</u>	Program Services	<u>Total</u>
Director Salary	\$ 10,824	\$ 21,976	\$ 32,800
Assistant Director Salary	1,931	6,844	8,775
Sales Director Salary	1,862	16,760	18,622
Secretary Salary	1,142	15,168	16,310
Payroll Taxes	1,436	5,091	6,527
Employee Health Insurance	1,360	2,763	4,123
Repairs and Maintenance	1,347	2,107	3,454
Fam Tours	0	0	0
Utilities	1,437	2,249	3,686
Telephone	3,396	2,778	6,174
Rent	4,398	8,018	12,416
Insurance	1,408	2,203	3,611
Office Supplies	1,283	2,008	3,291
Small Equipment	170	266	436
Dues and Memberships	0	2,391	2,391
Accounting	6,225	0	6,225
Visitors Guide	0	41,952	41,952
Brochures – Tecumseh	0	10,000	10,000
Postage	111	5,436	5,547
Promotion/Projects	0	27,358	27,358
Advertising	0	10,747	10,747
Printed Material	0	785	785
Meals and Entertainment	0	647	647
Registration/Booth	0	11,361	11,361
Travel Expense	0	949	949
Lodging	0	1,926	1,926
Vehicle Lease	0	4,436	4,436
Depreciation	2,386	3,732	6,118
Miscellaneous	0	1,268	1,268
Security	0	575	575
Bureau Projects	0	5,232	5,232
Sponsorship	0	0	0
Retirement	119	241	360
Interest	173	0	173
	<u>173</u>	<u>0</u>	<u>173</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 41,008</u></b>	<b><u>\$ 217,267</u></b>	<b><u>\$ 258,275</u></b>

**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JULY 31, 2001 AND 2000**

<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>	<u>2001</u>	<u>2000</u>
Change in Net Assets	\$ 72,232	\$ (11,359)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	6,009	6,118
Changes in Assets and Liabilities:		
Accounts Receivable	(48,460)	0
Prepaid Expense	1,718	(2,084)
Accounts Payable	371	256
Accrued Payroll Taxes	<u>165</u>	<u>(19)</u>
 TOTAL ADJUSTMENTS	 <u>(40,197)</u>	 <u>4,271</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 32,035	 (7,088)
 <u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Equipment Purchases	<u>(532)</u>	<u>(418)</u>
 NET CASH USED BY INVESTING ACTIVITIES	 <u>(532)</u>	 <u>(418)</u>
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	 31,503	 (7,506)
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>140,529</u>	 <u>148,035</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 172,032</u>	 <u>\$ 140,529</u>

SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

Interest paid during year	\$ 108	\$ 173
---------------------------	--------	--------

Noncash investing transaction:

During the Fiscal Year Ending July 31, 2001, the Bureau purchased a printer/copier/fax machine.

During the Fiscal Year Ending July 31, 2000, the Bureau purchased a digital camera and computer software upgrade.

**ROSS-CHILLICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The following is a summary of significant accounting policies incorporated by Ross-Chillicothe Convention and Visitors Bureau, Inc. (The "Bureau").

- a) Accrual Basis of Accounting - Assets and liabilities and revenue and expense are recognized on the accrual basis of accounting.
- b) Property and Depreciation - Purchased depreciable assets are recorded at cost. Donated depreciable assets are recorded at fair market value. Depreciation of depreciable assets is determined by the individual assets on a straight-line basis. The half-year convention rule is in effect for acquisitions and disposals. The estimated useful lives for the equipment range from five to ten years and for the office building thirty-one and a half years. Minor renewals and replacements are charged against income. Major renewals and replacements are charged to the appropriate asset accounts.
- c) Federal Income Tax - No provision is made for federal income tax because the Ross-Chillicothe Convention and Visitors Bureau, Inc. is tax exempt under Section 501(c)(6) of the Internal Revenue Code.
- d) Donated Facilities - Donated facilities are recorded as contributions at the estimated fair rental value of the facility.
- e) Cash Equivalents - For purposes of the statement of cash flows, the Bureau considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.
- f) Business Activity - The Ross-Chillicothe Convention and Visitors Bureau, Inc. promotes travel and tourism for the local area.
- g) Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- h) Basis of Presentation – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Bureau is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of July 31, 2001 and 2000, there were no temporarily or permanently restricted net assets.
- i) Accounts Receivable – Accounts receivable reflect hotel/motel taxes collected by Ross County for the quarter ended June 30, 2001 but not paid to the Bureau until the subsequent year. The amount has been recorded net of county administrative expenses and is considered fully collectible. At July 31, 2000 there was no signed management agreement in effect that would require the county to remit the collected taxes to the Bureau.

**ROSS-CHILICOTHE CONVENTION  
AND VISITORS BUREAU, INC.  
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

- j) Advertising – The Bureau expenses advertising expenses as they are incurred. The advertising consists primarily of printed ads in regional publications.

**NOTE 2 - HOTEL/MOTEL TAX**

The Ross-Chillicothe Convention and Visitors Bureau, Inc. receives a substantial amount of their support from the Hotel-Motel Tax. This tax is six percent levied on all hotel and motel sales in Ross County. This tax is equally divided between Ross County and the City of Chillicothe. The portion of the tax collected by the county has been disbursed to Ross-Chillicothe Convention and Visitors Bureau, Inc. in accordance with Section 5739.024 of the Ohio Revised Code. This tax is collected quarterly by Ross County. In September 2000, the Bureau and Ross County entered into a formal agreement for the disbursement of the county's portion of collected Hotel/Motel Tax to the Bureau on a quarterly basis for the five year period from September 5, 2000 – 2005.

During July 1994, the City of Chillicothe passed legislation that would grant 33% of the city's portion of tax to Ross-Chillicothe Convention and Visitors Bureau, Inc. to be used to fund a Sales Director position. The city grant requires an annual renewal. This grant was approved February 13, 1995. The agreement between the city and Ross-Chillicothe Convention and Visitors Bureau, Inc. states that the grant would be paid quarterly, based on actual receipts collected no later than sixty days after the end of the quarter.

**NOTE 3 - RENTS/LEASES**

The Bureau's auxiliary office buildings (Railroad Cabooses) are located on property which belongs to the City of Chillicothe. No rent is charged for the use of this land. Therefore, the fair rental value of this land has been included as in-kind support in the statement of activities. The fair rental value also is included as rent expense in the statement of functional expenses. The annual value of the contribution was computed at \$1.25 per square foot times 960 square feet or \$1,200.

The Bureau's business office is located at 25 East Main Street, Chillicothe, Ohio. The Bureau rents this space for a monthly fee of \$850. There is a one year lease agreement between the Bureau and the owner of the building, with options to renew for 3 additional 3-year terms. This lease was signed in June 2001. Future payments on this lease for the fiscal years ended July 31 are:

2002	\$ 9,350
------	----------

There is a closed-end automotive lease agreement with a local financial institution for the lease of a 1998 Ford Windstar. Lease payments are \$336 per month for 48 months on a noncancelable operating lease expiring in August, 2001. Total future payment for the fiscal year ended July 31, 2002 is \$336. At the time of expiration of the lease, there was a purchase option for \$12,230 plus tax and title cost, which was not exercised.

**NOTE 4 - SUBSEQUENT EVENT**

Collections for the hotel-motel tax for the City of Chillicothe for the quarters ending March 31, 2001 and June 30, 2001 totaled \$68,291. As of the date of this report, the city has not adopted its annual ordinance to distribute any amount of the tax collected to the Bureau. These revenues, or a portion thereof, are not included in the accompanying financial statements since the City had not passed legislation granting any funds to the Bureau prior to July 31, 2001.

# Whited Seigneur Sams & Rahe

CERTIFIED PUBLIC ACCOUNTANTS

Jerry B. Whited, CPA  
Donald R. Seigneur, CPA



John R. Sams, CPA  
Barry L. Rahe, CPA

213 South Paint Street  
Chillicothe, Ohio 45601  
(740) 702-2600 – Voice (740) 702-2610 – Fax

---

December 17, 2001

Board of Trustees  
Ross-Chillicothe Convention  
and Visitors Bureau, Inc.  
P. O. Box 353  
Chillicothe, Ohio 45601

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

We have audited the financial statements of Ross-Chillicothe Convention and Visitors Bureau, Inc. as of and for the year ended July 31, 2001 and have issued our report thereon dated December 17, 2001. 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.

### **Compliance**

As part of obtaining reasonable assurance about whether Ross-Chillicothe Convention and Visitors Bureau, Inc.'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 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 Ross-Chillicothe Convention and Visitors Bureau, Inc.'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 we have reported to management of Ross-Chillicothe Convention and Visitors Bureau, Inc. in a separate letter dated December 17, 2001.

This report is intended for the information and use of management, Board of Trustees, Ross County Board of Commissioners and Chillicothe City Council, and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

WHITED SEIGNEUR SAMS & RAHE, CPAs







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

**ROSS-CHILLICOTHE CONVENTION AND VISITORS BUREAU, INC.**

**ROSS 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  
FEBRUARY 12, 2002**