

TUSCARAWAS COUNTY CONVENTION AND VISITORS BUREAU  
TUSCARAWAS COUNTY

REGULAR AUDIT

1/1/99 - 12/31/99

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU  
REPORT ON AUDITS  
OF  
FINANCIAL STATEMENTS

DECEMBER 31, 1999 AND 1998

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Board of Directors  
Tuscarawas County Convention and Visitors Bureau  
New Philadelphia, Ohio

We have reviewed the Independent Auditor's Report of the Tuscarawas County Convention and Visitors Bureau, Tuscarawas County, prepared by Tope & Willoughby, Inc., for the audit period January 1, 1999 through December 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 Tuscarawas County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Jim Petro".

JIM PETRO  
Auditor of State

May 31, 2000



# TOPE & WILLOUGHBY, INC.

Certified Public Accountants

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Phone (330) 602-1322 • Fax (330) 602-2610

March 29, 2000

Board of Directors  
Tuscarawas County Convention and Visitors Bureau  
New Philadelphia, Ohio

## INDEPENDENT AUDITORS' REPORT

We have audited the statements of financial position of Tuscarawas County Convention and Visitors Bureau as of December 31, 1999 and 1998, and the related statements of activities and changes in net assets, statements of functional expenses, and the statements of cash flows for the years then ended. These financial statements are the responsibility of the organization'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 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 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 Tuscarawas County Convention and Visitors Bureau, as of December 31, 1999 and 1998, and the changes in net assets, and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated March 29, 2000, on our consideration of the Tuscarawas County Convention and Visitors Bureau's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

*Tope & Willoughby, Inc.*  
TOPE & WILLOUGHBY, INC.

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU

STATEMENT OF FINANCIAL POSITION  
AS OF DECEMBER 31, 1999 AND 1998

ASSETS

	<u>1999</u>	<u>1998</u>
<b>CURRENT ASSETS:</b>		
Cash - unrestricted	\$ 58,957	\$ 53,150
Cash - board designated	98,719	63,449
Accounts receivable	27,130	54,986
Prepaid expenses	<u>1,295</u>	<u>1,620</u>
Total current assets	<u>186,101</u>	<u>173,205</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Video and display equipment	19,438	19,438
Office equipment	28,705	19,863
Computer equipment	<u>20,040</u>	<u>18,216</u>
	68,183	57,517
less: accumulated depreciation	<u>53,061</u>	<u>48,159</u>
Total property and equipment	<u>15,122</u>	<u>9,358</u>
<b>OTHER ASSETS</b>	<u>206</u>	<u>206</u>
Total assets	<u>\$ 201,429</u>	<u>\$ 182,769</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable - trade	\$ 1,217	\$ 832
Accrued expenses	<u>2,671</u>	<u>5,322</u>
Total current liabilities	3,888	6,154
<b>NET ASSETS:</b>		
Unrestricted	98,822	113,116
Temporarily restricted	<u>98,719</u>	<u>63,499</u>
Total net assets	<u>197,541</u>	<u>176,615</u>
Total liabilities and net assets	<u>\$ 201,429</u>	<u>\$ 182,769</u>

The accompanying notes are an integral part of these financial statements.

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>SUPPORT AND REVENUE:</b>			
Hotel and motel excise tax	\$ 244,568	\$ 0	\$ 244,568
Grants and donations	10,000	0	10,000
Tourist Information Center donations	11,793	1,743	13,536
Visitors' guide income	505	0	505
Group tour planner	3,450	0	3,450
Interest income	0	1,477	1,477
Co-op advertising income	2,036	0	2,036
Miscellaneous income	1,009	0	1,009
Total support and revenue	<u>273,361</u>	<u>3,220</u>	<u>276,581</u>
<b>EXPENSES:</b>			
Program expenses	175,561	0	175,561
Administrative expenses	80,094	0	80,094
Total expenses	<u>255,655</u>	<u>0</u>	<u>255,655</u>
 Increase in net assets	 17,706	 3,220	 20,926
NET ASSETS, beginning of year	<u>113,116</u>	<u>63,499</u>	<u>176,615</u>
	130,822	66,719	197,541
Transfers from unrestricted to temporarily restricted	<u>(32,000)</u>	<u>32,000</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 98,822</u>	<u>\$ 98,719</u>	<u>\$ 197,541</u>

The accompanying notes are an integral part of these financial statements.

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 1998

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
<b>SUPPORT AND REVENUE:</b>			
Hotel and motel excise tax	\$ 238,842	\$ 0	\$ 238,842
Grants and donations	0	0	0
Tourist Information Center donations	12,248	0	12,248
Visitors' guide income	17,310	0	17,310
Group tour planner	0	0	0
Interest income	1,503	1,993	3,496
Co-op advertising income	0	0	0
Miscellaneous income	1,582	0	1,582
Total support and revenue	<u>271,485</u>	<u>1,993</u>	<u>273,478</u>
<b>EXPENSES:</b>			
Program expenses	159,704	0	159,704
Administrative expenses	70,522	0	70,522
Total expenses	<u>230,226</u>	<u>0</u>	<u>230,226</u>
 Increase in net assets	 41,259	 1,993	 43,252
NET ASSETS, beginning of year	<u>85,687</u>	<u>47,676</u>	<u>133,363</u>
	126,946	49,669	176,615
Transfers from unrestricted to temporarily restricted	<u>(13,830)</u>	<u>13,830</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 113,116</u>	<u>\$ 63,499</u>	<u>\$ 176,615</u>

The accompanying notes are an integral part of these financial statements.

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	PROGRAM EXPENSES	ADMINISTRATIVE EXPENSES	TOTAL
Salaries	\$ 55,325	\$ 40,051	\$ 95,376
Payroll taxes	4,659	3,373	8,032
Employee benefits	4,526	3,277	7,803
Pension expense	1,390	1,006	2,396
Advertising	15,148	6,492	21,640
Travel shows and tours	12,177	0	12,177
Visitors' guide expense	5,706	0	5,706
Conferences and meetings	7,182	3,078	10,260
Dues and memberships	2,418	1,036	3,454
Public relations	202	134	336
Postage	5,734	3,822	9,556
Copying and printing	2,782	1,192	3,974
Office supplies	1,331	3,107	4,438
Vehicle expenses	5,012	2,148	7,160
Co-op advertising	5,362	0	5,362
Tourist Information Center supplies	9,678	0	9,678
Continuing education	1,883	807	2,690
Rent - office	8,466	3,628	12,094
Telephone	2,614	1,120	3,734
Legal and accounting	5,795	2,483	8,278
Insurance	626	268	894
Equipment	1,506	645	2,151
Grants and aid	10,000	0	10,000
Group tour planner expense	768	0	768
Utilities	650	278	928
Computer expenses	1,190	510	1,700
Miscellaneous expense	0	168	168
Total expenses before depreciation	172,130	78,623	250,753
Depreciation expense	3,431	1,471	4,902
Total expenses	\$ 175,561	\$ 80,094	\$ 255,655

The accompanying notes are an integral part of these financial statements.



TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1998

	PROGRAM EXPENSES	ADMINISTRATIVE EXPENSES	TOTAL
Salaries	\$ 53,139	\$ 32,825	\$ 85,964
Payroll taxes	4,157	2,567	6,724
Employee benefits	5,778	3,542	9,320
Pension expense	2,543	1,558	4,101
Advertising	11,051	4,736	15,787
Travel shows and tours	7,129	0	7,129
Visitors' guide expense	16,971	0	16,971
Conferences and meetings	5,029	2,156	7,185
Dues and memberships	3,069	1,315	4,384
Public relations	1,043	696	1,739
Postage	5,266	3,510	8,776
Copying and printing	1,835	786	2,621
Office supplies	1,639	3,824	5,463
Vehicle expenses	4,809	2,061	6,870
Co-op advertising	0	0	0
Tourist Information Center supplies	6,069	0	6,069
Continuing education	474	203	677
Rent - office	9,119	3,908	13,027
Telephone	3,186	1,365	4,551
Legal and accounting	5,643	2,418	8,061
Insurance	473	203	676
Equipment	1,749	750	2,499
Grants and aid	5,000	0	5,000
Group tour planner expense	0	0	0
Utilities	624	268	892
Computer expenses	1,129	484	1,613
Miscellaneous expense	0	155	155
Total expenses before depreciation	156,924	69,330	226,254
Depreciation expense	2,780	1,192	3,972
Total expenses	\$ 159,704	\$ 70,522	\$ 230,226

The accompanying notes are an integral part of these financial statements.

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from service recipients	\$ 278,415	\$ 251,632
Other operating cash receipts	24,545	13,830
Cash paid to employees and suppliers	<u>(252,694)</u>	<u>(239,010)</u>
Net cash provided by operating activities	<u>50,266</u>	<u>26,452</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Purchases of property and equipment	<u>(10,666)</u>	<u>0</u>
Net cash used by capital activities	<u>(10,666)</u>	<u>0</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on investments	<u>1,477</u>	<u>3,496</u>
Net cash provided by investing activities	<u>1,477</u>	<u>3,496</u>
Increase in cash	41,077	29,948
CASH AND CASH EQUIVALENTS, beginning of year	<u>116,599</u>	<u>86,651</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 157,676</u>	<u>\$ 116,599</u>
Reconciliation of increase in net assets to net cash provided by operating activities:		
Increase in net assets	\$ 20,926	\$ 43,252
Adjustments to reconcile increase In net assets to net cash provided by operating activities:		
Depreciation	4,902	3,972
Interest received	(1,477)	(3,496)
(Increase) decrease in accounts receivable	27,856	(4,520)
(Increase) decrease in prepaid expenses	325	(560)
Increase in accounts payable - trade	385	370
(Decrease) in accrued expenses	<u>(2,651)</u>	<u>(12,566)</u>
Net cash provided by operating activities	<u>\$ 50,266</u>	<u>\$ 26,452</u>

The accompanying notes are an integral part of these financial statements.

TOPE & WILLOUGHBY, INC. - Certified Public Accountants

NOTES TO FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies

Nature of Activities

Tuscarawas County Convention and Visitors Bureau (the organization) is a non-profit entity organized under the laws of the State of Ohio for the purpose of the promotion of Tuscarawas County, Ohio as a convention and tourist location.

Method of Accounting

The organization prepares its financial statements on the accrual basis of accounting.

Accounts Receivable

The organization uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 1999 and 1998. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

Property, Plant, and Equipment

Property, plant, and equipment are carried at cost. Depreciation is provided over the estimated useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation are eliminated from the accounts, and any resulting gain or loss is reflected in income. The useful lives and methods used are as follows:

<u>DESCRIPTION</u>	<u>USEFUL LIFE</u>	<u>METHOD</u>
Video and display equipment	5 years	Straight line
Office equipment	5 - 10 years	Straight line
Computer equipment	5 years	Straight line

Donations

All donations received are considered to be available for unrestricted use unless specifically restricted by donor.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: Summary of Significant Accounting Policies (continued)

Tax Status

As a non-profit organization under Section 501(c)(6) of the Internal Revenue Code, the organization is exempt from federal and Ohio income taxes. Therefore, no provision has been made for federal or Ohio income taxes in the accompanying financial statements.

Statement of Cash Flows

Cash and cash equivalents include all highly liquid debt instruments purchased with a maturity of three months or less.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

NOTE 2: Deposits with Off Balance Sheet Risk

As of December 31, 1999 and 1998, the organization had bank balances of \$157,676 and \$116,599, respectively. All of the bank balances were covered by federal depository insurance as of December 31, 1999 and 1998.

NOTE 3: Compensated Absences

Employees of the organization are entitled to paid vacation and sick days depending on job classification, length of service, and other factors. Accrued compensated absences were \$233 and \$1,548 as of December 31, 1999 and 1998.

NOTE 4: Concentration of Credit Risk

The accounts receivable balance of the organization consists of balances due from clients operating primarily in east-central Ohio.

The organization receives a majority of its funding from a hotel and motel excise tax in Tuscarawas County located in east-central Ohio.

NOTES TO FINANCIAL STATEMENTS

NOTE 5: Visitors Guide Publication

The organization publishes an annual Visitors' Guide. Prior to its publication, the organization will receive in advance a certain amount of related advertising revenue and will also incur related expenses. The amount of advertising revenue received in advance of the related year of publication, less associated expenses, amounted to \$1,450 and \$2,700 as of December 31, 1999 and 1998.

NOTE 6: Operating Lease

The organization currently rents office space on a month-to-month basis. The organization is responsible for its share of utilities. This agreement is being accounted for as an operating lease. Payments in 1999 and 1998, under this lease, amounted to \$12,094 and \$13,027.

The organization entered into a three year lease for a vehicle. The lease calls for monthly payments of \$380. This agreement is being accounted for as an opening lease. Payments in 1999, under this lease, amounted to \$4,560.

NOTE 7: Board Designated Building Fund

It is the policy of the Board of Directors of the organization to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums to assure adequate financing of such improvements and acquisitions.

NOTE 8: Pension Plan

The organization sponsors a simplified employee pension plan covering all eligible full-time employees. Contributions, as determined by the Board of Directors, are determined as 5% of each covered employee's salary and totaled \$2,396 and \$4,101 for the years ended December 31, 1999 and 1998.

NOTES TO FINANCIAL STATEMENTS

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NOTE 9: Financial Statement Presentation

In 1995, the organization elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organization." Under SFAS No. 117, the organization 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. In addition, the organization is required to present a statement of cash flows.



# TOPE & WILLOUGHBY, INC.

*Certified Public Accountants*

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Phone (330) 602-1322 • Fax (330) 602-2610

March 29, 2000

Board of Directors  
Tuscarawas County Convention  
and Visitors Bureau  
New Philadelphia, Ohio

INDEPENDENT AUDITORS' 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 Tuscarawas County Convention and Visitors Bureau as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated March 29, 2000. 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 Tuscarawas County Convention and Visitors 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 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 Tuscarawas County Convention and Visitors 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.

Board of Directors  
Tuscarawas County Convention  
and Visitors Bureau  
March 29, 2000  
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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 the board of directors and management and is not intended and should not be used by anyone other than these specified parties.

*Tope & Wilboughby, Inc.*  
TOPE & WILLOUGHBY, INC.





STATE OF OHIO  
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**TUSCARAWAS COUNTY CONVENTION AND VISITORS BUREAU**

**TUSCARAWAS 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: JUNE 13, 2000