



**ASHTABULA CONVENTION AND VISITORS
BUREAU
ASHTABULA COUNTY
REGULAR AUDIT
YEAR ENDED DECEMBER 31, 2011**



Dave Yost • Auditor of State

Board of Directors
Ashtabula County Convention and Visitors Bureau
1850 Austinburg Road
Austinburg, Ohio 44010

We have reviewed the *Independent Accountants' Report* of the Ashtabula County Convention and Visitors Bureau, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2011 through December 31, 2011. 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 Ashtabula County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 17, 2012

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ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
Ashtabula County Convention and Visitors Bureau
Austinburg, Ohio 44010

We have audited the accompanying statement of financial position of the Ashtabula County Convention and Visitors Bureau (Bureau) (a nonprofit organization) as of December 31, 2011, and the related statements of activities and cash flows for the year 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula County Convention and Visitors Bureau as of December 31, 2011, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United State of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2012 on our consideration of the Bureau's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenses on Page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Canter & Associates

A handwritten signature in blue ink that reads "Canter & Assoc" with a stylized flourish at the end.

Poland, Ohio
June 25, 2012

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011

ASSETS

ASSETS

Cash & Cash Equivalents	\$ 122,472
Accounts Receivable, net	37,725
Prepaid Expenses	605
Deposits-workers compensation	10
Property and equipment (net)	<u>65,974</u>

Total Assets \$ 226,786

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 1,553
Notes Payable	<u>18,160</u>

Total Liabilities 19,713

NET ASSETS

Unrestricted	207,073
	<u>207,073</u>

Total Net Assets 207,073

Total liabilities and net assets \$ 226,786

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

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

	<u>Unrestricted</u>
REVENUES	
Bed Tax	\$ 358,036
Co-Op Advertising	9,519
Visitors Guide	80,777
Membership Dues	11,285
Miscellaneous	2,798
Interest	<u>75</u>
Total revenues, gains, and other support	<u>462,490</u>
EXPENSES	
Supporting Services	262,403
Management and general	<u>170,055</u>
Total Expenses	<u>432,458</u>
INCREASE (DECREASE) IN NET ASSETS	30,032
NET ASSETS AT BEGINNING OF YEAR	<u>177,041</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 207,073</u></u>

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

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2011

Cash Flows From Operating Activities:

Increase in Net Assets	\$30,032
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	8,540
(Increase)/Decrease in Accounts Receivable	(3,029)
(Increase)/Decrease in Prepaid Expenses	(11)
Increase/(Decrease) in Accounts Payable	(1,087)
	(1,087)
Net Cash Provided By Operating Activities	34,445

Cash Flows From Capital and Related Activities:

Payments on Note	(2,704)
Payment for Capital Acquisitions	(2,000)
	(2,000)

Net Cash Provided by Capital and Related Financing Activities (4,704)

Net Increase in Cash and Cash Equivalents 29,741

Cash and Cash Equivalents at Beginning of Year 92,731

Cash and Cash Equivalents at End of Year \$122,472

Supplemental Disclosures:

Noncash investing and financing transaction:

 Acquisition of new vehicle

 Cost of vehicle \$ 20,864

 Vehicle Loan (20,864)

Cash payments for interest \$ 779

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

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 1 - Background

Ashtabula County Convention and Visitors Bureau (ACCVB) is a nonprofit corporation established pursuant to the laws of the State of Ohio to develop, promote and otherwise encourage tourism and recreation. This is done through advertising in various publications, Internet website participation, and publishing a County Visitors Guide.

Note 2 – Summary of Significant Accounting Policies

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of Ashtabula County Convention and Visitors Bureau.

The financial statements of ACCVB have been prepared on the accrual basis of accounting, and accordingly, include all significant receivables, payables, and other liabilities.

Assets, liabilities, and net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ACCVB and changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Corporation and/or the passage of time.

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method.

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

ACCVB uses advertising to promote the Ashtabula County tourism industry. Advertising includes ads in publications and other media, and other activities such as the publication of visitors' guides and attendance at trade shows. The production costs of advertising are expensed as incurred. Advertising expense was \$55,912 in 2011.

For purposes of the statement of cash flows, ACCVB considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 3 - Cash

Cash is comprised of the following at December 31, 2011:

Cash in Hand	\$469
Cash in Checking	<u>122,003</u>
Total	<u><u>\$122,472</u></u>

Cash deposits in financial institutions at times, may exceed federal insured limits of \$250,000. ACCVB has not experienced any losses on these accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents. The cash balances at December 31, 2011 did not exceed the federal limits.

Note 4 – Fixed Assets

Fixed assets are comprised of the following at December 31, 2011:

Leasehold Improvements	\$65,888
Equipment	29,385
Vehicles	<u>22,864</u>
Total Historical Cost	118,137
Less: Accumulated Depreciation	<u>(52,163)</u>
Total Book Value	<u><u>\$65,974</u></u>

Note 5 – Income Taxes

Income taxes have not been provided for as ACCVB has been granted a nonprofit corporation status under Section 501(c)(6) of the Internal Revenue Code.

Note 6 - Leases

The ACCVB is leasing its office space on a non-cancelable operating lease that expires November 14, 2016. Monthly lease payments range from \$1,320 to \$1,648. Lease expense for December 31, 2011 was \$18,840.

The ACCVB has a five year non-cancelable operating lease agreement for office equipment with Konica Minolta during 2007. Monthly lease payments are \$396. Total lease expenses for the year ended December 31, 2011 were \$4,752.

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2011

The following is a summary of future minimum lease payments required under ACCVB's operating leases:

	Office Space	Copier	Total
2012	21,000	3,168	24,168
2013	21,000		21,000
2014	21,000		21,000
2015	21,000		21,000
2016	21,000		21,000
Total	\$105,000	\$3,168	\$108,168

Note 7 – Concentration of Revenues

Ashtabula County provided 77 percent of ACCVB's revenues for 2011. The funds are generated through bed taxes on temporary lodging. A significant reduction in the level of this support, if this were to occur, may have an effect on the ACCVB's programs.

Note 8 – Retirement Plans

ACCVB has a Simple IRA that covers all employees who are vested immediately and are able to participate in the plan upon hire. Under the Plan, eligible employees will receive an employer match of their salary up to a 3% maximum. Total expense for the Simple IRA was \$3,351 for the year ended December 31, 2011.

Note 9 – Commitments

ACCVB has entered into an agreement with Ashtabula County through the Board of Commissioners that requires the payment of bed taxes received from the Geneva Lodge and Conference Center to the County for a period of five years beginning May 1, 2010. The amount paid in 2011 was \$50,000.

Note 10 – Related Party Transactions

ACCVB has entered into an agreement with a business owned by a Board member to maintain the Bureau's internet website. The amount paid in 2011 was \$3,535.

Note 11 – Line of Credit

The ACCVB has a \$25,000 line of credit with a bank. Interest is payable monthly at the Prime rate plus 1.00%. The rate floor is 6.00% and the lifetime cap is 12.00%. The agreement expires June 29, 2024. The ACCVB did not have an outstanding balance at December 31, 2011.

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2011

Note 12 – Notes Payable

The Bureau's notes payable consist of the following:

Note Payable to Ford Motor Credit, due in monthly installments of \$497 plus interest at an annual rate of 6.79%, secured by vehicle.	<u>\$ 18,160</u>
Less: current portion	<u>(5971)</u>
	<u>\$ 12,189</u>

Future scheduled maturities of notes payable are as follows:

Year	Principal	Interest	Total
2012	\$ 4,888	\$ 1,083	\$ 5,971
2013	5,231	740	5,971
2014	5,597	374	5,971
2015	2,444	43	2,487
Total	<u>\$ 18,160</u>	<u>\$ 2,240</u>	<u>\$ 20,400</u>

Note 13 – Evaluation of Subsequent Events

The Bureau has evaluated subsequent events through June 25, 2012, the date which the financial statements were available to be issued.

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
Schedule of Expenses
Year Ended December 31, 2011

Wages & Employee Benefits	\$ 152,807
Dues and Subscriptions	5,746
Membership Fees	2,360
Marketing and Advertising	55,912
Bad Debt	131
Bank Charges	779
Community Promotions	7,240
Insurance	4,787
Lodge Bed Tax	50,000
Office Supplies	17,248
Postage and Delivery	10,048
Professional Services	6,414
Visitors Guide Publications	64,853
Rent	21,525
Repairs and Maintenance	3,377
Tourism	3,192
Trade Shows and Conferences	2,551
Travel and Transportation	5,731
Donations	1,000
Utilities	<u>8,217</u>
	Total before depreciation
	\$ 423,918
Depreciation	<u>8,540</u>
	Total Expenses
	<u><u>432,458</u></u>

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

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***

To the Board of Directors
Ashtabula County Convention and Visitors Bureau
Austinburg, Ohio 44010

We have audited the financial statements of the Ashtabula County Convention and Visitors Bureau (Bureau) (a nonprofit organization) as of and for the year ended December 31, 2011, and have issued our report thereon dated June 25, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Ashtabula Convention and Visitors Bureau
Ashtabula County
Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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 or other matters that are required to be reported under *Government Auditing Standards*.

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



Canter & Associates
Poland, Ohio
June 25, 2012



Dave Yost • Auditor of State

ASHTABULA COUNTY CONVENTION AND VISITORS BUREAU

ASHTABULA 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
JULY 31, 2012