

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

**REPORT ON AUDITS OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2011 AND 2010



Dave Yost • Auditor of State

Board of Directors
Coshocton County Convention and Visitor's Bureau
P.O. Box 905
Coshocton, Ohio 43812

We have reviewed the *Independent Auditors' Report* of the Coshocton County Convention and Visitor's Bureau, Coshocton County, prepared by Willoughby & Company, Inc., for the audit period January 1, 2010 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 Coshocton County Convention and Visitor's 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

August 23, 2012

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**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU
COSHOCTON, OHIO**

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663
Phone (330) 602-1322 • Fax (330) 602-2610

Board of Directors
Coshocton County Convention & Visitors Bureau
Coshocton, Ohio

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of assets and net assets - cash basis of Coshocton County Convention & Visitors Bureau (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of revenue, expenses, and changes in net assets - cash basis 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 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 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.

As described in Note 1, the Organization prepared these financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and net assets of Coshocton County Convention & Visitors Bureau as of December 31, 2011 and 2010, and its revenue, expenses and the changes in its assets for the years then ended, in on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 18, 2012, on our consideration of the Coshocton County Convention & Visitors Bureau's internal control structure over financial reporting and on our tests 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 read in conjunction with this report in considering the results of our audit.

WILLOUGHBY & COMPANY, INC.
Certified Public Accountants

June 18, 2012

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**
STATEMENTS OF ASSETS AND NET ASSETS - CASH BASIS
AS OF DECEMBER 31,

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and equivalents	\$ <u>44,435</u>	\$ <u>37,700</u>
Total current assets	\$ <u>44,435</u>	\$ <u>37,700</u>

<u>NET ASSETS</u>		
NET ASSETS:		
Unrestricted	\$ <u>44,435</u>	<u>37,700</u>
Total net assets	\$ <u>44,435</u>	\$ <u>37,700</u>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2011</u>	<u>2010</u>
REVENUE AND SUPPORT:		
Hotel & motel permissive excise tax	\$ 122,973	\$ 108,786
Grant	10,000	0
Special events	0	1,888
Co-op reimbursements	15,449	9,078
Interest income	<u>131</u>	<u>265</u>
Total support and revenue	148,553	120,017
EXPENSES:		
Advertising & marketing	50,522	41,129
Special events costs	0	3,002
Website	1,392	950
Travel shows	5,763	5,110
Visitor's guide printing & brochure distribution	2,015	7,857
Dues & memberships	1,917	1,650
Postage	1,559	2,087
Printing - copies	1,392	2,099
Office supplies	2,958	1,480
Wages	48,410	54,214
Taxes - FICA, SUTA & Workers' Compensation	3,922	4,384
Repairs & maintenance	74	766
Rent - office	3,300	3,300
Telephone	3,755	3,895
Bank service charges	153	15
Professional fees	7,340	11,305
Insurance - general	924	438
Insurance - directors & officers	840	840
Utilities	2,230	2,388
Meetings	1,644	1,139
Travel - other	<u>1,708</u>	<u>1,411</u>
Total expenses	<u>141,818</u>	<u>149,459</u>
Changes in net assets	6,735	(29,442)
NET ASSETS, beginning of year	<u>37,700</u>	<u>67,142</u>
NET ASSETS, end of year	<u>\$ 44,435</u>	<u>\$ 37,700</u>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Coshocton 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 Coshocton County, Ohio as a convention and tourist location.

METHOD OF ACCOUNTING

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, receipts are recognized when received in cash rather than earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Accordingly, the accompanying statements of revenue, expenses and changes in net assets is not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

FINANCIAL STATEMENT PRESENTATION

The Organization has adopted Financial Accounting Standard Board ASC 958-210-50-3 (formerly Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations"). Under this standard, 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. As permitted by this statement, the Organization has discontinued its use of fund accounting and has, accordingly, reclassified its financial statements to present the three classes of net assets required. At December 31, 2011 and 2010, the Organization only had unrestricted net assets.

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.

The Organization adopted the provision of FASB ASC-740-10 which relates to accounting for uncertainty in income taxes on July 1, 2009. Application of the new standard did not have any material effect on the Organization's financial statements. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings in determining any uncertain tax positions.

The Organization's activity is included on its Return of Organization Exempt from Income Tax annually. The returns for 2008, 2009 and 2010 are subject to examination by the IRS, generally for three years after they were filed.

ADVERTISING COSTS

The Organization expenses the production costs of advertising the first time the advertising takes place.

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through June 18, 2012, which is the date the financial statements were available to be issued.

NOTE 2: EQUITY IN POOLED CASH AND INVESTMENTS

The Organization maintains a pool of deposits used by all funds. Both are interest bearing accounts. The carrying amount of cash and deposits at December 31 are as follows:

	<u>2011</u>		<u>2010</u>
Operating - Checking	\$ 6,303	\$	2,254
Savings	<u>38,132</u>		<u>35,446</u>
Total	<u>\$ 44,435</u>	\$	<u>37,700</u>

NOTE 3: CONCENTRATION OF CREDIT RISK

The Organization receives a significant amount of its support from a permissive lodging excise tax. The Coshocton County Commissioners adopted the imposition of the maximum amount of excise tax (3%) on transactions by which lodging by a hotel is or is to be furnished to guests. The amount of this revenue is solely dependent on the number of hotel rooms in the county, the occupancy rate of those rooms, and the average rental rate. The excise tax is collected by the Coshocton County Auditor's office and paid to the Organization on a monthly basis, for the previous month's collections.

Effective March 1, 2006, the City of Coshocton implemented the same permissive lodging excise tax for hotels located within the City limits, as described above. The excise tax is collected by the City of Coshocton and paid to the Organization on a monthly basis, for the previous month's collections.

The loss of this revenue would have an adverse effect on the Organization's financial condition.

NOTE 4: OPERATING LEASE

Commencing May 1, 2007, the Organization entered into an agreement with the Coshocton County Board of Commissioners to lease office space. The agreement is for a term of five years and expires April 30, 2012. The monthly rent is set at \$275 per month. The lease also calls for the Organization to pay its share of all utility expenses (1/3 of 1/2 of the total utility costs). Rent expense for the years ending December 31, 2011 and 2010 was \$3,300 for both years.



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Board of Directors

**Coshocton County Convention & Visitors Bureau
Coshocton, Ohio**

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

We have audited the financial statements of Coshocton County Convention & Visitors Bureau (a nonprofit organization) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 18, 2012. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Coshocton County Convention & Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity'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 to be material weaknesses, as defined above.

**Board of Directors
Coshocton County Convention & Visitors Bureau**

**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***

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

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

Willoughby + Company, Inc.

**WILLOUGHBY & COMPANY, INC.
Certified Public Accountants**

June 18, 2012

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Dave Yost • Auditor of State

COSHOCTON COUNTY CONVENTION AND VISITORS BUREAU

COSHOCTON 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
SEPTEMBER 4, 2012**