

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2011 AND 2010**





# Dave Yost • Auditor of State

Board of Directors  
Tuscarawas County Convention and Visitor's Bureau  
124 East High Avenue  
New Philadelphia, Ohio 44663

We have reviewed the *Independent Auditors' Report* of the Tuscarawas County Convention and Visitor's Bureau, Tuscarawas County, prepared by Willoughby & Company, Inc., 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 Tuscarawas 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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**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU  
NEW PHILADELPHIA, 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

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization) as of December 31, 2011 and 2010, and the related statements of activities and changes in net assets, functional expenses, and 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 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.

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, 2011 and 2010, and the changes in 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 a report dated April 29, 2012, 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. 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.*

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants  
April 29, 2012

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31,**

**ASSETS**

	<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 209,527	\$ 157,129
Cash - reserve	15,946	13,923
Certificate of deposits	15,484	15,484
Accounts receivable	27,191	18,187
Prepaid expenses	<u>13,985</u>	<u>22,327</u>
<b>Total current assets</b>	<b>282,133</b>	<b>227,050</b>
<b>PROPERTY AND EQUIPMENT:</b>		
Building and improvements	470,971	470,971
Construction loan interest	7,026	7,026
Transportation equipment	13,532	13,532
Video and display equipment	14,752	12,622
Office equipment	52,578	51,541
Computer equipment	<u>15,020</u>	<u>14,995</u>
	573,879	570,687
Less: accumulated depreciation	<u>188,347</u>	<u>168,317</u>
<b>Net property and equipment</b>	<b>385,532</b>	<b>402,370</b>
<b>OTHER ASSETS:</b>		
Workers' compensation deposit	<u>208</u>	<u>208</u>
<b>Total other assets</b>	<b>208</b>	<b>208</b>
<b>Total assets</b>	<b><u>\$ 667,873</u></b>	<b><u>\$ 629,628</u></b>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants



**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU  
STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31,**

**LIABILITIES AND NET ASSETS**

	<u>2011</u>	<u>2010</u>
<b>CURRENT LIABILITIES:</b>		
Accounts payable - trade	\$ 0	\$ 1,828
Notes payable, current portion	13,138	12,548
Accrued liabilities:		
Accrued payroll taxes	4,298	3,791
Accrued sales tax	138	150
Accrued other	862	750
Deferred revenue	<u>80,000</u>	<u>80,000</u>
<b>Total current liabilities</b>	<b>98,436</b>	<b>99,067</b>
<b>LONG-TERM LIABILITIES:</b>		
Notes payable, net of current portion	<u>354,314</u>	<u>367,704</u>
<b>Total long-term liabilities</b>	<b>354,314</b>	<b>367,704</b>
<b>Total liabilities</b>	<b>452,750</b>	<b>466,771</b>
<b>NET ASSETS:</b>		
Unrestricted	199,177	148,934
Temporarily restricted	<u>15,946</u>	<u>13,923</u>
<b>Total net assets</b>	<b>215,123</b>	<b>162,857</b>
<b>Total liabilities and net assets</b>	<b><u>\$ 667,873</u></b>	<b><u>\$ 629,628</u></b>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Hotel and motel excise tax	\$ 404,226	\$ 0	\$ 404,226
Grants and donations	16,667	0	16,667
Reimbursements	8,129	0	8,129
Admissions - Fort Laurens	7,200	0	7,200
Gift shop	3,287	0	3,287
Publication/Visitors' guide income	5,897	0	5,897
FAM Tour Income	425	0	425
Group tour planner	468	0	468
Packaging partnerships	4,570	0	4,570
Profile books	1,875	0	1,875
Interest income	268	23	291
Rental income	5,447	0	5,447
Co-op advertising income	15,663	0	15,663
Miscellaneous	1,797	0	1,797
	<hr/>	<hr/>	<hr/>
<b>Total support and revenue</b>	<b>475,919</b>	<b>23</b>	<b>475,942</b>
<b>EXPENSES:</b>			
Program expenses	337,084	0	337,084
Administrative expenses	86,592	0	86,592
	<hr/>	<hr/>	<hr/>
<b>Total expenses</b>	<b>423,676</b>	<b>0</b>	<b>423,676</b>
	<hr/>	<hr/>	<hr/>
<b>Changes in net assets</b>	<b>52,243</b>	<b>23</b>	<b>52,266</b>
<b>NET ASSETS, beginning of year</b>	<hr/> <b>148,934</b>	<hr/> <b>13,923</b>	<hr/> <b>162,857</b>
	<hr/>	<hr/>	<hr/>
	<b>201,177</b>	<b>13,946</b>	<b>215,123</b>
	<hr/>	<hr/>	<hr/>
<b>Transfers</b>	<b>(2,000)</b>	<b>2,000</b>	<b>0</b>
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, end of year</b>	<b>\$ 199,177</b>	<b>\$ 15,946</b>	<b>\$ 215,123</b>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Hotel and motel excise tax	\$ 314,905	\$ 0	\$ 314,905
Grants and donations	16,000	0	16,000
Reimbursements	4,819	0	4,819
Admissions - Fort Laurens	7,338	0	7,338
Gift Shop	3,409	0	3,409
Publications/Visitors' guide income	6,241	0	6,241
FAM Tour Income	0	0	0
Group tour planner	3,560	0	3,560
Packaging partnerships	0	0	0
Profile books	750	0	750
Interest income	35	19	54
Rental income	5,215	0	5,215
Co-op advertising income	6,495	0	6,495
Miscellaneous	828	0	828
	<hr/>	<hr/>	<hr/>
<b>Total support and revenue</b>	<b>369,595</b>	<b>19</b>	<b>369,614</b>
<b>EXPENSES:</b>			
Program expenses	282,590	0	282,590
Administrative expenses	78,038	0	78,038
	<hr/>	<hr/>	<hr/>
<b>Total expenses</b>	<b>360,628</b>	<b>0</b>	<b>360,628</b>
	<hr/>	<hr/>	<hr/>
<b>Changes in net assets</b>	<b>8,967</b>	<b>19</b>	<b>8,986</b>
<b>NET ASSETS, beginning of year</b>	<hr/> <b>143,891</b>	<hr/> <b>9,980</b>	<hr/> <b>153,871</b>
	<hr/>	<hr/>	<hr/>
	<b>152,858</b>	<b>9,999</b>	<b>162,857</b>
	<hr/>	<hr/>	<hr/>
<b>Transfers</b>	<b>(3,924)</b>	<b>3,924</b>	<b>0</b>
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS, end of year</b>	<b>\$ 148,934</b>	<b>\$ 13,923</b>	<b>\$ 162,857</b>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 127,411	\$ 31,853	\$ 159,264
Payroll taxes	12,120	3,030	15,150
Employee benefits	14,590	3,647	18,237
Pension expense	3,006	752	3,758
Advertising	29,589	12,681	42,270
Travel show and tours	20,369	0	20,369
Visitors' guide expense	3,722	0	3,722
Group Tour planner	136	0	136
Packaging partnership	7,175	0	7,175
Conferences and meetings	14,533	0	14,533
Dues and memberships	11,263	0	11,263
Public relations	964	643	1,607
Postage	4,256	473	4,729
Copying and printing	6,978	1,745	8,723
Office supplies	2,043	4,763	6,806
Vehicle expenses	4,612	512	5,124
Co-op advertising	19,320	0	19,320
Merchandise purchases	1,432	0	1,432
Continuing education	371	108	479
Telephone	5,645	1,411	7,056
Legal and accounting	1,601	6,403	8,004
Insurance	2,091	896	2,987
Repairs & maintenance	4,746	2,034	6,780
Interest	11,210	4,804	16,014
Taxes - real estate	17	7	24
Grants and aid	3,000	0	3,000
Utilities	7,639	3,274	10,913
Computer expenses	2,344	1,004	3,348
Loss on disposal of assets	311	0	311
Miscellaneous	0	299	299
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	322,494	80,339	402,833
Depreciation	<hr/> 14,590	<hr/> 6,253	<hr/> 20,843
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 337,084</u>	<u>\$ 86,592</u>	<u>\$ 423,676</u>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 115,658	\$ 28,915	\$ 144,573
Payroll taxes	9,471	2,368	11,839
Employee benefits	10,698	2,675	13,373
Pension expense	2,779	695	3,474
Advertising	21,426	9,182	30,608
Travel show and tours	20,310	0	20,310
Visitors' guide expense	1,374	0	1,374
Group Tour planner	278	0	278
Packaging partnership	0	0	0
Conferences and meetings	15,742	0	15,742
Dues and memberships	9,241	0	9,241
Public relations	27	18	45
Postage	6,760	751	7,511
Copying and printing	5,265	1,316	6,581
Office supplies	1,350	3,145	4,495
Vehicle expenses	5,090	566	5,656
Co-op advertising	1,735	0	1,735
Merchandise purchases	669	0	669
Continuing education	933	273	1,206
Telephone	5,471	1,368	6,839
Legal and accounting	1,598	6,391	7,989
Insurance	2,254	966	3,220
Repairs & maintenance	5,027	2,155	7,182
Interest	11,612	4,977	16,589
Taxes - real estate	17	7	24
Grants and aid	0	0	0
Utilities	8,467	3,629	12,096
Computer expenses	1,458	625	2,083
Loss on disposal of assets	0	0	0
Miscellaneous	0	353	353
<b>Total expenses before depreciation</b>	<u>264,710</u>	<u>70,375</u>	<u>335,085</u>
<b>Depreciation</b>	<u>17,880</u>	<u>7,663</u>	<u>25,543</u>
<b>Total expenses</b>	<u>\$ 282,590</u>	<u>\$ 78,038</u>	<u>\$ 360,628</u>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2011</u>	<u>2010</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from service recipients	\$ 461,107	\$ 362,972
Other operating cash receipts	5,540	5,140
Cash paid to employees and suppliers	(379,387)	(249,804)
Interest paid	<u>(16,014)</u>	<u>(16,589)</u>
Net cash provided by operating activities	<u>71,246</u>	<u>101,719</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(4,316)	(2,639)
Cash amounts deposited and reserved for loan requirements	(2,023)	(3,943)
Interest income on accounts	<u>291</u>	<u>54</u>
Net cash used by investing activities	<u>(6,048)</u>	<u>(6,528)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on note payable	<u>(12,800)</u>	<u>(12,226)</u>
Net cash used by financing activities	<u>(12,800)</u>	<u>(12,226)</u>
Increase in cash	52,398	82,965
CASH, beginning of year	<u>157,129</u>	<u>74,164</u>
CASH, end of year	<u>\$ 209,527</u>	<u>\$ 157,129</u>
 <b>RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Changes in net assets	\$ 52,266	\$ 8,986
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	20,843	25,543
Loss on sale/disposal of asset	311	0
Interest income on accounts	(291)	(54)
(Increase) decrease in operating assets:		
Accounts receivable	(9,004)	(1,466)
Prepaid expenses	8,342	(3,117)
Increase (decrease) in operating liabilities:		
Accounts payable	(1,828)	931
Accrued expenses	495	(331)
Accrued other	112	(8,773)
Deferred revenue	<u>0</u>	<u>80,000</u>
Net cash provided by operating activities	<u>\$ 71,246</u>	<u>\$ 101,719</u>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO THE FINANCIAL STATEMENTS**

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

**NATURE OF OPERATIONS**

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.

**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 had unrestricted and temporarily restricted assets.

**ACCOUNTS RECEIVABLE**

The Organization uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 2011 and 2010. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

**PROPERTY AND EQUIPMENT**

Property 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. Depreciation for financial reporting purposes is based on the following policies:

<b><u>DESCRIPTION</u></b>	<b><u>USEFUL LIVES</u></b>	<b><u>METHOD</u></b>
Building and improvements	15 - 39 years	Straight line
Construction loan interest	30 years	Straight line
Leasehold improvements	15 years	Straight line
Transportation equipment	5 years	Straight line
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.

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS

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**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.

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 in 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.

**STATEMENTS OF CASH FLOWS**

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents. The Organization paid interest of \$16,014 and \$16,589 for the years ended December 31, 2011 and 2010, respectively.

**USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ADVERTISING COSTS**

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

**DATE OF MANAGEMENT'S REVIEW**

Subsequent events have been evaluated through April 29, 2012, which is the date the financial statements were available to be issued.

**NOTE 2: DEPOSITS WITH BALANCE SHEET RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of principally of temporary cash investments. The Organization places its temporary cash instruments with various local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2011 and 2010, the Organization had insured cash balances covered by the FDIC.

**NOTE 3: COMPENSATED ABSENCES**

Employees of the Organization are entitled to vacation and sick days, depending on job classification, length of service, and other factors. No amounts have been booked on the statements of financial position as a liability for December 31, 2011 and 2010.



**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO THE FINANCIAL STATEMENTS**

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**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.

**NOTE 5: PENSION PLAN**

The Organization sponsors a Simple Retirement program for all eligible employees. The Organization matches employee deferrals up to 3% of employee earnings. The Organization incurred matching contributions of \$3,758 and \$3,474 for the years ended December 31, 2011 and 2010, respectively.

**NOTE 6: CASH - RESERVE**

Per requirements of the USDA loan previously taken out (see Note 10), the Organization must set aside monies, over time, that will equal one year's mortgage payment (\$218 per month over 10 years). The Organization contributed \$2,000 and \$3,924 towards the required amount during 2011 and 2010. As of December 31, 2011, the Organization is up-to-date on its required contributions.

**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. As of December 31, 2011 and 2010, there were no amounts set aside for this purpose.

**NOTE 8: DEFERRED REVENUE**

During December 2010, the Organization received an \$80,000 grant from the Ohio Environmental Protection Agency for a Community Benefit Fund Grant Agreement to install flush toilets at the Fort Laurens facility. The project will not commence until the spring of 2012. This amount is included in the current liability section on the Statements of Financial Position.

**NOTE 9: LINE OF CREDIT**

The Organization had a revolving line of credit with a local financial institution. The line is unsecured and interest is being charged at prime plus .75%. The maximum amount that could be borrowed against the line is \$15,000. The line was closed February 2011.

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 10: NOTE PAYABLE**

The Organization had the following note payable at December 31:

	<u>2011</u>	<u>2010</u>
Note payable - United States Department of Agriculture Rural Development (USDA), secured by real estate with monthly payments of \$2,155 which includes interest at 4.25%. Final payment is due December 2033.	\$ 362,999	\$ 373,196
Note payable - First Federal Community Bank, secured by vehicle with monthly payments of \$246 which includes interest at 5.90%. Final payment is due June 2013.	<u>4,453</u>	<u>7,056</u>
	367,452	380,252
Less: current portion	<u>13,137</u>	<u>12,548</u>
	<u>\$ 354,315</u>	<u>\$ 367,704</u>

Principal payments on the note payable are scheduled to be made as follows for the years ending December 31:

2012	\$	13,137
2013		12,498
2014		11,285
2015		11,774
2016		12,285
Thereafter		<u>306,473</u>
	<u>\$</u>	<u>367,452</u>



# WILLOUGHBY & COMPANY, INC.

*Certified Public Accountants*

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**INDEPENDENT ACCOUNTANTS' 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***

**Board of Directors  
Tuscarawas County CVB  
New Philadelphia, Ohio**

We have audited the financial statements of Tuscarawas County Convention and Visitors Bureau (the Organization) as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated April 29, 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 Tuscarawas County Convention and 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.

**Tuscarawas County Convention and Visitors Bureau**

**Independent Accountants' 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**  
April 29, 2012



# Dave Yost • Auditor of State

**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.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 4, 2012**