

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**REPORT ON AUDITS OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2013 AND 2012



Dave Yost • Auditor of State

Members of the Board
Tuscarawas County Convention and Visitors Bureau
124 East High Avenue
New Philadelphia, Ohio 44663

We have reviewed the *Independent Auditors' Report* of the Tuscarawas County Convention and Visitors Bureau, Tuscarawas County, prepared by Willoughby & Company, Inc., for the audit period January 1, 2013 through December 31, 2013. 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 "Dave Yost".

Dave Yost
Auditor of State

August 11, 2014

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**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU
NEW PHILADELPHIA, OHIO**

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
STATEMENTS OF FINANCIAL POSITION	3 - 4
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	5 - 6
STATEMENTS OF FUNCTIONAL EXPENSES	7 - 8
STATEMENTS OF CASH FLOWS	9
NOTES TO THE FINANCIAL STATEMENTS	10 - 13
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 <i>GOVERNMENT AUDITING STANDARDS</i>	14 - 15

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization), which comprise the statement of financial position as of December 31, 2013 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted un the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

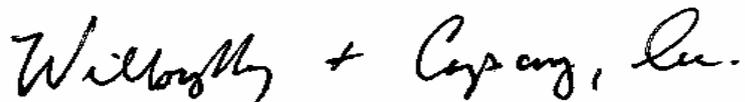
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuscarawas County Convention and Visitors Bureau as of December 31, 2013, and the changes in its net assets, functional expenses, and its cash flows for the year then ended in accordance accounting principles generally accepted in the United States of America.

Other Matter

The accompanying statement of financial position of Tuscarawas County Convention and Visitors Bureau as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended were not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated June 14, 2014, on our consideration of Tuscarawas County Convention and Visitors Bureau's internal control 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* in considering Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting and compliance.



WILLOUGHBY & COMPANY, INC. - Certified Public Accountants
New Philadelphia, Ohio

June 14, 2014

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

ASSETS

	(AUDITED)	(UNAUDITED)
	<u>2013</u>	<u>2012</u>
CURRENT ASSETS:		
Cash	\$ 300,479	\$ 279,776
Cash - reserve	25,914	25,889
Certificate of deposits	17,555	15,484
Accounts receivable	37,338	32,494
Prepaid expenses	<u>14,588</u>	<u>13,511</u>
Total current assets	395,874	367,154
PROPERTY AND EQUIPMENT:		
Building and improvements	483,756	480,755
Construction loan interest	7,026	7,026
Transportation equipment	13,532	13,532
Video and display equipment	14,752	14,752
Office equipment	52,578	52,578
Computer equipment	<u>15,020</u>	<u>15,020</u>
	586,664	583,663
Less: accumulated depreciation	<u>223,042</u>	<u>206,607</u>
Net property and equipment	363,622	377,056
OTHER ASSETS:		
Workers' compensation deposit	<u>208</u>	<u>208</u>
Total other assets	<u>208</u>	<u>208</u>
Total assets	<u>\$ 759,704</u>	<u>\$ 744,418</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 FINANCIAL POSITION
AS OF DECEMBER 31,**

LIABILITIES AND NET ASSETS

	(AUDITED)	(UNAUDITED)
	<u>2013</u>	<u>2012</u>
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 0	\$ 0
Notes payable, current portion	11,285	10,367
Accrued liabilities:		
Accrued payroll taxes	5,796	4,951
Accrued sales tax	116	254
Accrued other	862	862
Deferred revenue	<u>6,712</u>	<u>80,000</u>
Total current liabilities	24,771	96,434
LONG-TERM LIABILITIES:		
Notes payable, net of current portion	<u>329,975</u>	<u>342,266</u>
Total long-term liabilities	<u>329,975</u>	<u>342,266</u>
Total liabilities	354,746	438,700
NET ASSETS:		
Unrestricted	379,044	279,829
Temporarily restricted	<u>25,914</u>	<u>25,889</u>
Total net assets	<u>404,958</u>	<u>305,718</u>
Total liabilities and net assets	<u>\$ 759,704</u>	<u>\$ 744,418</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 ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<u>Unrestricted</u>	(AUDITED) <u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Hotel and motel excise tax	\$ 610,133	\$ 0	\$ 610,133
Grants and donations	17,946	0	17,946
Reimbursements	3,031	0	3,031
Admissions - Fort Laurens	8,532	0	8,532
Gift shop	4,120	0	4,120
Event Income	0	0	0
Publication/Visitors' guide income	5,125	0	5,125
FAM Tour Income	3,713	0	3,713
Rebuild Fort Laurens	590	0	590
Group tour planner	77	0	77
Packaging partnerships	0	0	0
Profile books	0	0	0
Ohio Has It Income	2,179	0	2,179
Interest income	2,341	25	2,366
Rental income	5,226	0	5,226
Co-op advertising income	10,034	0	10,034
Miscellaneous	<u>1,033</u>	<u>0</u>	<u>1,033</u>
Total support and revenue	674,080	25	674,105
EXPENSES:			
Program expenses	454,261	0	454,261
Administrative expenses	<u>120,604</u>	<u>0</u>	<u>120,604</u>
Total expenses	<u>574,865</u>	<u>0</u>	<u>574,865</u>
Changes in net assets	99,215	25	99,240
NET ASSETS, beginning of year	<u>279,829</u>	<u>25,889</u>	<u>305,718</u>
	379,044	25,914	404,958
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 379,044</u>	<u>\$ 25,914</u>	<u>\$ 404,958</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 ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Unrestricted</u>	(UNAUDITED) <u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Hotel and motel excise tax	\$ 510,033	\$ 0	\$ 510,033
Grants and donations	11,300	0	11,300
Reimbursements	9,361	0	9,361
Admissions - Fort Laurens	7,102	0	7,102
Gift Shop	5,322	0	5,322
Event Income	20	0	20
Publications/Visitors' guide income	6,912	0	6,912
FAM Tour Income	0	0	0
Rebuild Fort Laurens	0	0	0
Group tour planner	0	0	0
Packaging partnerships	0	0	0
Profile books	50	0	50
Ohio Has It Income	2,039	0	2,039
Interest income	304	0	304
Rental income	7,293	0	7,293
Co-op advertising income	6,760	0	6,760
Miscellaneous	<u>792</u>	<u>0</u>	<u>792</u>
Total support and revenue	567,288	0	567,288
EXPENSES:			
Program expenses	374,758	0	374,758
Administrative expenses	<u>101,935</u>	<u>0</u>	<u>101,935</u>
Total expenses	<u>476,693</u>	<u>0</u>	<u>476,693</u>
Changes in net assets	90,595	0	90,595
NET ASSETS, beginning of year	<u>199,177</u>	<u>15,946</u>	<u>215,123</u>
	289,772	15,946	305,718
Transfers	<u>(9,943)</u>	<u>9,943</u>	<u>0</u>
NET ASSETS, end of year	<u><u>\$ 279,829</u></u>	<u><u>\$ 25,889</u></u>	<u><u>\$ 305,718</u></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, 2013**

	<u>Program</u> <u>Expenses</u>	(AUDITED) <u>Administrative</u> <u>Expenses</u>	<u>Total</u>
Salaries	\$ 158,596	\$ 39,649	\$ 198,245
Payroll taxes	12,906	3,226	16,132
Employee benefits	14,268	3,567	17,835
Pension expense	3,190	797	3,987
Advertising	75,602	32,401	108,003
Advertising - GAP	0	0	0
Travel show and tours	28,243	0	28,243
Visitors' guide expense	0	0	0
Group Tour planner	0	0	0
Events Expense	1,079	0	1,079
Ohio Has It Expense	67	0	67
Conferences and meetings	27,137	0	27,137
Dues and memberships	10,667	0	10,667
Public relations	1,134	756	1,890
Rebuild Fort Laurens expenses	332	0	332
Postage	6,492	721	7,213
Copying and printing	3,982	996	4,978
Office supplies	2,602	6,068	8,670
Vehicle expenses	9,491	1,055	10,546
Co-op advertising	9,046	0	9,046
Merchandise purchases	1,873	0	1,873
Continuing education	1,455	426	1,881
Telephone	5,914	1,478	7,392
Legal and accounting	2,727	10,906	13,633
Insurance	2,624	1,125	3,749
Repairs & maintenance	4,915	2,107	7,022
Interest	10,276	4,404	14,680
Taxes - real estate	17	7	24
Grants and aid	33,304	0	33,304
TVH - Tusc. Valley Heritage	0	0	0
Utilities	10,238	4,388	14,625
Computer expenses	3,095	1,327	4,422
Video Equipment expenses	1,485	0	1,485
Miscellaneous	<u>0</u>	<u>270</u>	<u>270</u>
Total expenses before depreciation	442,756	115,673	558,429
Depreciation	<u>11,505</u>	<u>4,931</u>	<u>16,436</u>
Total expenses	<u>\$ 454,261</u>	<u>\$ 120,604</u>	<u>\$ 574,865</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, 2012**

	<u>Program Expenses</u>	(UNAUDITED) <u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 138,579	\$ 34,645	\$ 173,224
Payroll taxes	12,453	3,113	15,566
Employee benefits	12,462	3,116	15,578
Pension expense	2,929	732	3,661
Advertising	50,816	21,778	72,594
Advertising - GAP	3,500	0	3,500
Travel show and tours	20,638	0	20,638
Visitors' guide expense	390	0	390
Group Tour planner	931	0	931
Events expense	684	0	684
Ohio Has It expense	675	0	675
Conferences and meetings	10,181	0	10,181
Dues and memberships	17,405	0	17,405
Public relations	157	105	262
Rebuild Fort Laurens expenses	0	0	0
Postage	3,652	406	4,058
Copying and printing	5,602	1,401	7,003
Office supplies	2,351	5,484	7,835
Vehicle expenses	6,778	753	7,531
Co-op advertising	14,735	0	14,735
Merchandise purchases	3,400	0	3,400
Continuing education	5,601	1,639	7,240
Telephone	6,610	1,653	8,263
Legal and accounting	2,009	8,035	10,044
Insurance	2,468	1,058	3,525
Repairs & maintenance	5,684	2,436	8,120
Interest	10,881	4,663	15,544
Taxes - real estate	17	7	24
Grants and aid	5,625	0	5,625
TVH - Tusc. Valley Heritage	2,384	0	2,384
Utilities	9,033	3,871	12,904
Computer expenses	3,061	1,312	4,373
Video Equipment expenses	286	0	286
Miscellaneous	<u>0</u>	<u>251</u>	<u>251</u>
Total expenses before depreciation	361,976	96,457	458,433
Depreciation	<u>12,782</u>	<u>5,478</u>	<u>18,260</u>
Total expenses	<u>\$ 374,758</u>	<u>\$ 101,935</u>	<u>\$ 476,693</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,**

	(AUDITED)	(UNAUDITED)
	<u>2013</u>	<u>2012</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from service recipients	\$ 663,305	\$ 554,367
Other operating cash receipts	5,661	7,313
Cash paid to employees and suppliers	(617,409)	(441,645)
Interest paid	<u>(14,680)</u>	<u>(15,544)</u>
Net cash provided by operating activities	<u>36,877</u>	<u>104,491</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(3,001)	(9,784)
Cash amounts deposited and reserved for loan requirements	(25)	(9,943)
Reinvested earnings from certificate of deposits	(2,070)	0
Interest income on accounts	<u>295</u>	<u>304</u>
Net cash used by investing activities	<u>(4,801)</u>	<u>(19,423)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable	<u>(11,373)</u>	<u>(14,819)</u>
Net cash used by financing activities	<u>(11,373)</u>	<u>(14,819)</u>
Increase in cash	20,703	70,249
CASH, beginning of year	<u>279,776</u>	<u>209,527</u>
CASH, end of year	<u>\$ 300,479</u>	<u>\$ 279,776</u>
 RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Changes in net assets	\$ 99,240	\$ 90,595
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	16,435	18,260
Interest income on accounts	(295)	(304)
(Increase) decrease in operating assets:		
Accounts receivable	(4,844)	(5,303)
Prepaid expenses	(1,077)	473
Increase (decrease) in operating liabilities:		
Accounts payable	0	0
Accrued expenses	706	770
Accrued other	0	0
Deferred revenue	<u>(73,288)</u>	<u>0</u>
Net cash provided by operating activities	<u>\$ 36,877</u>	<u>\$ 104,491</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**

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, 2013 and 2012, 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, 2013 and 2012. 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:

<u>DESCRIPTION</u>	<u>USEFUL LIVES</u>	<u>METHOD</u>
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

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

DONATIONS

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

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 2010, 2011 and 2012 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 \$14,680 and \$15,544 for the years ended December 31, 2013 and 2012, 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 June 14, 2014, which is the date the financial statements were available to be issued.

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

NOTES TO THE FINANCIAL STATEMENTS

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, 2013 and 2012, 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, 2013 and 2012.

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 \$3,987 and \$3,661 for the years ended December 31, 2013 and 2012, respectively.

NOTE 6: CASH - RESERVE

Per requirements of the USDA loan previously taken out (see Note 9), 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 \$25 and \$9,943 towards the required amount during 2013 and 2012. As of December 31, 2013, 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, 2013 and 2012, 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 commenced in the spring of 2012. This amount is included in the current liability section on the Statements of Financial Position.

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 9: NOTE PAYABLE

The Organization had the following note payable at December 31:

	<u>2013</u>	<u>2012</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.	\$ 341,260	\$ 352,633
Note payable - First Federal Community Bank, secured by vehicle with monthly payments of \$246 which includes interest at 5.90%. Final payment was made in 2012.	<u>0</u>	<u>0</u>
	341,260	352,633
Less: current portion	<u>11,285</u>	<u>10,367</u>
	<u>\$ 329,975</u>	<u>\$ 342,266</u>

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

2014	\$	11,285
2015		11,774
2016		12,285
2017		12,817
2018		12,285
Thereafter		<u>280,814</u>
		<u>\$ 341,260</u>



WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

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

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

We have audited, in accordance with the 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, the financial statement of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization) which comprise the statement of financial position as of December 31, 2013, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 14, 2014.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tuscarawas County Convention and Visitors Bureau's financial statements are free from 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 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*.

The accompanying statement of financial position of Tuscarawas County Convention and Visitors Bureau as of December 31, 2012, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended were not audited, reviewed, or compiled by us and, accordingly, we do not express an opinion or any other form of assurance on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* for considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WILLOUGHBY & COMPANY, INC. - Certified Public Accountants
New Philadelphia, Ohio

June 14, 2014

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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
AUGUST 21, 2014**