

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2000 AND 1999**





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Tuscarawas County Convention & Visitor's Bureau  
125 McDonald Dr. S.W.  
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We have reviewed the Independent Auditor's Report of the Tuscarawas County Convention & Visitor's Bureau, Tuscarawas County, prepared by Tope & Willoughby, Inc., for the audit period January 1, 1999 through December 31, 2000. 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 & Visitor's Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink, appearing to read "Jim Petro", written in a cursive style.

JIM PETRO  
Auditor of State

September 4, 2001

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

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# TOPE & WILLOUGHBY, INC.

*Certified Public Accountants*

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

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

**February 13, 2001**

**Board of Directors**

**Tuscarawas County Convention and Visitors Bureau**

**New Philadelphia, Ohio**

## **INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying statements of financial position of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization) as of December 31, 2000 and 1999, and the related statements of activities and changes in net assets, statements of functional expenses, and the statements of cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuscarawas County Convention and Visitors Bureau's as of December 31, 2000 and 1999, and the changes in net assets, and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated February 13, 2001, 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.

TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU

STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2000 AND 1999

ASSETS

	2000	1999
<b>CURRENT ASSETS:</b>		
Cash - unrestricted	\$ 23,711	\$ 58,958
Cash - board designated	131,621	98,719
Accounts receivable	17,164	27,130
Prepaid expenses	4,382	1,295
Total current assets	<u>176,878</u>	<u>186,102</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Video and display equipment	7,210	19,438
Office equipment	22,784	28,705
Computer equipment	14,310	20,040
	<u>44,304</u>	<u>68,183</u>
Less: accumulated depreciation	31,021	53,061
Net property and equipment	<u>13,283</u>	<u>15,122</u>
<b>OTHER ASSETS:</b>		
Workers' compensation deposit	<u>208</u>	<u>208</u>
Total assets	<u>\$ 190,369</u>	<u>\$ 201,432</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES:</b>		
Accounts payable - trade	\$ 5,449	\$ 1,218
Accrued liabilities:		
Accrued payroll taxes	513	987
Accrued vacation and sick pay	1,895	234
Accrued other	1,450	1,450
Total current liabilities	<u>9,307</u>	<u>3,889</u>
<b>UNRESTRICTED NET ASSETS:</b>		
Unrestricted	49,441	98,824
Board designated	131,621	98,719
Total unrestricted net assets	<u>181,062</u>	<u>197,543</u>
Total liabilities and net assets	<u>\$ 190,369</u>	<u>\$ 201,432</u>

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

TOPE & WILLOUGHBY, INC. Certified Public Accountants



**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Unrestricted	Unrestricted - Board Designated	Total
<b>REVENUE AND SUPPORT:</b>			
Hotel and motel excise tax	\$ 243,302	\$ 0	\$ 243,302
Grants and donations	5,000	0	5,000
Tourist Information Center donations	11,075	0	11,075
Visitors' guide income	5,720	0	5,720
FAM Tour Income	400	0	400
Group tour planner	0	0	0
Interest income	6,104	902	7,006
Co-op advertising income	1,628	0	1,628
Miscellaneous	<u>438</u>	<u>0</u>	<u>438</u>
<b>Total support and revenue</b>	<b>273,667</b>	<b>902</b>	<b>274,569</b>
<b>EXPENSES:</b>			
Program expenses	184,333	0	184,333
Administrative expenses	<u>106,717</u>	<u>0</u>	<u>106,717</u>
<b>Total expenses</b>	<b><u>291,050</u></b>	<b><u>0</u></b>	<b><u>291,050</u></b>
<b>Changes in net assets</b>	<b>(17,383)</b>	<b>902</b>	<b>(16,481)</b>
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	<u>98,824</u>	<u>98,719</u>	<u>197,543</u>
	81,441	99,621	181,062
Transfers	<u>(32,000)</u>	<u>32,000</u>	<u>0</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<b><u>\$ 49,441</u></b>	<b><u>\$ 131,621</u></b>	<b><u>\$ 181,062</u></b>

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

TOPE & WILLOUGHBY, INC. Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

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

	Unrestricted	Unrestricted - Board Designated	Total
<b>REVENUE AND SUPPORT:</b>			
Hotel and motel excise tax	\$ 244,568	\$ 0	\$ 244,568
Grants and donations	10,000	0	10,000
Tourist Information Center donations	11,794	1,743	13,537
Visitors' guide income	505	0	505
FAM Tour Income	0	0	0
Group tour planner	3,450	0	3,450
Interest income	0	1,477	1,477
Co-op advertising income	2,036	0	2,036
Miscellaneous	<u>1,009</u>	<u>0</u>	<u>1,009</u>
Total support and revenue	273,362	3,220	276,582
<b>EXPENSES:</b>			
Program expenses	175,561	0	175,561
Administrative expenses	<u>80,094</u>	<u>0</u>	<u>80,094</u>
Total expenses	<u>255,655</u>	<u>0</u>	<u>255,655</u>
Changes in net assets	17,707	3,220	20,927
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	<u>113,117</u>	<u>63,499</u>	<u>176,616</u>
	130,824	66,719	197,543
Transfers	<u>(32,000)</u>	<u>32,000</u>	<u>0</u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<u>\$ 98,824</u>	<u>\$ 98,719</u>	<u>\$ 197,543</u>

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

TOPE & WILLOUGHBY, INC. Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	Program Expenses	Administrative Expenses	Total
Salaries	\$ 53,154	\$ 56,282	\$ 109,436
Payroll taxes	4,424	4,793	9,217
Employee benefits	4,291	4,648	8,939
Pension expense	1,637	1,185	2,822
Advertising	15,844	6,790	22,634
Travel show and tours	18,460	0	18,460
Visitors' guide expense	311	0	311
Conferences and meetings	9,147	3,920	13,068
Dues and memberships	3,429	1,469	4,898
Public relations	0	0	0
Postage	8,371	5,581	13,952
Copying and printing	820	351	1,171
Office supplies	1,485	3,464	4,949
Vehicle expenses	5,622	2,409	8,031
Co-op advertising	5,218	0	5,218
Tourist Information Center supplies	6,580	0	6,580
Continuing education	2,866	1,228	4,095
Rent - office	9,192	3,939	13,132
Telephone	2,822	1,209	4,032
Legal and accounting	6,340	2,717	9,057
Insurance	1,345	577	1,922
Repairs & maintenance	8,013	3,434	11,447
Grants and aid	9,250	0	9,250
Group tour planner expense	0	0	0
Utilities	701	300	1,001
Computer expenses	1,489	638	2,128
Loss on disposal of assets	0	167	167
Miscellaneous	0	104	104
Total expenses before depreciation	<u>180,811</u>	<u>105,207</u>	<u>286,018</u>
Depreciation	<u>3,522</u>	<u>1,510</u>	<u>5,032</u>
Total expenses	<u>\$ 184,333</u>	<u>\$ 106,717</u>	<u>\$ 291,050</u>

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

TOPE & WILLOUGHBY, INC. Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

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

	Program Expenses	Administrative Expenses	Total
Salaries	\$ 55,325	\$ 40,051	\$ 95,376
Payroll taxes	4,658	3,374	8,032
Employee benefits	4,526	3,277	7,803
Pension expense	1,390	1,006	2,396
Advertising	15,148	6,493	21,641
Travel show and tours	12,177	0	12,177
Visitors' guide expense	5,706	0	5,706
Conferences and meetings	7,182	3,078	10,260
Dues and memberships	2,418	1,037	3,455
Public relations	202	134	336
Postage	5,734	3,823	9,557
Copying and printing	2,782	1,192	3,974
Office supplies	1,331	3,107	4,438
Vehicle expenses	5,012	2,148	7,160
Co-op advertising	5,363	0	5,363
Tourist Information Center supplies	9,678	0	9,678
Continuing education	1,883	807	2,690
Rent - office	8,466	3,628	12,094
Telephone	2,614	1,120	3,734
Legal and accounting	5,795	2,483	8,278
Insurance	626	268	894
Repairs & maintenance	1,506	645	2,151
Grants and aid	10,000	0	10,000
Group tour planner expense	768	0	768
Utilities	650	278	928
Computer expenses	1,190	510	1,700
Loss on disposal of assets	0	0	0
Miscellaneous	0	164	164
Total expenses before depreciation	172,130	78,623	250,753
Depreciation	3,431	1,471	4,902
Total expenses	\$ 175,561	\$ 80,094	\$ 255,655

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

TOPE & WILLOUGHBY, INC. Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from service recipients	\$ 261,015	\$ 278,415
Other operating cash receipts	16,513	24,545
Cash paid to employees and suppliers	<u>(283,516)</u>	<u>(252,694)</u>
Net cash provided (used) by operating activities	<u>(5,988)</u>	<u>50,266</u>
<b>CASH FLOWS FROM CAPITAL ACTIVITIES:</b>		
Purchase of property, theatre and equipment	<u>(3,362)</u>	<u>(10,666)</u>
Net cash used by investing activities	<u>(3,362)</u>	<u>(10,666)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest on investments	<u>7,006</u>	<u>1,477</u>
Net cash used by investing activities	<u>7,006</u>	<u>1,477</u>
 Increase (decrease) in cash	 (2,344)	 41,077
CASH, beginning of year	<u>157,676</u>	<u>116,599</u>
CASH, end of year	<u>\$ 155,332</u>	<u>\$ 157,676</u>
<b>RECONCILIATION OF EXCESS (DEFICIT) OF REVENUE OVER EXPENSES TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Excess (deficit) of revenue over expenses	\$ (16,481)	\$ 20,927
Adjustments to reconcile excess (deficit) to net cash provided by operating activities:		
Depreciation	5,032	4,902
Loss on disposal of assets	167	0
Interest on investments	(7,006)	(1,477)
(Increase) decrease in operating assets:		
Accounts receivable - other	9,966	27,856
Prepaid expenses	(3,087)	325
Increase (decrease) in operating liabilities:		
Accounts payable	4,231	385
Accrued expenses	<u>1,190</u>	<u>(2,652)</u>
Net cash provided (used) by operating activities	<u>\$ (5,988)</u>	<u>\$ 50,266</u>

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

TOPE & WILLOUGHBY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO 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 previously adopted Statement of Financial Accounting Standards (SFAS) No. 117 "Financial Statements of Not-for-Profit Organizations." Under SFAS No.117, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the organization is required to present a statement of cash flows. 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.

**ACCOUNTS RECEIVABLE**

The organization uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 2000 and 1999. 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:

DESCRIPTION	USEFUL LIVES	METHOD
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 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.

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**CASH EQUIVALENTS**

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.

**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 plac

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

As of December 31, 2000 and 1999, the organization had bank balances of \$155,333 and \$157,677, respectively. All of the bank balances were covered by federal depository insurance for both years.

**NOTE 3: COMPENSATED ABSENCES**

Employees of the Agency are entitled to paid vacation and paid sick days, depending on job classificat length of service, and other factors.

**NOTE 4: CONCENTRATION OF CREDIT RISK**

The accounts receivable balance of the organization consists of balances due from clients operating primarily in EastCentral 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: OPERATING LEASES**

The organization currently rents office space on a month-to-month basis. The organization is respons for its share of utilities.

The organization leases a van used for operations. The lease calls for monthly payments of \$380. Lea expense for both years ending December 31 was \$4,560.

**NOTE 6: PENSION PLAN**

The organization sponsors a simplified employee pension plan covering all eligible full-time employees Contributions, as determined by the Board of Directors, are determined as 5% of each covered employee's salary.

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 7: BOARD DESIGNATED BUILDING FUND**

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

**NOTE 8: VISITORS' GUIDE PUBLICATION**

The organization publishes an annual Visitors' Guide. Prior to its publication, the organization will receive in advance a certain amount of related advertising revenue and will also incur related expenses. The amount of advertising revenue received in advance of the related year of publication, less associated expenses, amounted to \$1,450 and \$1,450 as of December 31, 2000 and 1999, respectively.





# TOPE & WILLOUGHBY, INC.

Certified Public Accountants

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

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

February 13, 2001

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

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

We have audited the financial statements of Tuscarawas County Convention and Visitors Bureau as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 13, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether Tuscarawas County Convention and Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit, we considered Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the board of directors and management and is not intended and should not be used by anyone other than these specified parties.

*Tope & Willoughby, Inc.*





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**TUSCARAWAS COUNTY CONVENTION AND VISITORS BUREAU**

**TUSCARAWAS COUNTY**

**CLERK'S CERTIFICATION**

**This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.**

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
SEPTEMBER 18, 2001**