

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

TRUMBULL COUNTY

JANUARY 1, 2006 TO DECEMBER 31, 2007

HILL, BARTH & KING, LLC





Mary Taylor, CPA  
Auditor of State

Board of Directors  
Trumbull County Tourism Bureau, Inc.  
321 Mahoning Avenue NW  
Warren, Ohio 44483

We have reviewed the *Independent Auditors' Report* of the Trumbull County Tourism Bureau, Inc., prepared by Hill, Barth & King LLC, for the audit period January 1, 2006 through December 31, 2007. 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 Trumbull County Tourism Bureau, Inc. is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

March 13, 2009

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STATEMENTS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2006

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March 8, 2007

Board of Directors  
Trumbull County Tourism Bureau, Inc.  
Warren, Ohio

Independent Auditors' Report

We have audited the accompanying statement of assets and liabilities - cash basis of Trumbull County Tourism Bureau, Inc. as of December 31, 2006 and the related statement of support and revenue and expenses and change in net assets - cash basis for the year then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with U. S. generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note A, these statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles.

In our opinion, the statements referred to above present fairly, in all material respects, the assets and liabilities - cash basis of Trumbull County Tourism Bureau, Inc. as of December 31, 2006 and its support and revenue and expenses and changes in its net assets for the year then ended on the basis of accounting described in Note A.

*Hill, Barth & King LLC*  
Certified Public Accountants

STATEMENT OF ASSETS AND LIABILITIES - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2006

**ASSETS**

CURRENT ASSETS

Cash and cash equivalents - NOTE B \$ 218,880

TOTAL ASSETS \$ 218,880

**LIABILITIES AND NET ASSETS**

CURRENT LIABILITIES

Payroll taxes withheld \$ 3,885

UNRESTRICTED NET ASSETS 214,995

TOTAL LIABILITIES AND NET ASSETS \$ 218,880

See accompanying notes to financial statements

STATEMENT OF SUPPORT AND REVENUE AND EXPENSES  
AND CHANGE IN NET ASSETS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

Year ended December 31, 2006

PUBLIC SUPPORT AND REVENUE

|                                  |                |
|----------------------------------|----------------|
| County contract revenue received | \$ 355,863     |
| Membership dues collected        | 7,530          |
| TOTAL PUBLIC SUPPORT AND REVENUE | <u>363,393</u> |

EXPENSES

|   |                |
|---|----------------|
| Personnel expenses                            | 52,338         |
| Market research expense - NOTE C              | 10,000         |
| Administrative expenses                       | 19,835         |
| Marketing, advertising and promotion expenses | 55,141         |
| Public relation expenses                      | 13,581         |
| TOTAL EXPENSES                                | <u>150,895</u> |
|   | 212,498        |

OTHER INCOME

|                                   |                |
|-----------------------------------|----------------|
| Interest received                 | 2,497          |
| CHANGE IN UNRESTRICTED NET ASSETS | <u>214,995</u> |

UNRESTRICTED NET ASSETS

|                   |                   |
|-------------------|-------------------|
| Beginning of year | 0                 |
| End of year       | <u>\$ 214,995</u> |

See accompanying notes to financial statements



NOTES TO STATEMENTS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations:

Trumbull County Tourism Bureau, Inc. (the Bureau) is a nonprofit corporation which was formed in December 2005. The primary purpose of the Bureau is to encourage the economic development of Trumbull County, Ohio by promoting tourism and establishing Trumbull County as an attractive and successful destination center in northeastern Ohio area and such other activities and duties as authorized by the applicable sections of the Ohio Revised Code which apply to the Bureau.

Basis of Accounting:

The accompanying statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles, and is not intended to present financial position and results of operations in conformity with generally accepted accounting principles in the revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when incurred.

Revenue Recognition:

A substantial portion of the Bureau's revenue comes from a contract with Trumbull County, Ohio from a share of the hotel tax, commonly known as "bed tax", collected by Trumbull County. The Bureau's share of the tax is determined annually by Trumbull County. A significant reduction in the level of this support, if this were to occur, may have an effect on the continuance of the services provided by the Bureau. The contract requires the Bureau to provide services of approximate equal value to the amounts received under the contract. One of the three Trumbull County Commissioners is a member of the Board of Directors. The remaining members of the Board of Directors are elected by the membership.

The Bureau also receives annual dues from members who choose to join. The current annual membership fee is \$50. Membership dues are recognized as revenue when received.

Cash and Cash Equivalents:

Cash and cash equivalents include cash in banks and highly liquid debt instruments purchased with original maturity dates of three months or less.

Federal Income Taxes:

The Bureau is in the process of filing for exemption from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. Management believes the exemption status will be granted by the Internal Revenue Service.

NOTES TO STATEMENTS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising:

The Bureau expenses the costs of advertising as paid. Advertising expense for the year ended December 31, 2006 was \$55,141.

Use of Estimates:

The preparation of statements on the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - CONCENTRATION OF CREDIT RISK

The Bureau maintains its cash balances in one financial institution located in Warren, Ohio. These balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2006, uninsured amounts held at this financial institution total \$127,449.

NOTE C - MARKETING RESEARCH EXPENSE

The Bureau, along with other Trumbull County organizations, joined together to fund a market research project. The project is to research the feasibility of building a lodge and water park in the Mosquito Lake State Park. The Bureau's share was \$10,000 for the project in 2006.

NOTE D - LEASE

The Bureau occupies office space under an oral operating lease agreement with the City of Warren. The terms of the lease call for \$100 monthly rent payments, including gas and electric utilities beginning March 3, 2006 and ending January 2008. The Bureau owes the City of Warren for ten months rent as of December 31, 2006.

The Bureau also uses certain office equipment, furniture and fixtures provided by Trumbull County at no charge.

STATEMENTS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2007 and 2006

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April 3, 2008

Board of Directors  
Trumbull County Tourism Bureau, Inc.  
Warren, Ohio

Independent Auditors' Report

We have audited the accompanying statements of assets and liabilities - cash basis of Trumbull County Tourism Bureau, Inc. as of December 31, 2007 and 2006 and the related statements of support and revenue and expenses and change in net assets - cash basis for the years then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these statements based on our audits.

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

As described in Note A, these statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles.

In our opinion, the statements referred to above present fairly, in all material respects, the assets and liabilities - cash basis of Trumbull County Tourism Bureau, Inc. as of December 31, 2007 and 2006 and its support and revenue and expenses and changes in its net assets for the years then ended on the basis of accounting described in Note A.

*Hill, Barth & King LLC*  
Certified Public Accountants

STATEMENTS OF ASSETS AND LIABILITIES - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2007 and 2006

| <u>ASSETS</u>                         | <u>2007</u>       | <u>2006</u>       |
|---------------------------------------|-------------------|-------------------|
| <u>CURRENT ASSETS</u>                 |                   |                   |
| Cash and cash equivalents - NOTE B    | \$ 175,800        | \$ 188,880        |
| Short Term Investment                 | 31,344            | 30,000            |
| TOTAL CURRENT ASSETS                  | <u>207,144</u>    | <u>218,880</u>    |
| <u>OTHER ASSETS</u>                   |                   |                   |
| Special deposits                      | 33                | 0                 |
| TOTAL ASSETS                          | <u>\$ 207,177</u> | <u>\$ 218,880</u> |
| <br><u>LIABILITIES AND NET ASSETS</u> |                   |                   |
| <u>CURRENT LIABILITIES</u>            |                   |                   |
| Payroll taxes withheld                | \$ 3,393          | \$ 3,885          |
| <br><u>UNRESTRICTED NET ASSETS</u>    |                   |                   |
|                                       | <u>203,784</u>    | <u>214,995</u>    |
| TOTAL LIABILITIES AND NET ASSETS      | <u>\$ 207,177</u> | <u>\$ 218,880</u> |

See accompanying notes to statements

STATEMENTS OF SUPPORT AND REVENUE AND EXPENSES  
AND CHANGE IN NET ASSETS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

Years ended December 31, 2007 and 2006

|   | 2007       | 2006       |
|---|------------|------------|
| <u>PUBLIC SUPPORT AND REVENUE</u>             |            |            |
| County contract revenue received              | \$ 271,092 | \$ 355,863 |
| Membership dues collected                     | 6,800      | 7,530      |
| Fund raising receipts                         | 6,334      | 0          |
| TOTAL PUBLIC SUPPORT AND REVENUE              | 284,226    | 363,393    |
| <br><u>EXPENSES</u>                           |            |            |
| Personnel expenses                            | 92,367     | 52,338     |
| Market research expense - NOTE C              | 7,500      | 10,000     |
| Administrative expenses                       | 24,947     | 19,835     |
| Marketing, advertising and promotion expenses | 95,672     | 55,141     |
| Grant distributions                           | 75,520     | 12,463     |
| Public relation expenses                      | 3,579      | 1,118      |
| TOTAL EXPENSES                                | 299,585    | 150,895    |
|   | (15,359)   | 212,498    |
| <br><u>OTHER INCOME</u>                       |            |            |
| Interest received                             | 4,148      | 2,497      |
| CHANGE IN UNRESTRICTED NET ASSETS             | (11,211)   | 214,995    |
| <br><u>UNRESTRICTED NET ASSETS</u>            |            |            |
| Beginning of year                             | 214,995    | 0          |
| End of year                                   | \$ 203,784 | \$ 214,995 |

See accompanying notes to statements

## NOTES TO STATEMENTS - CASH BASIS

### **TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2007 and 2006

#### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### Nature of Operations:

Trumbull County Tourism Bureau, Inc. (the Bureau) is a nonprofit corporation which was formed in December 2005 by the Trumbull County Commissioners, State of Ohio. The primary purpose of the Bureau is to encourage the economic development of Trumbull County, Ohio by promoting tourism and establishing Trumbull County as an attractive and successful destination center in northeastern Ohio area and such other activities and duties as authorized by the applicable sections of the Ohio Revised Code which apply to the Bureau. One of the members of the Bureau's board of directors was appointed by the Trumbull County Commissioners and a substantial portion of the Bureau's resource is derived by the hotel tax, as explained below. Accordingly, the Bureau is considered a component unit of Trumbull County.

##### Basis of Accounting:

The accompanying statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U. S. generally accepted accounting principles, and is not intended to present financial position and results of operations in conformity with generally accepted accounting principles or governmental accounting standards in which the revenue is recognized when received rather than when earned and expenses are recognized when paid rather than when incurred.

##### Revenue Recognition:

A substantial portion of the Bureau's revenue comes from a contract with Trumbull County, Ohio from a share of the hotel tax, commonly known as "bed tax", collected by Trumbull County. The Bureau's share of the tax is determined annually by Trumbull County. A significant reduction in the level of this support, if this were to occur, it may have an effect on the continuance of the services provided by the Bureau. The contract requires the Bureau to provide services of approximate equal value to the amounts received under the contract. One of the three Trumbull County Commissioners is a member of the board of directors. The remaining members of the board of directors are elected by the membership.

The Bureau also receives annual dues from members who choose to join. The current annual membership fee is \$50. Membership dues are recognized as revenue when received.

##### Cash and Cash Equivalents:

Cash and cash equivalents include cash in banks and highly liquid debt instruments purchased with original maturity dates of three months or less.

##### Short Term Investment:

Short-term investments consist of debt securities classified as available-for-sale, which are stated at estimated fair value. These debt securities consist of certificate of deposits. These investments are on deposit with a major financial institution.

NOTES TO STATEMENTS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2007 and 2006

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Advertising and Marketing:**

The Bureau expenses the costs of advertising and marketing as paid. Advertising and marketing expense for the years ended December 31, 2007 and 2006 were \$95,672 and \$55,141, respectively.

**Grant Distributions:**

The Bureau receives requests to fund and sponsor various activities throughout Trumbull County. All requests require board of director approval. Grant distributions are expensed when paid rather than when activities occur.

**Use of Estimates:**

The preparation of statements on the cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Reclassifications:**

The financial statements for 2006 have been reclassified to conform to the 2007 presentation. Such reclassifications had no affect on change in unrestricted net assets for 2006.

NOTE B - CONCENTRATION OF CREDIT RISK

The Bureau maintains its cash balances in one financial institution located in Warren, Ohio. These balances are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2007 and 2006, uninsured amounts held at this financial institution totaled \$117,677 and \$127,449, respectively.

NOTE C - MARKETING RESEARCH EXPENSE

The Bureau, along with other Trumbull County organizations, joined together to fund a market research project. The project is to research the feasibility of building a lodge and water park in the Mosquito Lake State Park. The Bureau's share was \$7,500 and \$10,000 for the project in 2007 and 2006, respectively.



NOTES TO STATEMENTS - CASH BASIS

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

December 31, 2007 and 2006

NOTE D - LEASE

The Bureau occupies office space under an oral operating lease agreement with the City of Warren. The terms of the lease call for \$100 monthly rent payments, including gas and electric utilities beginning March 3, 2006 and ending January 2008. The Bureau owes the City of Warren for twenty-two and ten months rent as of December 31, 2007 and 2006, respectively.

The Bureau also uses certain office equipment, furniture and fixtures provided by Trumbull County at no charge.





Mary Taylor, CPA  
Auditor of State

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

**TRUMBULL 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  
MARCH 26, 2009**