

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

REPORT ON AUDITS OF FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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Board of Directors
Tuscarawas County Convention and Visitors Bureau

We have reviewed the Independent Auditor's Report of the Tuscarawas County Convention and Visitors Bureau, Tuscarawas County, prepared by Stephen A. Tope, CPA LLC for the audit period January 1, 2001 through December 31, 2001. 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.

JIM PETRO
Auditor of State

April 10, 2002

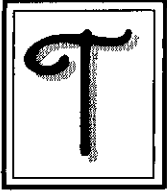
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TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU
NEW PHILADELPHIA, OHIO

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STEPHEN A. TOPE, CPA LLC
Certified Public Accountant

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January 23, 2002

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

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statements of financial position of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization) as of December 31, 2001 and 2000, 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. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my 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 I 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. I believe that my audits provide a reasonable basis for my opinion.

In my 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, 2001 and 2000, 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, I have also issued a report dated January 23, 2002, on my consideration of the Tuscarawas County Convention and Visitors Bureau's internal control structure over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contract, 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 this audit.

Stephen A. Tope, CPA LLC

STEPHEN A. TOPE, CPA LLC-Certified Public Accountant

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2001 AND 2000

ASSETS

	<u>2001</u>	<u>2000</u>
CURRENT ASSETS:		
Cash - unrestricted	\$ 71,181	\$ 23,711
Cash - board designated	98,493	131,621
Accounts receivable	12,986	17,164
Prepaid expenses	<u>2,885</u>	<u>4,382</u>
Total current assets	<u>185,545</u>	<u>176,878</u>
 PROPERTY AND EQUIPMENT:		
Video and display equipment	7,210	7,210
Office equipment	22,784	22,784
Computer equipment	<u>15,610</u>	<u>14,310</u>
	45,604	44,304
Less: accumulated depreciation	<u>35,245</u>	<u>31,021</u>
Net property and equipment	<u>10,359</u>	<u>13,283</u>
 OTHER ASSETS:		
Workers' compensation deposit	<u>208</u>	<u>208</u>
 Total assets	 <u>\$ 196,112</u>	 <u>\$ 190,369</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable - trade	\$ 0	\$ 5,449
Accrued liabilities:		
Accrued payroll taxes	427	513
Accrued vacation and sick pay	402	1,895
Deferred revenue	<u>16,850</u>	<u>1,450</u>
Total current liabilities	<u>17,679</u>	<u>9,307</u>
 UNRESTRICTED NET ASSETS:		
Unrestricted	79,940	49,441
Board designated	<u>98,493</u>	<u>131,621</u>
Total unrestricted net assets	<u>178,433</u>	<u>181,062</u>
 Total liabilities and net assets	 <u>\$ 196,112</u>	 <u>\$ 190,369</u>

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

STEPHEN A. TOPE, CPA LLC-Certified Public Accountant

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Unrestricted</u>	Unrestricted- Board <u>Designated</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Hotel and motel excise tax	\$ 250,980	\$ 0	\$ 250,980
Grants and donations	9,700	0	9,700
Tourist Information Center donations	9,467	0	9,467
Visitors' guide income	14,402	0	14,402
FAM Tour Income	335	0	335
Group tour planner	4,300	0	4,300
Interest income	3,611	4,872	8,483
Co-op advertising income	1,285	0	1,285
Miscellaneous	<u>771</u>	<u>0</u>	<u>771</u>
Total support and revenue	<u>294,851</u>	<u>4,872</u>	<u>299,723</u>
EXPENSES:			
Program expenses	204,204	0	204,204
Administrative expenses	<u>98,148</u>	<u>0</u>	<u>98,148</u>
Total expenses	<u>302,352</u>	<u>0</u>	<u>302,352</u>
Changes in net assets	(7,501)	4,872	(2,629)
UNRESTRICTED NET ASSETS, beginning of year	<u>49,441</u>	<u>131,621</u>	<u>181,062</u>
	41,940	136,493	178,433
Transfers	<u>38,000</u>	<u>(38,000)</u>	<u>0</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 79,940</u>	<u>\$ 98,493</u>	<u>\$ 178,433</u>

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

STEPHEN A. TOPE, CPA LLC-Certified Public Accountant

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

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

	<u>Unrestricted</u>	<u>Unrestricted- Board Designated</u>	<u>Total</u>
REVENUE AND SUPPORT:			
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 Income	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>
Total support and revenue	<u>273,667</u>	<u>902</u>	<u>274,569</u>
EXPENSES:			
Program expenses	184,333	0	184,333
Administrative expenses	<u>106,717</u>	<u>0</u>	<u>106,717</u>
Total expenses	<u>291,050</u>	<u>0</u>	<u>291,050</u>
Changes in net assets	(17,383)	902	(16,481)
UNRESTRICTED NET ASSETS, beginning of year	<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>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 49,441</u>	<u>\$ 131,621</u>	<u>\$ 181,062</u>

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

STEPHEN A. TOPE, CPA LLC-Certified Public Accountant

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2001

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 61,145	\$ 54,479	\$ 115,624
Payroll taxes	4,769	5,167	9,936
Employee benefits	4,628	5,013	9,641
Pension expense	1,699	1,231	2,930
Advertising	7,809	3,347	11,156
Travel show and tours	10,332	0	10,332
Visitors' guide expense	37,024	0	37,024
Conferences and meetings	4,798	2,057	6,855
Dues and memberships	5,231	2,241	7,472
Public relations	417	278	695
Postage	6,498	4,332	10,830
Copying and printing	1,795	770	2,565
Office supplies	1,152	2,690	3,842
Vehicle expenses	5,169	2,215	7,384
Co-op advertising	2,327	0	2,327
Tourist Information Center supplies	5,771	0	5,771
Continuing education	3,145	920	4,065
Rent - office	9,519	4,079	13,598
Telephone	3,068	1,315	4,383
Legal and accounting	6,465	2,771	9,236
Insurance	1,316	564	1,880
Repairs and maintenance	4,060	1,740	5,800
Grants and aid	10,000	0	10,000
Group tour planner	0	0	0
Utilities	1,200	515	1,715
Computer expenses	1,940	831	2,771
Loss on disposal of assets	0	0	0
Miscellaneous	0	338	338
Total expenses before depreciation	<u>201,277</u>	<u>96,893</u>	<u>298,170</u>
Depreciation	<u>2,927</u>	<u>1,255</u>	<u>4,182</u>
Total expenses	<u>\$ 204,204</u>	<u>\$ 98,148</u>	<u>\$ 302,352</u>

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

STEPHEN A. TOPE, CPA LLC-Certified Public Accountant

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

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

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
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	13,067
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	1,227	4,093
Rent - office	9,192	3,940	13,132
Telephone	2,822	1,210	4,032
Legal and accounting	6,340	2,717	9,057
Insurance	1,345	577	1,922
Repairs and 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	639	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.

STEPHEN A. TOPE, CPA LLC-Certified Public Accountant

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

	<u>2001</u>	<u>2000</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from service recipients	\$ 280,480	\$ 261,015
Other operating cash receipts	14,938	16,513
Cash paid to employees and suppliers	<u>(288,259)</u>	<u>(283,516)</u>
Net cash provided (used) by operating activities	<u>7,159</u>	<u>(5,988)</u>
CASH FLOWS FROM CAPITAL ACTIVITIES:		
Purchase of property and equipment	<u>(1,300)</u>	<u>(3,362)</u>
Net cash used by capital activities	<u>(1,300)</u>	<u>(3,362)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest on investments	<u>8,483</u>	<u>7,006</u>
Net cash provided by investing activities	<u>8,483</u>	<u>7,006</u>
Increase (decrease) in cash	14,342	(2,344)
CASH, beginning of year	<u>155,332</u>	<u>157,676</u>
CASH, end of year	<u>\$ 169,674</u>	<u>\$ 155,332</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Changes in net assets	\$ (2,629)	\$ (16,481)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	4,182	5,032
Loss on disposal of assets	0	167
Interest on investments	(8,483)	(7,006)
(Increase) decrease in operating assets:		
Accounts receivable - other	4,178	9,966
Prepaid expenses	1,497	(3,087)
Increase (decrease) in operating liabilities:		
Accounts payable	(5,449)	4,231
Accrued expenses	<u>13,863</u>	<u>1,190</u>
Net cash provided (used) by operating activities	<u>\$ 7,159</u>	<u>\$ (5,988)</u>

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

STEPHEN A. TOPE, CPA LLC-Certified Public Accountant

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 of 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, 2001 and 2000. 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>
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.

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 THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH EQUIVALENTS

For the purpose 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 place.

NOTE 2: DEPOSITS WITH OFF BALANCE SHEET RISK

As of December 31, 2001 and 2000, the organization had bank balances of \$ 169,674 and \$ 155,333, 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 classification, 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 EastCentral Ohio.

NOTE 5: OPERATING LEASES

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

The organization leases a van used for operations. The lease calls for monthly payments of \$382. Lease expense for both years ending December 31 was \$ 4,584.

NOTE 6: PENSION PLAN

The organization sponsors a simplified employee pension plan covering all eligible full-time employees. The organization, as determined by the Board of Directors, will match eligible employee contributions up to 3 % of salary.

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

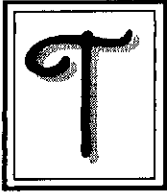
NOTES TO THE FINANCIAL STATEMENTS

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 \$16,850 and \$1,450 as of December 31, 2001 and 2000, respectively.



STEPHEN A. TOPE, CPA LLC
Certified Public Accountant

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Phone (330) 339-0087 • Fax (330) 339-3649

January 23, 2002

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

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

I have audited the financial statements of Tuscarawas County Convention and Visitors Bureau as of and for the years ended December 31, 2001 and 2000, and have issued my report thereon dated January 23, 2002. I conducted my 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, I 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 my audit, and accordingly, I do not express such an opinion. The results of my 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 my audit, I considered Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

My 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 a 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. I noted no matters involving the internal control over financial reporting and its operation that I 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.

Steph A Tope, CPA LLC
STEPHEN A. TOPE, CPA LLC-Certified Public Accountant



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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TUSCARAWAS COUNTY CONVENTION VISITORS BUREAU

TUSCARAWA 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
APRIL 18, 2002**