



**ASHTABULA CONVENTION AND VISITORS  
BUREAU  
ASHTABULA COUNTY**

**REGULAR AUDIT**

**YEAR ENDED DECEMBER 31, 2007**





Mary Taylor, CPA  
Auditor of State

Board of Directors  
Ashtabula County Convention and Visitors Bureau  
1850 Austinburg Road  
Austinburg, Ohio 44010

We have reviewed the *Independent Accountants' Report* of the Ashtabula County Convention and Visitors Bureau, prepared by Canter and Company, for the audit period January 1, 2007 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 Ashtabula County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

March 28, 2008

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ASHTABULA CONVENTION AND VISITORS BUREAU  
ASHTABULA COUNTY

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
Independent Accountants' Report .....	1
Statement of Financial Position .....	2
Statement of Activities .....	3
Statement of Cash Flows .....	4
Notes to the Financial Statements .....	5
Schedule of Expenses .....	9
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on and Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	10



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## INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors  
Ashtabula County Convention and Visitors Bureau  
Austinburg, Ohio

We have audited the accompanying statement of financial position of the Ashtabula County Convention and Visitors Bureau (Bureau) (a nonprofit organization) as of December 31, 2007, and the related statements of activities and cash flows 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 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 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 audit provides 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 the Ashtabula County Convention and Visitors Bureau as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2008, on our consideration of the 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* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of expenses on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Youngstown, Ohio  
February 1, 2008

ASHTABULA CONVENTION & VISITORS BUREAU  
ASHTABULA COUNTY  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2007

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ASSETS

ASSETS

Cash & Cash Equivalents	\$ 120,980
Accounts Receivable, net	39,986
Prepaid Expenses	415
Deposits-workers compensation	10
Property and equipment (net)	<u>60,760</u>

Total Assets \$ 222,151

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 4,590
Accrued Expenses	<u>4,903</u>

Total Liabilities 9,493

NET ASSETS

Unrestricted	<u>212,658</u>
Total Net Assets	<u>212,658</u>

Total liabilities and net assets \$ 222,151

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

ASHTABULA CONVENTION & VISITORS BUREAU  
ASHTABULA COUNTY  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2007

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	<u>Unrestricted</u>
REVENUES	
Bed Tax	\$ 324,099
Advertising Co-Op	60,080
Visitors Guide	82,292
Membership Dues	12,310
Miscellaneous	7,934
Interest	<u>255</u>
Total revenues, gains, and other support	<u>486,970</u>
EXPENSES	
Program services	312,746
Supporting Services:	
Management and general	<u>146,098</u>
Total Expenses	<u>458,844</u>
INCREASE IN NET ASSETS	28,126
NET ASSETS AT BEGINNING OF YEAR	<u>184,532</u>
NET ASSETS AT END OF YEAR	<u>\$ 212,658</u>

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



ASHTABULA CONVENTION AND VISITORS BUREAU  
ASHTABULA COUNTY  
*STATEMENT OF CASH FLOWS*  
*YEAR ENDED DECEMBER 31, 2007*

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<b>Cash Flows From Operating Activities:</b>	
Increase in Net Assets	\$28,126
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	6,173
(Increase)/Decrease in Accounts Receivable	(5,184)
(Increase)/Decrease in Prepaid Expenses	1,041
Increase/(Decrease) in Accounts Payable	1,528
Increase/(Decrease) in Accrued Expenses	<u>1,391</u>
Net Cash Provided By Operating Activities	33,075
 <b>Cash Flows From Capital and Related Activities:</b>	
Payment for Capital Acquisitions	<u>(659)</u>
Net Increase in Cash and Cash Equivalents	32,416
Cash and Cash Equivalents at Beginning of Year	<u>88,564</u>
Cash and Cash Equivalents at End of Year	<u><u>\$120,980</u></u>

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

ASHTABULA CONVENTION AND VISITORS BUREAU  
ASHTABULA COUNTY  
Notes to the Financial Statements  
For the Year Ended December 31, 2007

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**Note 1 - Background**

Ashtabula County Convention and Visitors Bureau (ACCVB) is a nonprofit corporation established pursuant to the laws of the State of Ohio to develop, promote and otherwise encourage tourism and recreation. This is done through advertising in various publications, Internet website participation, and publishing a County Visitors Guide.

**Note 2 – Summary of Significant Accounting Policies**

This summary of significant accounting policies is presented to assist the reader in understanding and evaluating the financial statements of Ashtabula County Convention and Visitors Bureau.

The financial statements of ACCVB have been prepared on the accrual basis of accounting, and accordingly, include all significant receivables, payables, and other liabilities.

Assets, liabilities, and net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of ACCVB and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Corporation and/or the passage of time.

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. The cost of property and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method.

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

ACCVB uses advertising to promote the Ashtabula County tourism industry. Advertising includes ads in publications and other media, and other activities such as the publication of visitors' guides and attendance at trade shows. The production costs of advertising are expensed as incurred. Advertising expense was \$114,324 in 2007.

For purposes of the statement of cash flows, ACCVB considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

ASHTABULA CONVENTION AND VISITORS BUREAU  
ASHTABULA COUNTY  
Notes to the Financial Statements  
For the Year Ended December 31, 2007

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**Note 3 - Cash**

Cash is comprised of the following at December 31, 2007:

Cash in Hand	\$113
Cash in Checking	<u>120,867</u>
Total	<u><u>\$120,980</u></u>

Cash deposits in financial institutions at times, may exceed federal insured limits of \$100,000. ACCVB has not experienced any losses on these accounts and believes it is not exposed to any significant credit risk on cash or cash equivalents. The cash balances at December 31, 2007 exceeded the federal limits by \$20,867.

**Note 4 – Fixed Assets**

Fixed assets are comprised of the following at December 31, 2007:

Leasehold Improvements	\$65,887
Equipment	21,794
Vehicles	<u>22,064</u>
Total Historical Cost	109,745
Less: Accumulated Depreciation	<u>(48,985)</u>
Total Book Value	<u><u>\$60,760</u></u>

**Note 5 – Income Taxes**

Income taxes have not been provided for as ACCVB has been granted a nonprofit corporation status under Section 501(c)(6) of the Internal Revenue Code.

**Note 6 - Leases**

The ACCVB is leasing its office space on a non-cancelable operating lease that expires November 14, 2016. Monthly lease payments range from \$1,320 to \$1,648. Lease expense for December 31, 2007 was \$15,840.

The ACCVB leased office equipment on a five-year non-cancelable operating lease agreement that expired August 1, 2007. Monthly lease payments were \$214. The ACCVB entered into a new five year non-cancelable operating lease agreement for office equipment with Konica Minolta during 2007.

ASHTABULA CONVENTION AND VISITORS BUREAU  
ASHTABULA COUNTY  
Notes to the Financial Statements  
For the Year Ended December 31, 2007

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Monthly lease payments, which began in September, are \$396. Total lease expenses for the year ended December 31, 2007 were \$3,296.

The following is a summary of future minimum lease payments required under ACCVB's operating leases:

	Office Space	Copier	Total
2008	\$18,840	\$4,752	\$23,592
2009	18,840	4,752	23,592
2010	18,840	4,752	23,592
2011	18,840	4,752	23,592
Thereafter	95,730	3,168	98,898
Total	\$171,090	\$22,176	\$193,266

**Note 7 – Compensated Absences**

Compensated absences (vacation) have been accrued as specified by Statement of Financial Accounting Standard No. 43, *Accounting for Compensated Absences*. The accrual recognized the amounts to be paid as a result of the employee's right to the compensated absence, in the year in which it was earned.

**Note 8 – Concentration of Revenues**

Ashtabula County provided 67 percent of ACCVB's revenues for 2007. The funds are generated through bed taxes on temporary lodging. A significant reduction in the level of this support, if this were to occur, may have an effect on the ACCVB's programs.

**Note 9 – Retirement Plans**

ACCVB has a Simple IRA that covers all employees who are vested immediately and are able to participate in the plan upon hire. Under the Plan, eligible employees will receive an employer match of their salary up to a 3% maximum. Total expense for the Simple IRA was \$2,462 for the year ended December 31, 2007.

**Note 10 - Commitments**

ACCVB has entered into an agreement with Ashtabula County through the Board of Commissioners that requires the payment of bed taxes received from the Geneva Lodge and Conference Center to the County for a period of five years beginning May 1, 2005. The amount paid in 2007 was \$50,000.

ASHTABULA CONVENTION AND VISITORS BUREAU  
ASHTABULA COUNTY  
Notes to the Financial Statements  
For the Year Ended December 31, 2007

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**Note 11 – Related Party Transactions**

ACCVB has entered into an agreement with a business owned by a Board member to maintain the Bureau's internet website. The amount paid in 2007 was \$1,017.

ASHTABULA CONVENTION & VISITORS BUREAU  
ASHTABULA COUNTY  
SCHEDULE OF EXPENSES  
YEAR ENDED DECEMBER 31, 2007

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Wages & Employee Benefits	\$ 131,803
Dues and Subscriptions	4,608
Membership Fees	2,178
Marketing and Advertising	114,324
Bad Debt	550
Bank Charges	60
Community Promotions	6,681
Insurance	4,021
Lodge Bed Tax	50,000
Office Supplies	14,295
Postage and Delivery	9,682
Professional Services	7,139
Visitors Guide Publications	58,157
Rent	20,000
Repairs and Maintenance	3,156
Tourism	7,197
Trade Shows and Conferences	5,774
Travel and Transportation	4,052
Utilities	<u>8,995</u>
	Total before depreciation
	452,671
Depreciation	<u>6,173</u>
	Total Expenses
	<u>\$ 458,844</u>

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



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

To the Board of Directors  
Ashtabula County Convention and Visitors Bureau  
Austinburg, Ohio

We have audited the financial statements of the Ashtabula County Convention and Visitors Bureau (Bureau) (a nonprofit organization) as of and for the year ended December 31, 2007, and have issued our report thereon dated February 1, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the bureau's financial statements that is more than inconsequential will not be prevented or detected by the bureau's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the bureau's internal control.

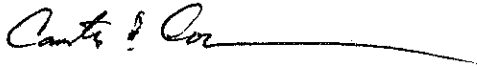
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Ashtabula Convention and Visitors Bureau  
Ashtabula County  
Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed  
In Accordance with *Governmental Auditing Standards*  
Page 2

Compliance and Other Matters

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

This report is intended solely for the information and use of management, board members, and Ashtabula County, and is not intended to be and should not be used by anyone other than these specified parties.



Youngstown, Ohio  
February 1, 2008





**Mary Taylor, CPA**  
Auditor of State

**ASHTABULA COUNTY CONVENTION AND VISITORS BUREAU**

**ASHTABULA 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 10, 2008**