

**HOLMES COUNTY TOURISM BUREAU  
HOLMES COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED  
DECEMBER 31, 2008 AND 2007**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Holmes County Tourism Bureau  
35 N. Monroe St.  
Millersburg, Ohio 44654

We have reviewed the *Independent Auditors' Report* of the Holmes County Tourism Bureau, Holmes County, prepared by Willoughby & Company, Inc., for the audit period January 1, 2007 through December 31, 2008. 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 Holmes County Tourism Bureau is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

August 31, 2009

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HOLMES COUNTY TOURISM BUREAU  
HOLMES COUNTY

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# WILLOUGHBY & COMPANY, INC.

*Certified Public Accountants*

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## INDEPENDENT AUDITORS' REPORT

Holmes County Tourism Bureau  
Holmes County  
35 N. Monroe St.  
Millersburg, Ohio 44654

To the Board of Trustees:

We have audited the accompanying financial statements of the Holmes County Tourism Bureau, Holmes County, Ohio (the Tourism Bureau), a division of the Holmes County Chamber of Commerce as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the Tourism 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 and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatements. 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 our audit provides a reasonable basis for our opinion.

As described in Note 1, the Tourism Bureau has prepared these financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the cash of the Tourism Bureau as of December 31, 2008 and 2007, the cash receipts and disbursements for the years then ended.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2009, on our consideration of the Tourism Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of and audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in accessing the results of our audit.

Willoughby & Company, Inc. - Certified Public Accountants

June 16, 2009

**HOLMES COUNTY TOURISM BUREAU  
HOLMES COUNTY**

**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
FOR THE YEARS ENDED DECEMBER 31, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>CASH RECEIPTS:</b>		
Hotel/Motel Tax	\$ 268,811	\$ 236,680
Grants	64,003	41,778
Advertising Income	77,024	56,320
Special Projects	13,380	75,497
Interest	2,388	2,027
Miscellaneous	113	178
	<hr/>	<hr/>
Total Cash Receipts	425,719	412,480
<b>CASH DISBURSEMENTS:</b>		
Current:		
Administrative	117,641	106,131
Postage/Distribution	23,494	22,421
Advertising	131,108	123,808
Special Projects	40,282	94,842
Grants in Aid	53,525	0
Miscellaneous	2,933	379
	<hr/>	<hr/>
Total Cash Disbursements	368,983	347,581
Total Cash Receipts Over/(Under) Cash Disbursements	56,736	64,899
Cash Balances, January 1	<hr/> 139,320	<hr/> 74,421
<b>Cash Balances, December 31</b>	<hr/> <b>\$ 196,056</b> <hr/>	<hr/> <b>\$ 139,320</b> <hr/>

*The notes to the financial statements are an integral part of this statement.*

**HOLMES COUNTY TOURISM BUREAU  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Holmes County Tourism Bureau, Holmes County, Ohio (the Tourism Bureau) is a division of the Holmes County Chamber of Commerce (Chamber), a 501(c) (3) corporation. The Chamber has appointed a nine member Board of Trustees as a Council to oversee the Tourism Bureau's operations. The Holmes County Commissioners have contracted with the Chamber to promote tourism in Holmes County.

The Tourism Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

**B. Basis of Accounting**

These financial statements follow the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

The Tourism Bureau has been determined to be a non-profit entity subject to non-profit accounting and financial reporting standards.

**C. Cash and Investments**

The Tourism Bureau maintains a non-interest bearing checking account and a money market account.

**D. Fund Accounting**

The Tourism Bureau uses fund accounting to segregate cash that is restricted as to use. The Tourism Bureau classifies its fund as a General Fund which is the general operating fund and it is used to account for all financial resources of the Tourism Bureau.

**E. Budgetary Process**

The Tourism Bureau is not required to follow budgetary procedures as prescribed by the Ohio Revised Code; however, the Tourism Bureau uses internal budgets for planning purposes which they adopt annually.

A summary of budgetary activity appears in Note 6.



HOLMES COUNTY TOURISM BUREAU  
HOLMES COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007

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**2. EQUITY IN CASH AND INVESTMENTS**

The carrying amount of cash and investments at December 31 was as follows:

	<u>2008</u>	<u>2007</u>
Demand Deposits	\$ 186,289	\$ 129,859
Money Market Investment Account	9,669	9,363
Cash on Hand	<u>98</u>	<u>98</u>
Total Cash and Investments	<u>\$ 196,056</u>	<u>\$ 139,320</u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

**3. HOTEL/MOTEL TAX**

Holmes County Commissioners provides funding to the Tourism Bureau by remitting collections from the County's hotel/motel tax. The amounts received during 2008 and 2007 are shown on Page 2. Effective June 2001, the Holmes County Commissioners passed a resolution increasing the hotel/motel tax from 1% to 3%.

**4. RISK MANAGEMENT**

The Tourism Bureau has obtained commercial insurance for general liability risks.

**5. RELATED PARTY TRANSACTIONS**

The Tourism Bureau shares Chamber of Commerce monthly operational and administrative expenditures which include rent, phone utilities, and salaries for the Chamber of Commerce employees, in addition to travel reimbursement for promotion of Tourism Bureau's business. During 2008 and 2007, the Tourism Bureau's portion of disbursements paid to the Chamber of Commerce was \$113,742 and \$98,484, respectively. This allocation of disbursements ranges from individual line item disbursements based on a previous time study performed in 2003 by the former Director and Board Members. Any new future changes will be tied to significant change in the number of employees.

A member of the Chamber is employed by Rea & Associates, Inc., an independent accounting firm, who performs various accounting services for the Tourism Bureau including payroll tax services.

**HOLMES COUNTY TOURISM BUREAU  
HOLMES COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**6. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2008 and 2007 follows:

2008 Budget vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$ 305,625</u>	<u>\$ 425,719</u>	<u>\$ 120,094</u>

2008 Budget vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	<u>\$ 302,583</u>	<u>\$ 368,983</u>	<u>\$ (66,400)</u>

2007 Budget vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	<u>\$ 329,500</u>	<u>\$ 412,480</u>	<u>\$ 82,980</u>

2007 Budget vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	<u>\$ 311,905</u>	<u>\$ 350,890</u>	<u>\$ (38,985)</u>

Budgetary amounts are for the period of October 1 through September 30, the Tourism Bureau's fiscal year. Actual amounts reflect receipt and expenditure activity reported for the period January 1 through December 31 as required by the agreement with the Holmes County Commissioners. Therefore, no exception will be taken for the actual expenditures exceeding budgeted expenditures for either 2008 or 2007.



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

Holmes County Tourism Bureau  
Holmes County  
35 N. Monroe St.  
Millersburg, Ohio 44654

To the Board of Trustees:

We have audited the financial statements of the Holmes County Tourism Bureau, Holmes County, (the Tourism Bureau) as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 16, 2009, wherein we noted the Tourism Bureau followed the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

As described in Note 1, the Tourism Bureau has prepared these financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Tourism Bureau's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tourism Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Tourism 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 Tourism Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Tourism Bureau's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

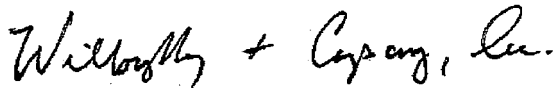
A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Tourism Bureau's internal control will not prevent or detect a material financial statement misstatement.

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 internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

#### **Compliance and Other Matters**

As part of reasonably assuring whether the Tourism Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.



Willoughby & Company, Inc. - Certified Public Accountants

June 16, 2009



**Mary Taylor, CPA**  
Auditor of State

**HOLMES COUNTY TOURISM BUREAU**

**HOLMES 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 10, 2009**