

TRUMBULL COUNTY TOURISM BUREAU

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2008

Varney, Fink & Associates, Inc.
Certified Public Accountants



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Auditor's Report* of Trumbull County Tourism Bureau, Inc., prepared by Varney, Fink & Associates, Inc., for the audit period January 1, 2008 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. Trumbull County Tourism Bureau, Inc. is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 19, 2009

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**TRUMBULL COUNTY TOURISM BUREAU
FOR THE YEAR ENDED
DECEMBER 31, 2008**

TABLE OF CONTENTS

Independent Auditor's Report.....	1
Statement of Assets, Liabilities and Net Assets – Modified Cash Basis	3
Statement of Support and Revenue, Expenses and Change in Net Assets – Modified Cash Basis	4
Notes to the Financial Statement	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	8

INDEPENDENT AUDITOR'S REPORT

Trumbull County Tourism Bureau
321 Mahoning Avenue, NW
Warren, Ohio 44483

To Board of Directors:

We have audited the accompanying financial statements of the Trumbull County Tourism Bureau (the Bureau), as of and for the year ended December 31, 2008, as listed in the table of contents. 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 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 statement. An audit also includes assessing the accounting principles used and the 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.

As discussed in Note A, the Bureau, prepares its financial statements on the modified cash basis, 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 respects, the respective financial position-modified cash basis of the Bureau, as of December 31, 2008, and the respective changes in financial position-modified cash basis, thereof for the year then ended in conformity with the basis of accounting described in Note A.

INDEPENDENT AUDITOR'S REPORT (continued)

In accordance with *Government Auditing Standards*, we have also issued our report dated July 14, 2009 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 important for assessing the results of our audit.

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

July 14, 2009

TRUMBULL COUNTY TOURISM BUREAU, INC.

STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
December 31, 2008

ASSETS

Cash and cash equivalents	\$182,428
Short Term Investment	31,344
Special Deposits	<u>33</u>
Total Assets	<u><u>\$213,805</u></u>

LIABILITIES

Payroll Taxes and Withholdings	4,430
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NET ASSETS

Unrestricted	<u>209,375</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$213,805</u></u>
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The accompanying notes are an integral part of the financial statements.

TRUMBULL COUNTY TOURISM BUREAU, INC.

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

FOR THE YEAR ENDED DECEMBER 31, 2008

PUBLIC SUPPORT AND REVENUE

County contract revenue received	\$266,629
Membership dues collected	8,000
Fundraising receipts	446
Interest	1,901
Other income	7,500
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Total Public Support and Revenue	284,476

EXPENSES

Personnel expenses	88,900
Administrative expenses	21,817
Marketing, advertising and promotion expenses	98,594
Grant distributions	67,800
Public relation expenses	1,773
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Total Expenses	278,885

CHANGE IN NET ASSETS 5,591

NET ASSETS - Beginning of year 203,784

NET ASSETS - End of year \$209,375

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

TRUMBULL COUNTY TOURSIM BUREAU, INC.

NOTES TO STATEMENTS – MODIFIED CASH BASIS

December 31, 2008

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations:

Trumbull County Tourism Bureau, Inc. (the Bureau) is a nonprofit corporation which was formed 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. The Bureau's Board consists of ten members. One of the members is a County Commissioner, appointed by the President of the County Commissioners. The other nine members are elected by the membership. A substantial portion of the Bureau's revenues are derived from the hotel tax, as explained below.

Basis of Accounting:

The accompanying statements have been prepared on the modified 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 certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when incurred. In addition, investments are at fair value and payroll liabilities are recognized.

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.

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.

TRUMBULL COUNTY TOURSIM BUREAU, INC.

NOTES TO STATEMENTS – MODIFIED CASH BASIS

December 31, 2008

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 year ended December 31, 2008 was \$98,594.

Grant Distributions:

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

Use of Estimates:

The preparation of statements on the modified 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 \$250,000. At December 31, 2008 the carrying amount of all Trumbull County deposits was \$215,575. All of the Trumbull County's bank balance of \$215,575 was covered by the Federal Deposit Insurance Corporation.

NOTE C – LEASE

The Bureau occupies office space under an operating lease agreement with the City of Warren. The terms of the lease call for \$200 monthly rent payments, including electric utilities beginning March 1, 2006 and ending February 28, 2010. The Bureau was not given a written lease until April 2009. Therefore, the Bureau owes the City of Warren for thirty-four months rent as of December 31, 2008.

NOTE D – RISK MANAGEMENT

The Bureau has obtained commercial insurance through private carriers for general liability.

TRUMBULL COUNTY TOURSIM BUREAU, INC.

NOTES TO STATEMENTS – MODIFIED CASH BASIS

December 31, 2008

NOTE E – RELATED PARTY ACTIVITY

During 2008, the Bureau purchased advertising and season tickets from the Mahoning Valley Scrappers in the amount of \$6,952.00. The General Manager of the Mahoning Valley Scrappers was the Bureau's Board President during 2008.

Also, during 2008, the Bureau hired the Saratoga Restaurant, owned and operated by the Bureau's Board Treasurer, to cater its June and November membership meetings at a cost of \$716.00.

**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***

Trumbull County Tourism Bureau
321 Mahoning Avenue, NW
Warren, Ohio 44483

To Board of Directors:

We have audited the financial statements of the Trumbull County Tourism Bureau (the Bureau), as of December 31, 2008, and have issued our report thereon dated July 14, 2009 wherein we noted the Bureau followed the modified cash basis of accounting, a comprehensive accounting basis 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 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 statement, 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.

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* (continued)

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.

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*.

We noted a matter that we reported to management of the Bureau, in a separate letter dated July 14, 2009.

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

Varney, Fink & Associates

VARNEY, FINK & ASSOCIATES, INC.
Certified Public Accountants

July 14, 2009



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
SEPTEMBER 1, 2009**