



**ASHTABULA CONVENTION AND VISITORS
BUREAU
ASHTABULA COUNTY

REGULAR AUDIT

YEAR ENDED DECEMBER 31, 2009**



Mary Taylor, CPA

Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Ashtabula County Convention and Visitors Bureau, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2009 through December 31, 2009. 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 12, 2010

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ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY

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20 E. McKinley Way, Suite 4
Poland, Ohio 44514
Ph: 330.707.9035
Fax: 888.516.1186

CERTIFIED PUBLIC ACCOUNTANTS

WWW.CANTERCPA.NET

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, 2009, 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 and the standards applicable to the 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 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 opinions.

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, 2009, 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 State of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2010 on our consideration of the Bureau's internal control over financial reporting and on out test 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.

Canter & Associates

Poland, Ohio
June 23, 2010

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2009

ASSETS

ASSETS

Cash & Cash Equivalents	\$ 88,061
Accounts Receivable, net	35,027
Prepaid Expenses	401
Deposits-workers compensation	10
Property and equipment (net)	<u>49,006</u>

Total Assets \$ 172,505

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	<u>\$ 2,317</u>
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Total Liabilities 2,317

NET ASSETS

Unrestricted	<u>170,188</u>
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Total Net Assets 170,188

Total liabilities and net assets \$ 172,505

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

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009

	<u>Unrestricted</u>
REVENUES	
Bed Tax	\$ 308,184
Co-Op Advertising	64,584
Visitors Guide	80,622
Membership Dues	10,777
Miscellaneous	25,433
Interest	<u>78</u>
Total revenues, gains, and other support	<u>489,678</u>
EXPENSES	
Supporting Services	329,293
Management and general	<u>152,304</u>
Total Expenses	<u>481,597</u>
INCREASE (DECREASE) IN NET ASSETS	8,081
NET ASSETS AT BEGINNING OF YEAR	<u>162,107</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 170,188</u></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, 2009

Cash Flows From Operating Activities:

Increase in Net Assets	\$8,081
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	5,676
(Increase)/Decrease in Accounts Receivable	(1,393)
(Increase)/Decrease in Prepaid Expenses	83
Increase/(Decrease) in Accounts Payable	655
Increase/(Decrease) in Accrued Expenses	<u>(7,626)</u>
Net Cash Provided By Operating Activities	5,476
Net Increase in Cash and Cash Equivalents	5,476
Cash and Cash Equivalents at Beginning of Year	<u>82,585</u>
Cash and Cash Equivalents at End of Year	<u><u>\$88,061</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, 2009

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 \$116,504 in 2009.

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, 2009

Note 3 – Change in Accounting Principles

On January 1, 2009, the ACCVB adopted the accounting standard on accounting for uncertainty in income taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, the ACCVB may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the ACCVB, and various positions related to the potential sources of unrelated business taxable income (UBTI). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The guidance on accounting for uncertainty in income taxes also addresses de-recognition, classification, interest and penalties on income taxes, and accounting in interim periods. At January 1, 2009, and December 31, 2009, there were no unrecognized tax benefits identified or recorded as liabilities.

The ACCVB files Form 990 in the U.S. federal jurisdiction and the state of Ohio. The ACCVB is no longer subject to examination by the Internal Revenue Service for years before 2006.

Note 4 - Cash

Cash is comprised of the following at December 31, 2009:

Cash in Hand	\$369
Cash in Checking	<u>87,692</u>
Total	<u><u>\$88,061</u></u>

Cash deposits in financial institutions at times, may exceed federal insured limits of \$250,000. 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, 2009 did not exceed the federal limits.

Note 5 – Fixed Assets

Fixed assets are comprised of the following at December 31, 2009:

Leasehold Improvements	\$65,887
Equipment	21,794
Vehicles	<u>22,064</u>
Total Historical Cost	109,745
Less: Accumulated Depreciation	<u>(60,739)</u>
Total Book Value	<u><u>\$49,006</u></u>

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2009

Note 6 – 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 7 - 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, 2009 was \$18,840.

The ACCVB has a five year non-cancelable operating lease agreement for office equipment with Konica Minolta during 2007. Monthly lease payments are \$396. Total lease expenses for the year ended December 31, 2009 were \$4,752.

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

	Office Space	Copier	Total
2010	18,840	4,752	23,592
2011	18,840	4,752	23,592
2012	21,000	3,168	24,168
2013	21,000	0	21,000
2014	21,000		21,000
2015	21,000		21,000
2016	21,000		21,000
Total	<u>\$142,680</u>	<u>\$12,672</u>	<u>\$155,352</u>

Note 8 – Concentration of Revenues

Ashtabula County provided 62 percent of ACCVB’s revenues for 2009. 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 \$2,908 for the year ended December 31, 2009.

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2009

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 2009 was \$50,000.

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 2009 was \$1,029.

Note 12 – Line of Credit

The ACCVB has a \$25,000 line of credit with a bank. Interest is payable monthly at the Prime rate plus 1.00%. The rate floor is 6.00% and the lifetime cap is 12.00%. The agreement expires June 29, 2024. The ACCVB did not have an outstanding balance at December 31, 2009.

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
Schedule of Expenses
Year Ended December 31, 2009

Wages & Employee Benefits	\$ 141,157
Dues and Subscriptions	4,758
Membership Fees	562
Marketing and Advertising	116,504
Bad Debt	3,489
Bank Charges	398
Community Promotions	3,224
Insurance	4,715
Lodge Bed Tax	50,000
Office Supplies	11,147
Postage and Delivery	17,999
Professional Services	6,160
Visitors Guide Publications	72,552
Rent	20,140
Repairs and Maintenance	1,905
Tourism	1,290
Trade Shows and Conferences	6,471
Travel and Transportation	3,357
Utilities	<u>10,093</u>
	\$ 475,921
	Total before depreciation
Depreciation	<u>5,676</u>
	<u><u>481,597</u></u>
	Total Expenses

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



20 E. McKinley Way, Suite 4
Poland, Ohio 44514
Ph: 330.707.9035
Fax: 888.516.1186

**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, 2009, and have issued our report thereon dated June 23, 2010. 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 opinions 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Government's financial statements will not be prevented, or detected and timely corrected.

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 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 test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have 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.



Canter & Associates
Poland, Ohio
June 23, 2010



Mary Taylor, CPA
Auditor of State

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
JULY 22, 2010