



**ASHTABULA CONVENTION AND VISITORS
BUREAU
ASHTABULA COUNTY**

REGULAR AUDIT

YEAR ENDED DECEMBER 31, 2008



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, Ashtabula County, prepared by Canter and Company, for the audit period January 1 2008 to 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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

May 19, 2009

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ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY

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4800 Belmont Avenue, Suite C
Youngstown, Ohio 44505-1072
Ph: 330.759.6761
Fax: 330.759.6764

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, 2008, 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 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, 2008, 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 April 9, 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 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
April 9, 2009

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2008

ASSETS

ASSETS

Cash & Cash Equivalents	\$ 82,585
Accounts Receivable, net	33,634
Prepaid Expenses	484
Deposits-workers compensation	10
Property and equipment (net)	<u>54,682</u>

Total Assets \$ 171,395

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 1,662
Accrued Expenses	<u>7,626</u>

Total Liabilities 9,288

NET ASSETS

Unrestricted	<u>162,107</u>
Total Net Assets	<u>162,107</u>

Total liabilities and net assets \$ 171,395

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

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2008

	<u>Unrestricted</u>
REVENUES	
Bed Tax	\$ 325,138
Advertising Co-Op	52,715
Visitors Guide	72,063
Membership Dues	8,853
Miscellaneous	9,794
Interest	<u>225</u>
Total revenues, gains, and other support	<u>468,788</u>
EXPENSES	
Supporting Services	359,611
Management and general	<u>159,728</u>
Total Expenses	<u>519,339</u>
INCREASE (DECREASE) IN NET ASSETS	(50,551)
NET ASSETS AT BEGINNING OF YEAR	<u>212,658</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 162,107</u></u>

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2008

Cash Flows From Operating Activities:

Decrease in Net Assets	(\$50,551)
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation	6,078
(Increase)/Decrease in Accounts Receivable	6,352
(Increase)/Decrease in Prepaid Expenses	(69)
Increase/(Decrease) in Accounts Payable	(2,928)
Increase/(Decrease) in Accrued Expenses	<u>2,723</u>
Net Cash Used By Operating Activities	(38,395)
Net Decrease in Cash and Cash Equivalents	(38,395)
Cash and Cash Equivalents at Beginning of Year	<u>120,980</u>
Cash and Cash Equivalents at End of Year	<u><u>\$82,585</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, 2008

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 \$131,462 in 2008.

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, 2008

Note 3 - Cash

Cash is comprised of the following at December 31, 2008:

Cash in Hand	\$282
Cash in Checking	<u>82,303</u>
Total	<u><u>\$82,585</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, 2008 did not exceed the federal limits.

Note 4 – Fixed Assets

Fixed assets are comprised of the following at December 31, 2008:

Leasehold Improvements	\$65,887
Equipment	21,794
Vehicles	<u>22,064</u>
Total Historical Cost	109,745
Less: Accumulated Depreciation	<u>(55,063)</u>
Total Book Value	<u><u>\$54,682</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, 2008 was \$15,840.

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, 2008 were \$4,752.

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2008

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

	Office Space	Copier	Total
2009	\$18,840	\$4,752	\$23,592
2010	18,840	4,752	23,592
2011	18,840	4,752	23,592
2012	18,840	3,168	22,008
Thereafter	76,890	0	76,890
Total	<u>\$152,250</u>	<u>\$17,424</u>	<u>\$169,674</u>

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 69 percent of ACCVB's revenues for 2008. 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 \$2,606 for the year ended December 31, 2008.

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 2008 was \$50,000.

ASHTABULA CONVENTION AND VISITORS BUREAU
ASHTABULA COUNTY
Notes to the Financial Statements
For the Year Ended December 31, 2008

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 2008 was \$598.

Note 12--- FASB Interpretation No, 48 (FIN 48)

In June 2006, the FASB issued Interpretation No. 48 (FIN 48), *Accounting for Uncertainty in Income Taxes*. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements in accordance with SFAS No. 109, *Accounting for Income Taxes*. FIN 48 requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. If the tax position meets the more-likely-than-not recognition threshold, the tax effect is recognized at the largest amount of the benefit that is greater than 50% likely of being realized upon ultimate settlement. Any difference between the tax position taken in the tax return and the tax position recognized in the financial statements using the criteria above results in the recognition of a liability in the financial statements for the unrecognized benefit. Similarly, if a tax position fails to meet the more-likely-than-not recognition threshold, the benefit taken in the tax return will also result in the recognition of a liability in the financial statements for the full amount of the unrecognized benefit. FIN 48 became effective January 1, 2007 for public companies and nonpublic companies that are consolidated with public companies. On December 30, 2008 the FASB issued FASB Staff Position (FSP) FIN 48-3 which allows deferral of FIN 48 for nonpublic enterprises included within the FSP's scope to the annual financial statements for fiscal years beginning after December 15, 2008. The Organization has elected to defer implementation of FIN 48 to its first annual financial statements ending on December 31, 2009.

The determination of certain tax positions for financial statements prior to the implementation of FIN 48 uses the tax judgments reported on the Organization's tax returns which were based on the requirements for filing tax returns under the various taxing authority requirements for the applicable fiscal period.

ASHTABULA CONVENTION & VISITORS BUREAU
ASHTABULA COUNTY
Schedule of Expenses
Year Ended December 31, 2008

Wages & Employee Benefits	\$ 148,174
Dues and Subscriptions	8,529
Membership Fees	1,060
Marketing and Advertising	131,462
Bad Debt	628
Bank Charges	49
Community Promotions	5,897
Insurance	4,935
Lodge Bed Tax	50,000
Office Supplies	11,554
Postage and Delivery	16,272
Professional Services	6,304
Visitors Guide Publications	74,447
Rent	19,532
Repairs and Maintenance	3,751
Tourism	1,056
Trade Shows and Conferences	13,981
Travel and Transportation	6,301
Utilities	<u>9,329</u>
	\$ 513,261
	6,078
	<u><u>519,339</u></u>

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



4800 Belmont Avenue, Suite C
Youngstown, Ohio 44505-1072
Ph: 330.759.6761
Fax: 330.759.6764

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, 2008, and have issued our report thereon dated April 9, 2009. 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.

A handwritten signature in blue ink, appearing to read "Carter & Co.", with a long horizontal flourish extending to the right.

Youngstown, Ohio
April 9, 2009



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
JUNE 2, 2009**