

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

**REPORT ON AUDITS OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA

Auditor of State

Board of Directors
Coshocton County Convention & Visitors Bureau
PO Box 905
Coshocton, Ohio 43812

We have reviewed the *Independent Auditors' Report* of the Coshocton County Convention & Visitors Bureau, Coshocton County, prepared by Willoughby & Company, Inc., for the audit period January 1, 2006 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 Coshocton County Convention & Visitors Bureau is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 3, 2008

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**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU
COSHOCTON, OHIO**

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

May 15, 2008

Board of Directors
Coshocton County Convention & Visitors Bureau
Coshocton, Ohio

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of assets and net assets - cash basis of Coshocton County Convention & Visitors Bureau (a nonprofit organization) as of December 31, 2007 and 2006, and the related statements of revenue, expenses and changes in net assets - cash basis for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Organization 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 respects, the assets and net assets of Coshocton County Convention & Visitors Bureau as of December 31, 2007 and 2006, and its revenue, expenses, and the changes in its net assets for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 15, 2008, on our consideration of the Coshocton County Convention & Visitors Bureau's internal control structure over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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 read in conjunction with this report in considering the results of our audit.

Willoughby & Company, Inc.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**
STATEMENTS OF ASSETS AND NET ASSETS - CASH BASIS
AS OF DECEMBER 31,

ASSETS

	<u>2007</u>	<u>2006</u>
CURRENT ASSETS:		
Cash and equivalents	\$ 95,137	\$ 69,674
Total current assets	<u>\$ 95,137</u>	<u>\$ 69,674</u>

NET ASSETS

NET ASSETS:		
Unrestricted	\$ 95,137	69,674
Total net assets	<u>\$ 95,137</u>	<u>\$ 69,674</u>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

**STATEMENTS OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2007</u>	<u>2006</u>
REVENUE AND SUPPORT:		
Hotel & motel permissive excise tax	\$ 138,692	\$ 100,253
Special events	6,875	6,655
Co-op advertising reimbursements	1,785	13,491
Interest income	881	525
Miscellaneous	<u>150</u>	<u>630</u>
Total support and revenue	148,383	121,554
EXPENSES:		
Advertising & marketing	56,552	45,022
Website	2,751	699
Travel shows	5,843	2,967
Visitor's guide printing	3,180	8,170
Dues & memberships	1,106	2,086
Postage	1,402	947
Office supplies	4,058	4,258
Wages	34,379	32,245
Taxes - FICA, SUTA, FUTA & Workers' Compensation	3,217	2,564
Repairs & maintenance	245	0
Rent - office	3,225	3,000
Telephone	3,178	1,130
Bank service charges	156	80
Professional fees	1,669	5,496
Insurance - general	0	625
Insurance - directors & officers	0	840
Utilities	1,152	0
Travel - other	<u>807</u>	<u>347</u>
Total expenses	<u>122,920</u>	<u>110,476</u>
Changes in net assets	25,463	11,078
NET ASSETS, beginning of year	<u>69,674</u>	<u>58,596</u>
NET ASSETS, end of year	<u>\$ 95,137</u>	<u>\$ 69,674</u>

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

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

Coshocton County Convention and Visitors Bureau (the Organization) is a non-profit entity organized under the laws of the State of Ohio for the purpose of the promotion of Coshocton County, Ohio as a convention and tourist location. The Organization is directed by a thirteen member board. These board members are appointed by the Coshocton County Commissioner.

METHOD OF ACCOUNTING

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, receipts are recognized when received in cash rather than earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Accordingly, the accompanying statements of revenue, expenses and changes in net assets is not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

UNRESTRICTED NET ASSETS

Net assets are resources that are not subject to donor imposed restrictions.

TAX STATUS

As a non-profit organization under Section 501(c)(6) of the Internal Revenue Code, the organization is exempt from Federal and Ohio income taxes. Therefore, no provision has been made for Federal or Ohio income taxes in the accompanying financial statements.

ADVERTISING COSTS

The Organization expenses the production costs of advertising the first time the advertising takes place.

NOTE 2: EQUITY IN POOLED CASH AND INVESTMENTS

The Organization maintains a pool of deposits used by all funds. Both are interest bearing accounts. The carrying amount of cash and deposits at December 31 are as follows:

	<u>2007</u>		<u>2006</u>
Operating - Checking	\$ 9,072	\$	15,645
Savings	<u>86,065</u>		<u>54,029</u>
Total	<u>\$ 95,137</u>	\$	<u>69,674</u>

**COSHOCTON COUNTY CONVENTION
& VISITORS BUREAU**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3: CONCENTRATION OF CREDIT RISK

The Organization receives a significant amount of its support from a permissive lodging excise tax. The Coshocton County Commissioners adopted the imposition of the maximum amount of excise tax (3%) on transactions by which lodging by a hotel is or is to be furnished to guests. The amount of this revenue is solely dependent on the number of hotel rooms in the county, the occupancy rate of those rooms, and the average rental rate. The excise tax is collected by the Coshocton County Auditor's office and paid to the Organization on a monthly basis, for the previous month's collections.

Effective March 1, 2006, the City of Coshocton implemented the same permissive lodging excise tax for hotels located within the City limits, as described above. The excise tax is collected by the City of Coshocton and paid to the Organization on a monthly basis, for the previous month's collections.

The loss of this revenue would have an adverse effect on the Organization's financial condition.

NOTE 4: OPERATING LEASE

Previously, the Organization had a sublease with the Coshocton County Chamber of Commerce for office space. The lease was for a five year period ending April 30, 2007 and called for a monthly rent of \$250. Commencing May 1, 2007, the Organization entered into an agreement with the Coshocton County Board of Commissioners to lease office space. The agreement is for a term of five years and expires April 30, 2012. The monthly rent is set at \$275 per month. The lease also calls for the Organization to pay its share of all utility expenses (1/3 of 1/2 of the total utility costs). Rent expense for both years ending December 31, 2007 and 2006 was \$3,225 and \$3,000, respectively.



WILLOUGHBY & COMPANY, INC.

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Phone (330) 602-1322 • Fax (330) 602-2610

May 15, 2008

Board of Directors of Coshocton County Convention & Visitors Bureau
Coshocton, Ohio

**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**

We have audited the financial statements of Coshocton County Convention & Visitors Bureau (a nonprofit organization) as of and for the years ended December 31, 2007 and 2006 and have issued our report thereon dated May 15, 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 Coshocton County Convention & Visitors 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 Coshocton County Convention & Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 organization'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 organization's financial statements that is more than inconsequential will not be prevented or detected by the organization'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 organization'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.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether Coshocton County Convention & Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 that are required to be reported under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.

Willoughby & Company, Inc.

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Mary Taylor, CPA
Auditor of State

COSHOCTON COUNTY CONVENTION AND VISITORS BUREAU

COSHOCTON 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 17, 2008**