



**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**REGULAR AUDIT  
FOR THE YEAR ENDED DECEMBER 31, 2000-1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

---

**STATE OF OHIO**



**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Report of Independent Accountants .....	1
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis .....	3
Statement of Revenues, Expenses, and Changes in Net Assets - Modified Cash Basis .....	4
Notes to the Financial Statements .....	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

**This page intentionally left blank.**



STATE OF OHIO  
OFFICE OF THE AUDITOR  
JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

## REPORT OF INDEPENDENT ACCOUNTANTS

Portage County Visitors and Convention Bureau, Inc.  
Portage County  
173 South Chillicothe Road  
Aurora, Ohio 44202

To the Board of Trustees:

We have audited the accompanying financial statements of the Portage County Visitors and Convention Bureau, Inc., Portage County, Ohio, (the Bureau) as of and for the years ended December 31, 2000 and 1999. 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 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.

As discussed in Note 2, the Bureau prepares its financial statements on the modified 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, liabilities and net assets of the Bureau as of December 31, 2000 and 1999, and its revenues, expenses and changes in net assets for the years then ended on the basis of accounting described in Note 2.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2001 on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

**Jim Petro**  
Auditor of State

June 22, 2001

**This page intentionally left blank.**

**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**STATEMENT OF ASSETS, LIABILITIES, AND  
NET ASSETS – MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2000 and 1999**

	<b>December 31, 2000</b>	<b>December 31, 1999</b>
<b>Assets:</b>		
Cash and Cash Equivalents:		
Checking Account	\$10,965	\$2,901
Savings Account	66,188	69,100
Office Equipment & Fixtures	3,247	3,247
Less: Accumulated Depreciation	(939)	(346)
Due from Aurora Chamber of Commerce		100
	79,461	75,002
<b>Liabilities and Net Assets:</b>		
Current Liabilities:		
Payroll Taxes Payable	352	414
Total Liabilities	352	414
Net Assets:		
Unrestricted	79,109	74,588
Total Liabilities and Net Assets	\$79,461	\$75,002

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

**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NET ASSETS – MODIFIED CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2000 and 1999**

	<b>December 31, 2000</b>	<b>December 31, 1999</b>
<b>Revenue:</b>		
Bed Tax Collected	\$140,734	\$172,368
Member Dues	13,856	15,646
Interest Income	1,405	1,331
Miscellaneous Income	5	
Special Events Income		530
Total Revenue	156,000	189,875
<b>Expenses:</b>		
Contract Services	72,000	72,110
Program Services:		
Accounting	3,000	2,255
Advertising	27,206	16,448
Audit Expense		3,715
Auto Expense	178	323
Bank Charges	180	185
Building Maintenance	324	172
Computer Expense	35	285
Conferences and Conventions	1,086	380
Depreciation	593	346
Donations		242
Dues & Subscriptions	2,085	1,625
Independent Consultant		782
Insurance	965	966
Meals and Entertainment	120	203
Miscellaneous	539	365
Office Supplies and Expenses	4,894	1,981
Postage	4,415	5,899
Printing	395	1,071
Salaries and Wages	19,870	17,315
Seminars	916	385
Strategic Planning	1,500	
Taxes-Payroll	1,802	1,636
Trade Shows	493	2,099
Telephone	8,443	18,893
Web Development	440	
Total Expenses	151,479	149,681
<b>Change in Unrestricted Net Assets</b>	4,521	40,194
Unrestricted Net Assets, January 1	74,588	34,394
<b>Unrestricted Net Assets, December 31</b>	<b>\$79,109</b>	<b>\$74,588</b>

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



**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. DESCRIPTION OF THE ENTITY**

The Portage County Visitors and Convention Bureau, Inc. (the Bureau) is a nonprofit corporation established pursuant to the laws of the State of Ohio to promote tourism within Portage County, Ohio and to enhance the overall economy of the region. The Bureau is governed by a nine member Board of Trustees.

Trustees serve alternate two-year terms as follows:

- One trustee selected by the Chamber of Commerce of each political subdivision paying hotel/motel taxes to the Bureau;
- One trustee appointed by the Portage County Commissioners who shall be one of the Commissioners; and
- The balance of the trustees shall be elected by the members of the Bureau from members of the Bureau.

Officers, including President, Vice-President, Treasurer, and Secretary are selected by the trustees from within their membership and act as the Executive Committee.

Membership in the Bureau is open to all Portage County area individuals and organizations interested in the promotion of tourism. Such individuals and organizations may file a membership application with the Bureau. Approval of applications for membership is made by a majority vote by the Board of Trustees. The by-laws of the Bureau may be amended or altered by a majority vote of the membership voting at any duly called membership meeting, or by a majority vote of the members voting in a mail referendum. All proposed amendments shall first receive approval of the Board of Trustees before being submitted to the membership.

The Bureau is supported through enacted legislation with the City of Aurora and Brimfield Township. Under this legislation, the City of Aurora and Brimfield Township collect a 6% bed tax from the lodging establishments in their geographical jurisdictions, and then they remit 3% of these collections to the Bureau.

The Bureau has a management service agreement with the Aurora Chamber of Commerce (the Chamber). The cost of the service agreement is \$72,264 annually, payable in monthly installments of \$6,022. The Chamber provides administrative services including management, bookkeeping, record-keeping and preparation, marketing and advertising assistance, consulting, and office space, facilities, and equipment.

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

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Basis of Accounting**

These financial statements follow the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principals in that receipts are recognized when received in cash rather than when earned, and, with the exception of capital expenditures and payroll taxes, disbursements are recognized when paid rather than then a liability is incurred.

**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Cash and Investments**

The Bureau did not have any investments. Deposits were in a non-interest bearing checking account and a savings-sweep account.

**C. Budgetary Process**

The Board of Trustees annually approves a budget reflecting estimated receipts and estimated expenditures. Expenditures may not exceed receipts at the function level of control.

A summary of 2000 and 1999 budgetary activity appears in Note 4.

**D. Property and Equipment**

All property assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the dates received. The Bureau maintains a capitalization threshold of one hundred dollars.

Depreciation of furniture and equipment is computed using the straight-line method over an estimated useful life of five to ten years.

**E. Accrued Payroll Taxes**

Taxes, including taxes withheld from employees, not yet remitted are shown as payroll taxes payable.

**F. Unpaid Vacation and Sick Leave**

Employees paid by the Bureau consist of part-timers and summer help. No employees earn or are granted any sick or vacation leave.

**G. Income Taxes**

The Bureau is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

**H. Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires the Bureau to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**3. CASH AND CASH EQUIVALENTS**

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

	<u>2000</u>	<u>1999</u>
Checking account	\$10,965	\$2,901
Savings-sweep account	<u>66,188</u>	<u>69,099</u>
Total deposits	<u><u>\$77,153</u></u>	<u><u>\$72,000</u></u>

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**4. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$183,500	\$156,000	(\$27,500)

2000 Budgeted vs. Actual Budgetary Basis Expenditures		
Budgeted Expenses	Actual Expenditures	Variance
\$165,100	\$151,479	\$13,621

1999 Budgeted vs. Actual Receipts		
Budgeted Receipts	Actual Receipts	Variance
\$142,700	\$189,875	\$47,175

1999 Budgeted vs. Actual Budgetary Basis Expenditures		
Budgeted Expenses	Actual Expenditures	Variance
\$141,775	\$149,681	(\$7,906)

**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.  
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**5. PROPERTY ASSETS**

A summary of the Bureau's property assets at December 31, follows:

<b>Description</b>	<b>2000</b>	<b>1999</b>
Furniture	\$ 565	\$ 565
Office Equipment	2,682	2,682
Subtotal	<u>3,247</u>	<u>3,247</u>
Less: accumulated depreciation	<u>939</u>	<u>346</u>
Net Property Assets	<u><u>\$ 2,308</u></u>	<u><u>\$ 2,901</u></u>

**6. SUBSEQUENT EVENTS**

Beginning January 1, 2002, Brimfield Township will no longer be a part of the Portage County Visitors and Convention Bureau, Inc. Brimfield Township has decided to establish a joint travel bureau with the City of Kent. For the Portage County Visitors and Convention Bureau, Inc., the loss of funding has resulted in the dissolving of the Bureau as its own entity. Also beginning in fiscal year 2002, the Bureau will become a division or department under the Aurora Chamber of Commerce, Inc. and will be named the Aurora Convention and Visitors Bureau, Inc.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

Voinovich Government Center  
242 Federal Plaza West  
Suite 302  
Youngstown, Ohio 44503  
Telephone 330-797-9900  
800-443-9271  
Facsimile 330-797-9949  
www.auditor.state.oh.us

**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Portage County Visitors and Convention Bureau, Inc.  
Portage County  
173 South Chillicothe Road  
Aurora, Ohio 44202

To the Board of Trustees:

We have audited the accompanying financial statements of the Portage County Visitors and Convention Bureau, Inc., Portage County, Ohio, (the Bureau) as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated June 20, 2001. 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.

**Compliance**

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 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*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Bureau in a separate letter date June 22, 2001.

Portage County Visitors and Convention Bureau, Inc.  
Portage County  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

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

**Jim Petro**  
Auditor of State

June 22, 2001



STATE OF OHIO  
OFFICE OF THE AUDITOR  

---

JIM PETRO, AUDITOR OF STATE

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140  
Telephone 614-466-4514  
800-282-0370  
Facsimile 614-466-4490

**PORTAGE COUNTY VISITORS AND CONVENTION BUREAU, INC.**

**PORTAGE 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 11, 2001**