

**ASHTABULA COUNTY
CONVENTION AND VISITORS BUREAU
AUSTINBURG, OHIO**

**FINANCIAL STATEMENTS
AND
AUDIT REPORTS**

**For The Years Ended
December 31, 2001 and 2000**



STATE OF OHIO
OFFICE OF THE AUDITOR

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

We have reviewed the Independent Auditor's Report of the Ashtabula County Convention and Visitors Bureau, Ashtabula County, prepared by S.R. Snodgrass, A.C., for the audit period January 1, 2001 to December 31, 2001. 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 black ink, appearing to read "Jim Petro".

JIM PETRO
Auditor of State

June 6, 2002

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Ashtabula County Convention and Visitors Bureau
FINANCIAL STATEMENTS AND AUDIT REPORTS
For the Years Ended December 31, 2001 and 2000

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SNODGRASS

Certified Public Accountants and Consultants

Independent Auditor's Report

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

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of Ashtabula County Convention and Visitors Bureau (a nonprofit corporation) as of December 31, 2001 and 2000, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis and cash flows – modified cash basis for the years then ended. These financial statements are the responsibility of Ashtabula County Convention and Visitors 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 described in the accompanying notes, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Ashtabula County Convention and Visitors Bureau as of December 31, 2001 and 2000, and its revenue, expenses and other changes in net assets and cash flows for the years then ended, on the basis of accounting described in the accompanying notes.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2002, on our consideration of the Corporation'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.

S. R. Snodgrass, A.C.

Ashtabula, Ohio
March 22, 2002

Ashtabula County Convention and Visitors Bureau
 STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH
 BASIS

	December 31,	
	2001	2000
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 97,754	\$ 116,460
Deposits – workers’ compensation	10	10
Property and equipment (net)	32,989	8,504
Total assets	\$ 130,753	\$ 124,974
LIABILITIES AND NET ASSETS		
LIABILITIES		
Note payable	\$ 19,744	\$ -
NET ASSETS		
Unrestricted	111,009	124,974
Total liabilities and net assets	\$ 130,753	\$ 124,974

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

Ashtabula County Convention and Visitors Bureau
STATEMENT OF REVENUES, EXPENSES, AND OTHER CHANGES IN NET
ASSETS – MODIFIED CASH BASIS

	Year Ended December 31,	
	2001	2000
	Unrestricted Total	Unrestricted Total
	<u> </u>	<u> </u>
REVENUES		
Membership dues	\$ 14,956	\$ 11,178
Visitors Guide	37,978	40,087
Bed Tax	212,525	239,894
Miscellaneous	1,090	5,203
Interest	1,963	2,656
Loss on disposal of assets	-	(1,559)
Total revenues, gains, and other support	<u>268,512</u>	<u>297,459</u>
EXPENSES		
Wages	93,686	91,465
Employee benefits	260	602
Advertising	78,337	70,281
Utilities	8,640	13,312
Office supplies	13,085	10,777
Postage	13,821	13,203
Travel	6,779	9,204
Seminars and conferences	6,591	12,150
Legal and accounting	4,404	5,090
Grants	3,443	4,000
Miscellaneous	3,992	2,206
Dues and subscriptions	3,193	2,729
Taxes	8,129	7,974
Rent	16,640	12,400
Insurance	13,825	11,241
Uniforms	1,313	1,869
Depreciation	3,652	2,539
Interest	162	-
Repairs and maintenance	2,525	1,947
Total expenses	<u>282,477</u>	<u>272,989</u>
CHANGES IN NET ASSETS	(13,965)	24,470
NET ASSETS AT BEGINNING OF YEAR	<u>124,974</u>	<u>100,504</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 111,009</u></u>	<u><u>\$ 124,974</u></u>

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

Ashtabula County Convention and Visitors Bureau
STATEMENT OF CASH FLOWS – MODIFIED CASH BASIS

	Year Ended December 31, 2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in net assets	\$ (13,965)	\$ 24,470
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	3,652	2,539
Loss on disposal of fixed assets	-	1,559
Increase (decrease) in accrued payroll taxes	-	(482)
Net cash provided (used) by operating activities	(10,313)	28,086
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(8,072)	(3,938)
Net cash used by investing activities	(8,072)	(3,938)
CASH FLOWS FROM FINANCING ACTIVITIES		
Reduction on long-term debt	(321)	-
Net cash used by financing activities	(321)	-
NET INCREASE (DECREASE) IN CASH	(18,706)	24,148
CASH AT BEGINNING OF YEAR	116,460	92,312
CASH AT END OF YEAR	\$ 97,754	\$ 116,460

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

Ashtabula County Convention and Visitors Bureau
NOTES TO FINANCIAL STATEMENTS

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.

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 modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Modifications to the modified cash basis of accounting include recording depreciation on property and equipment and accruing for payroll taxes.

Assets, liabilities, and net assets – modified cash basis 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. No temporarily restricted net assets existed at December 31, 2001 and 2000.

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.

Ashtabula County Convention and Visitors Bureau
NOTES TO FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCVB uses advertising to promote the County. The production costs of advertising are expensed as incurred. During 2001 and 2000, advertising expense was \$78,337 and \$70,281, respectively.

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.

CASH

Cash is comprised of the following at December 31:

	<u>2001</u>	<u>2000</u>
Cash in checking	\$ (1,275)	\$ 2,530
Cash in savings	<u>99,029</u>	<u>113,930</u>
Total	<u>\$ 97,754</u>	<u>\$ 116,460</u>

Cash deposits in financial institutions at times, may exceed federal insured limits of \$100,000. 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 uninsured cash balances at December 31, 2001 and 2000 totaled \$13,930 and \$16,460, respectively.

FIXED ASSETS

Fixed assets are comprised of the following at December 31:

	<u>2001</u>	<u>2000</u>
Vehicles	\$ 22,064	\$ -
Equipment	22,139	16,066
Less accumulated depreciation	<u>11,214</u>	<u>7,562</u>
Net fixed assets	<u>\$ 32,989</u>	<u>\$ 8,504</u>

Ashtabula County Convention and Visitors Bureau
NOTES TO FINANCIAL STATEMENTS (Continued)

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.

LEASE

The ACCVB is leasing its office space on a five-year non-cancelable operating lease that expires November 14, 2002. Monthly lease payments for the first thirty months are \$1,000, changing to \$1,200 for the remaining thirty months. Lease expense for December 31, 2001 and 2000, was \$14,400 and \$12,400, respectively.

NOTE PAYABLE

Note payable consists of the following:

Bank note payable \$482 per month, including interest at 7.1%, collateralized by a vehicle with a net book value of \$21,300.	\$ 19,744
Less amount due within one year	<u>(4,533)</u>
	<u>\$ 15,211</u>

The note matures as follows:

<u>Year Ending December 31,</u>	
2002	\$ 4,533
2003	4,865
2004	5,223
2005	<u>5,123</u>
Total	<u>\$ 19,744</u>



SNODGRASS

Certified Public Accountants and Consultants

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the financial statements of Ashtabula County Convention and Visitors Bureau (a nonprofit corporation) as of and for the year ended December 31, 2001, and have issued our report thereon dated March 22, 2002. We conducted our audit in accordance with generally accepted auditing standards 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 Ashtabula County Convention and 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Ashtabula County Convention and Visitors 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.

This report is intended for the information and use of the board, management, and Ashtabula County, and is not intended to be and should not be used by anyone other than these specified parties.

S. R. Snodgrass, A.C

Ashtabula, Ohio
March 22, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

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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 25, 2002**