

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

**FINANCIAL STATEMENTS  
AND  
AUDIT REPORTS**

**For The Years Ended  
December 31, 2000 and 1999**

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**STATE OF OHIO**  
**OFFICE OF THE AUDITOR**  

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**JIM PETRO, AUDITOR OF STATE**

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Ashtabula County Convention & Visitor's Bureau  
1850 Austinburg Road  
Austinburg, Ohio 44010

We have reviewed the Independent Auditor's Report of the Ashtabula County Convention & Visitor's Bureau, Ashtabula County, prepared by S. R. Snodgrass, A.C., for the audit period January 1, 2000 through December 31, 2000. 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 & Visitor's Bureau is responsible for compliance with these laws and regulations.

**JIM PETRO**  
Auditor of State

March 14, 2001

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Ashtabula County Convention and Visitors Bureau  
FINANCIAL STATEMENTS AND AUDIT REPORTS  
For the Years Ended December 31, 2000 and 1999

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## Independent Auditors' 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, 2000 and 1999, 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 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. 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, 2000 and 1999, 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 February 12, 2001, 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  
February 12, 2001

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

	December 31,	
	2000	1999
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 116,460	\$ 92,312
Deposits – workers’ compensation	10	10
Property and equipment (net)	8,504	8,664
Total assets	\$ 124,974	\$ 100,986
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Payroll taxes withheld	\$ -	\$ 482
<b>NET ASSETS</b>		
Unrestricted	124,974	100,504
Total liabilities and net assets	\$ 124,974	\$ 100,986

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,	
	2000	1999
	Unrestricted Total	Unrestricted Total
	<u>                    </u>	<u>                    </u>
<b>REVENUES</b>		
Membership dues	\$ 11,178	\$ 5,180
Visitors Guide	40,087	43,141
Bed Tax	239,894	219,499
Miscellaneous	5,203	5,642
Interest	2,656	1,460
Loss on disposal of assets	(1,559)	-
Total revenues, gains, and other support	<u>297,459</u>	<u>274,922</u>
<b>EXPENSES</b>		
Wages	91,465	80,500
Employee benefits	602	-
Advertising	70,281	66,667
Utilities	13,312	17,623
Office supplies	10,777	10,450
Postage	13,203	14,828
Travel	9,204	17,430
Seminars and conferences	12,150	6,198
Legal and accounting	5,090	4,348
Grants	4,000	1,083
Miscellaneous	4,153	1,297
Dues and subscriptions	2,729	3,257
Taxes	7,974	7,665
Rent	12,400	13,000
Insurance	11,241	9,185
Uniforms	1,869	1,598
Depreciation	2,539	2,613
Total expenses	<u>272,989</u>	<u>257,742</u>
<b>CHANGES IN NET ASSETS</b>	24,470	17,180
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>100,504</u>	<u>83,324</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 124,974</u>	<u>\$ 100,504</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, 2000	1999
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Increase (decrease) in net assets	\$ 24,470	\$ 17,180
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	2,539	2,613
Loss on disposal of fixed assets	1,559	-
Increase (decrease) in accrued payroll taxes	(482)	225
Net cash provided by operating activities	28,086	20,018
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of fixed assets	(3,938)	(4,496)
Net cash used by investing activities	(3,938)	(4,496)
<b>NET INCREASE IN CASH</b>	24,148	15,522
<b>CASH AT BEGINNING OF YEAR</b>	92,312	76,790
<b>CASH AT END OF YEAR</b>	\$ 116,460	\$ 92,312

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

Ashtabula County Convention and Visitors Bureau  
NOTES TO FINANCIAL STATEMENTS

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## 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, 2000 and 1999.

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)

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SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ACCVB uses advertising to promote the County. The production costs of advertising are expensed as incurred. During 2000 and 1999, advertising expense was \$70,281 and \$66,667, 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>2000</u>	<u>1999</u>
Cash in checking	\$ 2,530	\$ 11,837
Cash in savings	<u>113,930</u>	<u>80,475</u>
Total	<u>\$ 116,460</u>	<u>\$ 92,312</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, 2000 totaled \$16,460.

FIXED ASSETS

Fixed assets are comprised of the following at December 31:

	<u>2000</u>	<u>1999</u>
Equipment	\$ 16,066	\$ 18,029
Less accumulated depreciation	<u>7,562</u>	<u>9,365</u>
Net fixed assets	<u>\$ 8,504</u>	<u>\$ 8,664</u>

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

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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, 2000 and 1999, was \$12,400 and \$13,000, respectively. Future minimum lease payments are as follows:

<u>Year</u>	<u>Amount</u>
2001	\$ 14,400
2002	12,000
2003	-
Thereafter	<u>-</u>
Total minimum future lease payments	<u>\$ 26,400</u>



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, 2000, and have issued our report thereon dated February 12, 2001. 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

Board of Directors  
Ashtabula County Convention and Visitors Bureau  
Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of  
Financial Statements Performed in Accordance With *Government Auditing Standards*  
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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  
February 12, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**ASHTABULA COUNTY CONVENTION AND VISITOR'S 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  
MARCH 22, 2001**