

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

**FINANCIAL STATEMENTS  
AND  
AUDIT REPORTS**

**For The Year Ended December 31, 2002**





**Auditor of State  
Betty Montgomery**

Board of Directors  
Ashtabula County Convention and Visitors Bureau  
1850 Austinburg Road  
Austinburg, Ohio 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, 2002 to December 31, 2002. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

April 16, 2003

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Ashtabula County Convention and Visitors Bureau  
FINANCIAL STATEMENTS AND AUDIT REPORTS  
For the Year Ended December 31, 2002

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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 financial position of Ashtabula County Convention and Visitors Bureau (a nonprofit corporation) as of December 31, 2002, and the related statements of activities and cash flows for the year 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ashtabula County Convention and Visitors Bureau as of December 31, 2002, and the changes in net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in the notes to the financial statements Ashtabula County Convention and Visitors Bureau changed its accounting method from a modified cash basis to an accrual method.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2003, 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 26, 2003



Ashtabula County Convention and Visitors Bureau  
STATEMENT OF FINANCIAL POSITION  
December 31, 2002

ASSETS

ASSETS	
Cash and cash equivalents	\$ 119,730
Accounts receivable	13,023
Deposits – workers’ compensation	10
Property and equipment (net)	<u>25,596</u>
 Total assets	 <u>\$ 158,359</u>

LIABILITIES AND NET ASSETS

LIABILITIES	
Note payable	\$ 15,211
 NET ASSETS	
Unrestricted	135,648
Temporary restricted	<u>7,500</u>
Total net assets	<u>143,148</u>
 Total liabilities and net assets	 <u>\$ 158,359</u>

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

Ashtabula County Convention and Visitors Bureau  
STATEMENT OF ACTIVITIES  
Year Ended December 31, 2002

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUES</b>			
Membership dues	\$ 10,580	\$ -	\$ 10,580
Visitors Guide	50,957	-	50,957
Bed Tax	214,403	-	214,403
Miscellaneous	3,531	-	3,531
Interest	1,190	-	1,190
Grant	-	7,500	7,500
Total revenues, gains, and other support	280,661	7,500	288,161
<b>EXPENSES</b>			
Wages	96,993	-	96,993
Employee benefits	2,651	-	2,651
Advertising	68,833	-	68,833
Utilities	7,817	-	7,817
Office supplies	8,272	-	8,272
Postage	11,757	-	11,757
Travel	4,411	-	4,411
Seminars and conferences	1,002	-	1,002
Legal and accounting	4,734	-	4,734
Grants	4,000	-	4,000
Miscellaneous	797	-	797
Dues and subscriptions	2,518	-	2,518
Taxes	8,350	-	8,350
Rent	15,600	-	15,600
Insurance	16,023	-	16,023
Uniforms	375	-	375
Depreciation	7,692	-	7,692
Interest	1,257	-	1,257
Repairs and maintenance	2,935	-	2,935
Total expenses	266,017	-	266,017
<b>CHANGES IN NET ASSETS</b>	14,644	7,500	22,144
<b>NET ASSETS AT BEGINNING OF YEAR</b>	121,004	-	121,004
<b>NET ASSETS AT END OF YEAR</b>	\$ 135,648	\$ 7,500	\$ 143,148

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

Ashtabula County Convention and Visitors Bureau  
STATEMENT OF CASH FLOWS  
Year Ended December 31, 2002

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Increase in net assets	\$ 22,144
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation	7,692
Increase in accounts receivable	(1,203)
Decrease in accounts payable	(1,825)
Net cash provided by operating activities	<u>26,808</u>
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of fixed assets	<u>(299)</u>
Net cash used by investing activities	<u>(299)</u>
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Reduction on long-term debt	<u>(4,533)</u>
Net cash used by financing activities	<u>(4,533)</u>
NET INCREASE IN CASH	21,976
CASH AT BEGINNING OF YEAR	<u>97,754</u>
CASH AT END OF YEAR	<u>\$ 119,730</u>

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 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.

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 2002, advertising expense was \$68,833.

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, 2002:

Cash in checking	\$ 7,854
Cash in savings	<u>111,876</u>
Total	<u>\$ 119,730</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, 2002 totaled \$11,876.

FIXED ASSETS

Fixed assets are comprised of the following at December 31, 2002:

Vehicles	\$ 22,064
Equipment	22,438
Less accumulated depreciation	<u>18,906</u>
Net fixed assets	<u>\$ 25,596</u>

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.

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

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LEASE

The ACCVB is leasing its office space on a two-year non-cancelable operating lease that expires November 14, 2004. Monthly lease payments are \$1,320. Lease expense for December 31, 2002 was \$14,640.

The ACCVB is leasing office equipment on a five-year non-cancelable operating lease that expires August 1, 2007. Monthly lease payments are \$214. Lease expense for December 31, 2002 was \$1,284.

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

2003	\$ 18,408
2004	15,768
2005	2,568
2006	2,568
2007	<u>1,284</u>
Total	<u>\$ 40,596</u>

NOTE PAYABLE

Note payable consists of the following:

Bank note payable at \$482 per month, including interest at 7.1%, collateralized by a vehicle with a net book value of \$16,900.	\$ 15,211
Less amount due within one year	<u>(4,865)</u>
	<u>\$ 10,346</u>

The note matures as follows:

<u>Year Ending December 31,</u>	
2003	\$ 4,865
2004	5,222
2005	<u>5,124</u>
Total	<u>\$ 15,211</u>

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

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TEMPORARILY RESTRICTED FUNDS

The restrictions on net assets at the end of December 31, 2002 related to funds raised through a recycling program to initiate or expand recycling activities. Temporarily restricted net assets are available for the periods ending December 31, 2002 and 2003.

CHANGE IN BASIS OF ACCOUNTING

Effective January 1, 2002, ACCVB changed its method of accounting from the modified cash basis to the accrual basis of accounting, which is the preferable method under generally accepted accounting principles. ACCVB believes that the accrual basis more accurately reflects the financial position and results of operations. Net assets at January 1, 2002 were increased by \$9,995. There was no effect on the current year change in net assets.



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, 2002, and have issued our report thereon dated February 26, 2003. 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  
February 26, 2003





**Auditor of State  
Betty Montgomery**

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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  
MAY 22, 2003**