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**THE PORTSMOUTH CONVENTION  
AND VISITORS BUREAU, INC.**

**FINANCIAL REPORT  
DECEMBER 31, 1999 AND 1998**

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STATE OF OHIO  
OFFICE OF THE AUDITOR

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To the Board of Directors of  
Portsmouth Convention and Visitors Bureau

We have reviewed the independent auditor's report of the Portsmouth Convention and Visitors Bureau, Scioto County, prepared by Reynolds & Company, Certified Public Accountants, for the audit period January 1, 1998 through December 31, 1999. 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 Portsmouth Convention and Visitors Bureau is responsible for compliance with these laws and regulations.



JIM PETRO  
Auditor of State

July 2, 2000

# REYNOLDS & COMPANY

## CERTIFIED PUBLIC ACCOUNTANTS

Gregory C. Brown  
Jeffrey T. Dever  
Michael L. Gampp  
William H. Tackett

Robert D. Edmonds  
Wayne L. Thompson

Thomas B. Reynolds  
(1927 - 1999)

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Portsmouth Convention and Visitors Bureau

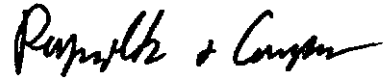
We have audited the accompanying statements of assets, liabilities and net assets - modified cash basis of Portsmouth Convention and Visitors Bureau (a nonprofit organization) for the years ended December 31, 1999 and 1998, and the related statements of revenues, expenses and changes in net assets - modified 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 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 Note 1, these financial statements have been 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 Portsmouth Convention and Visitors Bureau as of December 31, 1999 and 1998, and its revenues, expenses and changes in 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 our report dated January 26, 2000, on our consideration of Portsmouth Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.



Reynolds & Company  
Certified Public Accountants

Portsmouth, Ohio  
January 26, 2000

## **FINANCIAL STATEMENTS**

**PORTSMOUTH CONVENTION AND VISITORS BUREAU**  
**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS**  
**DECEMBER 31, 1999 AND 1998**

**ASSETS**

	<u>1999</u>	<u>1998</u>
Current Assets		
Cash in bank - American	\$ 32,603	\$ 8,023
Cash in bank - Star	<u>1,010</u>	<u>262</u>
Total current assets	33,613	8,285
Fixed Assets		
Furniture, fixtures & equipment	5,768	4,721
Accumulated depreciation	<u>(4,726)</u>	<u>(4,516)</u>
Total fixed assets	<u>1,042</u>	<u>205</u>
TOTAL ASSETS	<u>\$ 34,655</u>	<u>\$ 8,490</u>

**LIABILITIES AND NET ASSETS**

Current Liabilities		
FICA & fed w/h	\$ 338	\$ 275
City w/h	57	49
State w/h	89	66
Accrued payroll taxes	<u>71</u>	<u>105</u>
Total current liabilities	<u>555</u>	<u>495</u>
Total liabilities	555	495
Net Assets		
Unrestricted	<u>34,100</u>	<u>7,995</u>
Total net assets	<u>34,100</u>	<u>7,995</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 34,655</u>	<u>\$ 8,490</u>

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



**PORTSMOUTH CONVENTION AND VISITORS BUREAU**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN NET ASSETS -**  
**MODIFIED CASH BASIS**

**For the Years Ended December 31, 1999 and 1998**

	<u>1999</u>	<u>1998</u>
Revenues		
Advertising revenues	\$ 7,328	\$ 3,791
Hotel-motel tax	47,422	20,088
Interest income	540	256
Other income		<u>124</u>
Total revenues	<u>55,290</u>	<u>24,259</u>
Expenditures		
Promotional costs	4,758	2,535
Salaries and wages	15,629	14,044
Casual labor	417	
Payroll taxes	1,288	1,218
Advertising	644	597
Rent-Chamber	3,600	3,600
Office supplies & expense	201	786
Postage	893	834
Telephone	467	233
Insurance	400	400
Taxes & licenses	30	
Legal & accounting	179	265
Dues & subscriptions	450	
Donations	20	
Depreciation	<u>209</u>	<u>206</u>
Total expenditures	<u>29,185</u>	<u>24,718</u>
Change in unrestricted net assets	26,105	(459)
Unrestricted net assets, beginning of year	<u>7,995</u>	<u>8,454</u>
Unrestricted net assets, end of year	<u>\$ 34,100</u>	<u>\$ 7,995</u>

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

**PORTSMOUTH CONVENTION AND VISITORS BUREAU**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 1999 AND 1998**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities**

Portsmouth Convention and Visitors Bureau (the Organization) develops promotions and provides information about the City of Portsmouth and the surrounding area to corporate groups and tourists. Corporate groups are encouraged to utilize the local convention services and tourists are provided with information about local attractions and activities. The Organization derives most of its funding from a local "hotel tax" collected by the City of Portsmouth and forwarded to the Organization. The Organization also derives revenue from advertisement sales in a tabloid it publishes containing information about the area.

**Basis of Accounting**

These financial statements were prepared on the modified cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned and certain expenditures are recognized when paid rather than when incurred. Also, depreciation of fixed assets and accruals for taxes are reported on the financial statements.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Following SFAS No. 117, the Organization has reported information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Organization has no temporarily or permanently restricted net assets.

**PORTSMOUTH CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS (Continued)  
DECEMBER 31, 1999 AND 1998**

**Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Depreciation**

Property and equipment are recorded at cost and are being depreciated over their estimated useful lives using accelerated methods of depreciation. Depreciation expense for the years ended December 31, 1999 and 1998 was \$209 and \$206, respectively.

**Use of Estimates**

The preparation of this financial statement requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Federal Income Taxes**

Portsmouth Convention and Visitors Bureau is a non-profit organization operating under Section 501(c)(6) of the Internal Revenue Code, is exempt from federal, state and local income taxes, and accordingly, no provision for taxes is included in the financial statements.

**SUPPLEMENTAL INFORMATION**

# REYNOLDS & COMPANY

## CERTIFIED PUBLIC ACCOUNTANTS

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Thomas B. Reynolds  
(1927 - 1999)

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

To the Board of Directors of  
Portsmouth Convention and Visitors Bureau

We have audited the financial statements of Portsmouth Convention and Visitors Bureau (a nonprofit organization) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated January 26, 2000. In our report, we noted that the financial statements were prepared on the modified cash basis of accounting, as described in Note 1 of the notes to financial statements. We conducted our audits 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 Portsmouth 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*. However, we noted certain immaterial instances of noncompliance, that we have reported to management of the Portsmouth Convention and Visitors Bureau in a separate letter dated January 26, 2000.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Portsmouth 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 general purpose 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 that other matters involving the internal control over financial reporting that we have reported to management of Portsmouth Convention and Visitors Bureau in a separate letter dated January 26, 2000.

This report is intended solely for the information and use of the Board of Directors, management, and the Auditor of the State of Ohio. However, this report is a matter of public record and its distribution is not limited.



Reynolds & Company  
Certified Public Accountants

Portsmouth, Ohio  
January 26, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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PORTSMOUTH CONVENTION AND VISITORS BUREAU  
SCIOTO 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.

By: Susan Babbitt

Date: JULY 25, 2000