

Grove City Area Visitors and Convention Bureau

Franklin County, Ohio

Regular Audit

January 1, 2007 through December 31, 2007

Year Audited Under GAGAS: 2007

**BALESTRA, HARR & SCHERER, CPAs, INC.**

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Mary Taylor, CPA  
Auditor of State

Board of Directors  
Grove City Area Visitors and Convention Bureau  
4052 Broadway  
Grove City, Ohio 43123

We have reviewed the *Independent Auditor's Report* of the Grove City Area Visitors and Convention Bureau, Franklin County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2007 through December 31, 2007. 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 Grove City Area Visitors and Convention Bureau is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

May 13, 2008

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**Grove City Area Visitors and Convention Bureau**  
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*For the Year Ended December 31, 2007*

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Ohio Society of Certified Public Accountants

## Independent Auditor's Report

Board of Directors  
Grove City Area Visitors and Convention Bureau  
Grove City, Ohio 43123

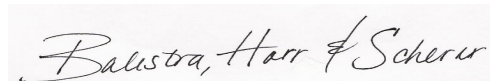
We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis, of Grove City Area Visitors and Convention Bureau (the Bureau), as of December 31, 2007, and the related statements of revenues, expenses and changes in net assets – modified cash basis, and cash flows – modified cash basis, for the year then ended. 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 described in Note A, these financial statements are prepared on a 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 the Bureau, as of December 31, 2007, and its revenues, expenses, and changes in net assets and cash flows for the year then ended, on the basis of accounting described in Note A.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2008, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.  
April 18, 2008

**Grove City Area Visitors and Convention Bureau**  
*Statement of Assets, Liabilities, and Net Assets*  
*Modified Cash Basis*  
*As of December 31, 2007*

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Assets:

Current Assets:	
Cash	\$170,233
Property Assets:	
Property and Equipment	13,355
Leasehold Improvements	3,045
Less: Accumulated Depreciation	<u>(15,173)</u>
Net Property Assets	1,227
Other Assets:	
Deposits	<u>650</u>
Total Assets:	<u><u>\$172,110</u></u>
Net Assets:	
Unrestricted Net Assets	<u>\$172,110</u>
Total Net Assets:	<u><u>\$172,110</u></u>

See accompanying notes to the financial statements.



**Grove City Area Visitors and Convention Bureau**  
*Statement of Revenues, Expenses and Changes in Net Assets*  
*Modified Cash Basis*  
*For the Year Ended December 31, 2007*

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Unrestricted Net Assets:

Revenues:

Bed Tax	\$220,646
Interest	5,255
Other	1,420
	<u>1,420</u>

Total Revenues: 227,321

Expenses:

Advertising and Promotion	96,124
Professional Fees	4,927
Travel and Meeting Expenses	2,659
Bank Service Charges	7
Computer Internet Service	783
Office Supplies	2,703
Wages	46,788
Payroll Taxes	3,758
Payroll Service Fees	1,282
Postage and Delivery	1,930
Rent	9,000
Repairs and Maintenance	812
Depreciation	879
Utilities	2,636
Telephone	1,853
Security	225
Insurance	1,891
Miscellaneous Expenses	74
	<u>74</u>

Total Expenses: 178,331

Increase in Unrestricted Net Assets 48,990

Net Assets, Beginning of Year 123,120

Net Assets, End of Year \$172,110

See accompanying notes to the financial statements.

**Grove City Area Visitors and Convention Bureau**  
*Statement of Cash Flows*  
*Modified Cash Basis*  
For the Year Ended December 31, 2007

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Cash Flows from Operating Activities:

Cash Received for Bed Tax	\$220,646
Cash Received for Interest Income	5,255
Cash Received from Other Operating Sources	1,420
Cash Payments for Employee Wages and Payroll Taxes	(50,637)
Cash Payments for Other Operating Uses	<u>(126,906)</u>

Cash Flows Provided by Operating Activities 49,778

Net Increase in Cash 49,778

Cash, Beginning of Year 120,455

Cash, End of Year \$170,233

Reconciliation of Changes in Net Assets to Net Cash Provided by Operating Activities:

Increase in Unrestricted Net Assets \$48,990

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation 879

Decrease in Accrued Workman's Compensation (91)

Net Cash Provided by Operating Activities \$49,778

See accompanying notes to the financial statements.

**Grove City Area Visitors and Convention Bureau**

*Notes to the Financial Statements*

*For the Year Ended December 31, 2007*

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**NOTE A-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Grove City Area Visitors and Convention Bureau's financial statements are prepared using the modified cash basis of accounting. Consequently, support and revenues are recognized when received rather than when the transaction occurs. Likewise, expenditures are recognized when paid rather than when the obligations are incurred. Exceptions are made for certain items such as depreciation. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

**Organization**

The Grove City Area Visitors and Convention Bureau (the Bureau) is a nonprofit organization incorporated April 7, 1989. The Bureau's purpose is to promote and publicize the City of Grove City as a desirable location for conventions, trade shows, and similar events in the Grove City area. The Bureau is managed by a Board of Directors, which represents the Grove City community.

**Income Taxes**

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

**Use of Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE B-PROPERTY ASSETS**

The property assets of the Bureau are recorded at cost. The Bureau capitalizes expenses for improvements greater than \$500. Depreciation is computed using the double declining method over estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Leasehold Improvements	7-15 years
Property and Equipment	5-7 years

**NOTE C-CASH**

Cash on deposit with the Bureau's banking institutions were covered up to \$100,000 per institution by federal depository insurance during the year ended December 31, 2007. Of the Bureau's bank balance of \$174,012, \$111,353 was covered by federal depository insurance. The remaining balance was uncollateralized.

**Grove City Area Visitors and Convention Bureau**

*Notes to the Financial Statements*

*For the Year Ended December 31, 2007*

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**NOTE D-REVENUE SOURCE**

The Bureau's primary funding comes from the proceeds from a local "bed tax." The excise tax is a 3% tax paid by transient guests for lodging within the City of Grove City. Twenty-five percent (25%) of the revenue from the tax levied is contributed to the Bureau. The City of Grove City does not place any restrictions on the funds contributed to the Bureau.

**NOTE E-ADVERTISING**

The Bureau's policy for advertising is to expense all advertising costs as incurred.

**NOTE F-LEASE**

The Bureau renewed a lease agreement for office space on July 1, 2005, which expires on June 30, 2008. The renewed lease agreement states that the Bureau is to pay rent of \$750 per month, totaling \$9,000 for 2007. The Bureau's future required minimum lease payments for 2008 is \$9,000.

**NOTE G-ADVERTISEMENT MATCHING PROGRAM**

In a prior year, the Bureau was accepted as an Ohio AMP Partner. The Bureau is eligible to receive a rebate of 10% on advertisement approved by the Ohio AMP Partnership sponsored by the Ohio Division of Travel and Tourism. The Bureau participated in this program for the first half of 2007, but deemed it to not be cost-beneficial to continue the program.

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## **Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Board of Directors  
Grove City Area Visitors and Convention Bureau  
Grove City, Ohio 43123

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis, of Grove City Area Visitors and Convention Bureau (the Bureau) as of December 31, 2007, and the related statements of revenues, expenses and changes in net assets – modified cash basis, and cash flows – modified cash basis, for the year then ended, and have issued our report thereon dated April 18, 2008, wherein we noted that the Bureau follows the modified cash basis of accounting. 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.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the modified cash basis of accounting such that there is more than a remote likelihood that a misstatement of the Bureau's financial statements that is more than inconsequential will not be prevented or detected by the Bureau's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Bureau's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

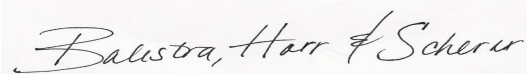
Board of Directors  
Grove City Area Visitors and Convention Bureau

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*  
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### **Compliance and Other Matters**

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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



Balestra, Harr & Scherer, CPAs, Inc.  
April 18, 2008



**Mary Taylor, CPA**  
Auditor of State

**GROVE CITY AREA CONVENTION AND VISITORS BUREAU**  
**FRANKLIN 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 27, 2008**