

Grove City Area Visitors and Convention Bureau, Inc.

Regular Audit

January 1, 2004 through December 31, 2004

Fiscal Year Audited Under GAGAS: 2004

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

528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

[www.bhscpas.com](http://www.bhscpas.com)





**Auditor of State  
Betty Montgomery**

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

We have reviewed the *Independent Auditor's Report* of the Grove City Area Visitors and Convention Bureau, Inc., Franklin County, prepared by Balestra, Harr & Scherer CPAs, Inc., for the audit period January 1, 2004 through December 31, 2004. 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, Inc. is responsible for compliance with these laws and regulations.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

November 23, 2005

**This Page is Intentionally Left Blank.**

**Grove City Area Visitors and Convention Bureau, Inc.**

*Table of Contents*

*For the Year Ended December 31, 2004*

	<u>Page</u>
Independent Auditor's Report .....	1
Financial Statements:	
Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis .....	2
Statement of Revenues, Expenses, and Changes in Net Assets – Modified Cash Basis.....	3
Notes to the Financial Statements .....	4-5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	6 - 7

# BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

---

Telephone (740) 289-4131  
Fax (740) 289-3639  
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## Independent Auditor's Report

Board of Directors  
Grove City Area Visitors and Convention Bureau, Inc.  
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, Inc. (the Bureau), as of December 31, 2004, and the related statement of revenues, expenses, and changes in net assets – 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 the 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, 2004, and its revenues, expenses, and changes in net assets 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 June 27, 2005, 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 audits.



Balestra, Harr & Scherer, CPAs, Inc.  
June 27, 2005

**Grove City Area Visitors and Convention Bureau, Inc.**  
*Statement of Assets, Liabilities, and Net Assets*  
*Modified Cash Basis*  
*As of December 31, 2004*

---

Assets:

Current Assets:

Cash \$89,279

Property Assets:

Property and Equipment 11,293

Leasehold Improvements 3,045

Less: Accumulated Depreciation (13,835)

Net Property Assets 503

Other Assets:

Deposits 650

Total Assets: \$90,432

Liabilities and Net Assets:

Net Assets:

Unrestricted Net Assets \$90,432

Total Liabilities and Net Assets: \$90,432

See accompanying notes to the financial statements.

**Grove City Area Visitors and Convention Bureau, Inc.**  
*Statement of Revenues, Expenses, and Changes in Net Assets*  
*Modified Cash Basis*  
*For the Year Ended December 31, 2004*

---

Unrestricted Net Assets:

Revenues:

Bed Tax	\$155,000
Interest	446
Other	<u>4,166</u>

Total Revenues: 159,612

Expenses:

Payroll Taxes and Workers' Compensation	169
Monetary Grants	3,000
Advertising and Promotion	64,902
Professional Fees	4,869
Travel and Meeting Expenses	2,143
Computer Internet Service	22
Office Supplies	2,525
Wages	41,762
Payroll Taxes	3,368
Payroll Service Fees	1,290
Postage and Delivery	791
Rent	7,700
Repairs and Maintenance	1,523
Depreciation	927
Utilities	2,443
Telephone	1,206
Security	225
Insurance	1,309
Dues and Subscriptions	1,925
Employee Benefits	2,040
Donations	100
Miscellaneous Expenses	<u>91</u>

Total Expenses: 144,330

Increase/(Decrease) in Unrestricted Net Assets 15,282

Net Assets, Beginning of Year 75,150

Net Assets, End of Year \$90,432

See accompanying notes to the financial statements.

**Grove City Area Visitors and Convention Bureau, Inc.**  
*Grove City, Ohio*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2004*

---

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

**Basis of Accounting**

The Grove City Area Visitors and Convention Bureau Inc. 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 and payroll taxes. 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, Inc. (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 modified cash basis accounting principles 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 AND EQUIPMENT**

The fixed 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
Equipment	5-7 years

**NOTE C-CASH**

Cash on deposit with the Bureau's banking institution was fully covered by federal depository insurance during the year ended December 31, 2004.

**Grove City Area Visitors and Convention Bureau, Inc.**

*Grove City, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2004*

---

**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-EMPLOYEE BENEFITS**

The Bureau has a simplified employee pension plan which covers only the executive director.

**NOTE G-LEASE**

The Bureau renewed its lease agreement beginning June 30, 2002 and expiring June 30, 2005. The Bureau pays rent of \$700 per month, totaling \$8,400 annually. The Bureau's future required minimum lease payments for 2005 is \$4,200.

**NOTE H-ADVERTISEMENT MATCHING PROGRAM**

The Bureau has been 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.

**NOTE I-GRANTS AND SCHOLARSHIPS**

The Bureau gave one grant in the amount of \$1,000 to the Grove City High School Band Boosters. In addition, the Bureau gave two \$1,000 scholarships to support individuals focused on hospitality and culinary education.

# BALESTRA, HARR & SCHERER CPAs, INC.

528 South West Street, P.O. Box 687  
Piketon, Ohio 45661

---

Telephone (740) 289-4131  
Fax (740) 289-3639  
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

## **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, Inc.  
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, Inc. (the Bureau), as of December 31, 2004, and the related statement of revenues, expenses, and changes in net assets – modified cash basis, for the year then ended, and have issued our report thereon dated June 27, 2005. 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion 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 that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

### **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, regulation, 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 material instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted a certain matter we reported to management of the Bureau in a separate letter dated September 7, 2005.

Board of Directors  
Grove City Area Visitors and Convention Bureau, Inc.

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*

Page 2

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.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.  
June 27, 2005



**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU, INC.**

**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  
DECEMBER 13, 2005**