

**GROVE CITY AREA VISITORS  
AND CONVENTION BUREAU**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2008**





Mary Taylor, CPA  
Auditor of State

Board of Trustees  
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 Dale Saylor and Associates, for the audit period January 1, 2008 through December 31, 2008. 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

August 4, 2009

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**GROVE CITY AREA VISITORS AND CONVENTION BUREAU**

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*Dale Saylor & Associates*  
*Certified Public Accountants*  
*5640 Frantz Road*  
*Dublin, Ohio 43017*  
*(614) 766-4224 / FAX (614) 766-4301*  
*dsaylor@dalesaylor.com*

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Grove City Area Visitors and Convention Bureau  
Grove City, Ohio

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, 2008, 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 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 1, these financial statements were prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

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, 2008, and its revenues, expenses and changes in net assets for the year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2009, 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.

*Dale Saylor & Associates*

Dublin, Ohio  
June 22, 2009

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2008**

**ASSETS**

**CURRENT ASSETS**

|                             |                |
|-----------------------------|----------------|
| Cash                        | \$ 106,937     |
| Certificate of deposit      | <u>80,000</u>  |
| <b>TOTAL CURRENT ASSETS</b> | <b>186,937</b> |

**PROPERTY AND EQUIPMENT**

|                                     |                 |
|-------------------------------------|-----------------|
| Property and equipment              | 13,355          |
| Leasehold improvements              | <u>3,045</u>    |
| <b>TOTAL PROPERTY AND EQUIPMENT</b> | <b>16,400</b>   |
| Accumulated depreciation            | <u>(15,707)</u> |
| <b>NET PROPERTY AND EQUIPMENT</b>   | <b>693</b>      |

**OTHER ASSETS**

|                           |                   |
|---------------------------|-------------------|
| Deposits                  | <u>650</u>        |
| <b>TOTAL OTHER ASSETS</b> | <b><u>650</u></b> |

|                     |                          |
|---------------------|--------------------------|
| <b>TOTAL ASSETS</b> | <b>\$ <u>188,280</u></b> |
|---------------------|--------------------------|

**LIABILITIES AND NET ASSETS**

**NET ASSETS**

|                         |                       |
|-------------------------|-----------------------|
| Unrestricted            | \$ <u>188,280</u>     |
| <b>TOTAL NET ASSETS</b> | <b><u>188,280</u></b> |

|   |                          |
|---|--------------------------|
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | <b>\$ <u>188,280</u></b> |
|---|--------------------------|

See accompanying notes to 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, 2008**

**UNRESTRICTED NET ASSETS**

**REVENUES**

|                       |                |
|-----------------------|----------------|
| Bed tax               | \$ 234,177     |
| Interest income       | 2,058          |
| Other income          | <u>321</u>     |
| <b>TOTAL REVENUES</b> | <b>236,556</b> |

**EXPENSES**

|                                      |                       |
|--------------------------------------|-----------------------|
| Advertising, promotion and marketing | 131,871               |
| Professional fees                    | 4,436                 |
| Travel and meetings                  | 1,758                 |
| Bank service charges                 | 176                   |
| Internet service                     | 762                   |
| Office supplies                      | 1,929                 |
| Wages                                | 53,112                |
| Payroll taxes                        | 4,568                 |
| Payroll service                      | 1,369                 |
| Postage and delivery                 | 3,756                 |
| Rent                                 | 9,000                 |
| Repairs and maintenance              | 1,009                 |
| Depreciation                         | 534                   |
| Utilities                            | 3,054                 |
| Telephone                            | 1,466                 |
| Security                             | 300                   |
| Insurance                            | <u>1,286</u>          |
| <b>TOTAL EXPENSES</b>                | <b><u>220,386</u></b> |

**CHANGE IN NET ASSETS** 16,170

**NET ASSETS AT BEGINNING OF YEAR** 172,110

**NET ASSETS AT END OF YEAR** \$ 188,280

See accompanying notes to financial statements.

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2008**

**CASH FLOWS FROM OPERATING ACTIVITIES**

|  |                  |
|--|------------------|
| Cash received for bed tax                          | \$ 234,177       |
| Cash received for interest income                  | 2,058            |
| Cash received for other income                     | 321              |
| Cash payments for employee wages and payroll taxes | (57,680)         |
| Cash payments for other operating expenses         | <u>(162,172)</u> |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   | <b>16,704</b>    |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|  |                        |
|--|------------------------|
| Purchase of certificate of deposit           | <u>(80,000)</u>        |
| <b>NET CASH USED BY INVESTING ACTIVITIES</b> | <b><u>(80,000)</u></b> |

**NET INCREASE (DECREASE) IN CASH** (63,296)

**CASH AT BEGINNING OF YEAR** 170,233

**CASH AT END OF YEAR** \$ 106,937

**RECONCILE CHANGE IN NET ASSETS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

|   |                  |
|---|------------------|
| Change in net assets                      | \$ 16,170        |
| Depreciation                              | <u>534</u>       |
| Net cash provided by operating activities | <u>\$ 16,704</u> |

See accompanying notes to financial statements.

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization and Operations

The Grove City Area Visitors and Convention Bureau (the Bureau) is a nonprofit organization incorporated April 7, 1989. The Bureau is dedicated to promoting Grove City as the ideal Central Ohio lodging destination for tourism, business travel and meetings. The Bureau is managed by a nine member Board of Trustees who meet monthly.

Basis of Accounting

The Bureau's policy is to prepare its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. That basis differs from generally accepted accounting principles in that certain revenues are recognized when received rather than when earned and certain expenses and purchases of assets are recognized when cash is disbursed rather than when the obligation is incurred.

Revenue

The Bureau's primary source of revenue comes from the local bed tax. This excise tax is a 6% tax paid by transient guests for lodging at hotels in 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.

Property, Equipment, and Leasehold Improvements

Property, equipment, and leasehold improvements are capitalized at cost. It is the Bureau's policy to capitalize expenditures for these items in excess of \$500. Property and equipment, and leasehold improvements are being depreciated over estimated useful lives of five years using the double declining method.

Income Taxes

The Bureau is a nonprofit organization that is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. Accordingly, these financial statements do not include a provision for income taxes.

Concentrations of Credit Risk

Financial instruments that potentially subject the Bureau to concentrations of credit risk consist principally of cash balances. The Bureau maintains cash balances in a couple different financial institutions located in Columbus, Ohio. Accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2008, there were no uninsured cash balances at the financial institutions.

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 certain reported amounts and disclosures in the financial statements. Accordingly, actual results could differ from those estimates.

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**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

Advertising, Promotion and Marketing

The Bureau expenses all advertising, promotion and marketing costs when incurred.

**NOTE 2 - CERTIFICATE OF DEPOSIT**

A certificate of deposit totaling \$80,000 at December 31, 2008, represents funds invested in a local bank. This 12-month certificate of deposit is due to mature on April 15, 2009 and is earning interest at a rate of 3.36% APY. As of December 31, 2008, the certificate of deposit had accrued interest of \$1,784.35 which will be recorded as income when paid at maturity.

**NOTE 3 - LEASE**

The Bureau leases office space at 4052 Broadway, Grove City, Ohio, under a one year lease agreement that expires June 30, 2009. The Bureau is planning to relocate their office space in September 2009. The current landlord has agreed to a month-to-month lease extension with a 90 day notice of moving date. The current rent is \$750 per month, for an annual total of \$9,000 for 2008. Monthly payments due from January 1, 2009 to September 30, 2009 are \$750 per month for a total of \$6,750.

**NOTE 4 - GRANT PROGRAM**

The Bureau may provide conditional grant funds to non-profit organizations and for-profit businesses to encourage and promote tourism and travel to Grove City and the Grove City Area. The grant program was not in effect during the 2008 year, but was added to the Bureau's Bylaws, as amended, January 21, 2009.

*Dale Saylor & Associates*  
*Certified Public Accountants*  
*5640 Frantz Road*  
*Dublin, Ohio 43017*  
*(614) 766-4224 / FAX (614) 766-4301*  
*dsaylor@dalesaylor.com*

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*

To the Board of Trustees  
Grove City Area Visitors and Convention Bureau  
Grove City, Ohio

We have audited the financial statements of Grove City Area Visitors and Convention Bureau (the Bureau), as of and for the year ended December 31, 2008, and have issued our report thereon dated June 22, 2009. 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.

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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*, Continued

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, the Board of Trustees, and others within the Bureau and is not intended to be and should not be used by anyone other than these specified parties.

*Dale Saylor & Associates*

Dublin, Ohio  
June 22, 2009



**Mary Taylor, CPA**  
Auditor of State

**GROVE CITY AREA VISITORS AND CONVENTION 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**  
**AUGUST 18, 2009**