

GROVE CITY AREA  
VISITORS AND CONVENTION BUREAU  
FINANCIAL STATEMENTS  
DECEMBER 31, 2001





STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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To the Board of Directors  
Grove City Area Visitors and Convention Bureau

We have reviewed the Independent Auditor's Report of the Grove City Area Visitors and Convention Bureau, Franklin County, prepared by Stephen Burcham, CPA, for the audit period January 1, 2001 through December 31, 2001. 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.

A handwritten signature in black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

July 22, 2002

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March 21, 2002

To the Board of Directors  
Grove City Area Visitors and Convention Bureau

I have audited the accompanying statement of assets, liabilities, and net assets – cash basis of Grove City Area Visitors and Convention Bureau (a nonprofit organization) as of December 31, 2001, and the related statement of support, revenue, and expenses – cash basis for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in note A, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Grove City Area Visitors and Convention Bureau as of December 31, 2001, and its support, revenue, and expenses for the year then ended, on the basis of accounting described in note A.

In accordance with *Government Auditing Standards*, I have also issued my report dated March 21, 2002 on my consideration of the Bureau'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 my audit.

Stephen D. Burcham  
Certified Public Accountant

Grove City Area Visitors and Convention Bureau  
Statement of Assets, Liabilities and Net Assets - Cash Basis  
As of December 31, 2001

ASSETS

CURRENT ASSETS

Cash - Checking	\$ 22,354
Cash - Money Market Account	<u>20,285</u>
Total Current Assets	42,639

PROPERTY AND EQUIPMENT

Equipment	10,325
Leasehold Improvements	<u>3,045</u>
	13,370
Less Accumulated Depreciation & Amortization	<u>(10,414)</u>
Total Property and Equipment	2,956

OTHER ASSETS

Deposits	<u>650</u>
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TOTAL ASSETS \$ 46,245

LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted	\$ <u>46,245</u>
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TOTAL LIABILITIES AND NET ASSETS \$ 46,245

See accompanying notes.

Grove City Area Visitors and Convention Bureau  
Statement of Revenues, Expenses, and Changes in Net Assets - Cash Basis  
December 31, 2001

UNRESTRICTED NET ASSETS

REVENUES

Bed Tax	\$ 149,115	
Interest	484	
Other	<u>2,169</u>	
Total Revenue		\$ 151,768

EXPENSES

Advertising	64,426	
Bank Fees	219	
Depreciation	2,110	
Donations	632	
Dues and Subscriptions	5,049	
Employee Benefits	2,000	
Insurance	1,142	
Monetary Grants	3,000	
Miscellaneous	462	
Office Expense	9,290	
Payroll Service Fees	1,621	
Professional Fees	3,269	
Rent	7,800	
Repairs and Maintenance	2,261	
Taxes - Payroll	3,553	
Travel	2,443	
Wages	<u>42,523</u>	
Total Expenses		<u>151,800</u>

DECREASE IN UNRESTRICTED NET ASSETS	(32)
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NET ASSETS AT BEGINNING OF YEAR	<u>46,277</u>
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NET ASSETS AT END OF YEAR	<u><u>\$ 46,245</u></u>
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See accompanying notes.

GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
NOTES TO FINANCIAL STATEMENTS

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The Grove City Area Visitors and Convention Bureau’s financial statements are prepared on the 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. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

ORGANIZATION

The Grove City Area Visitors and Convention Bureau is a nonprofit organization incorporated April 7, 1989. The Organization’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 Grove City Area Visitors and Convention Bureau is managed by a Board of Directors, which represent 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 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. Depreciation is computed using accelerated rates over estimated useful lives:

	<u>Years</u>
Leasehold Improvements	7-15
Equipment	5-7

GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH

Cash on deposit with the Bureau's banking institution were fully covered by federal depository insurance during the year ended December 31, 2001.

NOTE D - REVENUE SOURCE

The Grove City Area Visitors and Convention 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. Fifty percent (50%) of the revenue from the tax levied is contributed to the Bureau.

NOTE D - ADVERTISING

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

NOTE E - EMPLOYEE BENEFITS

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

NOTE F - LEASE

The Grove City Area Visitors and Convention Bureau is in the last year of its lease agreement. The operating lease expires June 30, 2002. The Bureau pays rent of \$650 a month, \$7,800 a year.

March 21, 2002

Board of Directors  
Grove City Area Visitors and Convention Bureau

I have audited the accompanying statements of assets, liabilities and net assets – cash basis of Grove City Area Visitors and Convention Bureau (a non-profit organization) as of December 31, 2001 and the related statements of support, revenue and expenses – cash basis for the year then ended, and have issued my report thereon dated March 21, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to the financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Compliance**

As part of obtaining reasonable assurance about whether the Grove City Area Visitors and Convention Bureau's financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my audit, I considered the Grove City Area Visitors and Convention Bureau's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over the financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weakness. 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 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. I noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through agencies and is not intended to be and should not be used by anyone other than these specified parties.

Stephen D. Burcham  
Certified Public Accountant



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**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 8, 2002**