

**GROVE CITY AREA CONVENTION AND VISITORS BUREAU
FRANKLIN COUNTY, OHIO**

**FINANCIAL STATEMENTS
(AUDITED)**

**FOR THE YEAR ENDED
DECEMBER 31, 2015**

AMANDA DAVIS, EXECUTIVE DIRECTOR



Dave Yost • Auditor of State

Board of Trustees
Grove City Area Convention and Visitors Bureau
1600 Gateway Circle
Grove City, Ohio 43123

We have reviewed the *Independent Auditor's Report* of the Grove City Area Convention and Visitors Bureau, Franklin County, prepared by Julian & Grube, Inc., for the audit period January 1, 2015 through December 31, 2015. 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 Convention and Visitors Bureau are responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

June 6, 2016

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**GROVE CITY AREA CONVENTION AND VISITORS BUREAU
FRANKLIN COUNTY, OHIO**

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Julian & Grube, Inc.
Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Grove City Area Convention and Visitors Bureau
Franklin County
1600 Gateway Circle
Grove City, Ohio 43123

To the Board of Trustees:

Report on the Financial Statement

We have audited the accompanying financial statements of the Grove City Area Convention and Visitors Bureau, Franklin County, Ohio (a not-for-profit corporation), which comprise the statement of assets, liabilities and net assets, and the related statements of revenues, expenses and changes in net assets and cash flows, as of and for the year ended December 31, 2015, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting these financial statements in accordance with the modified cash accounting basis Note 1 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Grove City Area Convention and Visitors Bureau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Grove City Area Convention and Visitors Bureau's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash financial position of the Grove City Area Convention and Visitors Bureau, Franklin County, Ohio, as of December 31, 2015, and the respective changes in modified cash net assets and its cash flows for the year then ended in accordance with the accounting basis described in Note 1.

Accounting Basis

We draw attention to Note 1 of the financial statements, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2016, on our consideration of the Grove City Area Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Grove City Area Convention and Visitors Bureau's internal control over financial reporting and compliance.



Julian & Grube, Inc.
March 31, 2016

FINANCIAL STATEMENTS

**GROVE CITY AREA CONVENTION & VISITORS BUREAU
FRANKLIN COUNTY, OHIO**

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2015

Assets:

Current assets:

Equity in cash and cash equivalents	\$ 251,984
Total current assets	<u>251,984</u>

Property & equipment:

Property and Equipment	28,305
Less: Accumulated Depreciation	<u>(26,035)</u>

Net property & equipment	<u>2,270</u>
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Other Assets:

Deposits	<u>2,350</u>
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Total assets	<u><u>\$ 256,604</u></u>
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Liabilities:

Accrued Workers' Compensation	<u>\$ 90</u>
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Total liabilities	<u>90</u>
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Net assets:

Unrestricted	<u>256,514</u>
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Total net assets	<u>256,514</u>
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Total liabilities and net assets	<u><u>\$ 256,604</u></u>
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SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GROVE CITY AREA CONVENTION & VISITORS BUREAU
FRANKLIN COUNTY, OHIO**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
- MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Revenues:	
Bed Tax	\$ 346,217
Interest income	1,467
Advertising income	4,650
	352,334
Total Revenues	
	352,334
Expenses:	
Advertising and Promotion	138,694
Professional Fees	3,496
Travel and Meetings	7,676
Computer Internet/Website	13,166
Office Supplies	2,809
Wages	108,445
Payroll Taxes	9,699
Payroll Service Fees	1,055
Postage and Delivery	372
Rent	26,550
Repairs and Maintenance	182
Depreciation	1,787
Telephone	1,736
Dues and Subscriptions	9,031
Insurance	1,311
Employee Benefits	6,263
Utilities	3,577
Office Expense	16,587
	352,436
Total expenses	
	352,436
Operating Income (loss)	
	(102)
Change in net assets	
	(102)
Net assets at beginning of year	
	256,616
Net assets at end of year	
	\$ 256,514

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GROVE CITY AREA CONVENTION & VISITORS BUREAU
FRANKLIN COUNTY, OHIO**

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2015

Cash flows from operating activities:	
Change in net assets	\$ (102)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	1,787
Total adjustments	<u>1,787</u>
Net cash provided by (used in) operating activities	<u>1,685</u>
Cash flows from capital and related financing activities:	
Purchase of property and equipment	<u>(1,697)</u>
Net cash used in capital and related financing activities	<u>(1,697)</u>
Net increase (decrease) in cash and cash equivalents	(12)
Cash and cash equivalents at beginning of year	<u>251,996</u>
Cash and cash equivalents at end of year	<u>\$ 251,984</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**GROVE CITY AREA CONVENTION AND VISITORS BUREAU
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Operations

The Grove City Area Convention and Visitors 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, other than for the promotion and publicizing of the City of Grove City as a desirable location for conventions, trade shows and similar events to encourage the patronage and business of cultural, educational, religious, professional, sports and other activities to utilize the City of Grove City.

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 are being depreciated over estimated useful lives of five or seven 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.

**GROVE CITY AREA CONVENTION AND VISITORS BUREAU
FRANKLIN COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

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, 2015, 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.

Advertising, Promotion and Marketing

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

NOTE 2 - LEASE

In November 2014 the Bureau moved to a location considered to be more convenient for hotel patrons. The location serves as a Visitor Center and is just off of the interstate with freeway frontage to draw more visitors to the location to learn about Grove City tourism opportunities. Terms of the lease for the location at 1600 Gateway Circles are as follows, \$1,950 per month for months 1-6, \$2,050 per month for months 7-18, \$2,250 per month for months 19-36, and \$2,450 per month for months 37-48. Rent increased by \$100 per month beginning November 2015 after the Grove City Visitor Center sign was installed.

NOTE 3 - BED TAX REVENUE

As stated in Note 1, the Bureau records its revenue on a modified cash basis. For the year ended December 31, 2015, bed tax revenue included \$43,091 from collections from the City of Grove City for the months of November and December 2014.

NOTE 4 - CONCENTRATION OF RISK

The Bureau receives a significant amount of its support from the local bed tax. The amount of receipts is solely dependent on the number of hotel rooms in Grove City, the occupancy rate of those rooms, and the average rental rate. The bed tax is collected by the City of Grove City. The loss or reduction of these receipts would have an adverse effect on the Bureau's financial condition.



Julian & Grube, Inc.
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**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Required by *Government Auditing Standards***

Grove City Area Convention and Visitors Bureau
Franklin County
1600 Gateway Circle
Grove City, Ohio 43123

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the modified cash basis financial statement of the Grove City Area Convention and Visitors Bureau, Franklin County, Ohio (a not-for-profit corporation) as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Grove City Area Convention and Visitors Bureau's financial statements and have issued our report thereon dated March 31, 2016, wherein we noted the Grove City Area Convention and Visitors Bureau uses a special purpose framework other than generally accepted accounting principles.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Grove City Area Convention and Visitors Bureau's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Grove City Area Convention and Visitors Bureau's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Grove City Area Convention and Visitors Bureau's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Trustees
Grove City Area Convention and Visitors Bureau

Compliance and Other Matters

As part of reasonably assuring whether the Grove City Area Convention and Visitors Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Grove City Area Convention and Visitors Bureau's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Grove City Area Convention and Visitors Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Julian & Grube, Inc.
March 31, 2016

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Dave Yost • Auditor of State

GROVE CITY AREA VISITORS 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
JUNE 21, 2016**