

GROVE CITY AREA
VISITORS AND CONVENTION BUREAU
FINANCIAL STATEMENTS
DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Grove City Area Visitors and Convention Bureau, Franklin County, prepared by Stephen D. Burcham, CPA, for the audit period January 1, 2002 through December 31, 2002. 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.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

April 4, 2003

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Stephen D. Burcham, CPA

522 First Street
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(304) 529 - 3093
Fax: (304) 529 - 2759

March 19, 2003

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

I have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis of Grove City Area Visitors and Convention Bureau (a nonprofit organization) as of December 31, 2002, and the related statement of support, revenue, and expenses – modified 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 modified 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, 2002, 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 19, 2003 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 - Modified Cash Basis
As of December 31, 2002

ASSETS

CURRENT ASSETS

Cash - Checking	\$ 28,248
Cash - Money Market Account	<u>41,037</u>

Total Current Assets	69,285
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PROPERTY AND EQUIPMENT

Equipment	10,325
Leasehold Improvements	<u>3,045</u>
	13,370

Less Accumulated Depreciation & Amortization	<u>(11,597)</u>
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Total Property and Equipment	1,773
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OTHER ASSETS

Deposits	<u>650</u>
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TOTAL ASSETS	<u>\$ 71,708</u>
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LIABILITIES AND NET ASSETS

NET ASSETS

Unrestricted	<u>\$ 71,708</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 71,708</u>
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See accompanying notes.

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, 2002

UNRESTRICTED NET ASSETS

REVENUES

Bed Tax	\$ 163,393
Advertisement Matching Program	917
Interest	478
Other	<u>661</u>

Total Revenue	\$ 165,449
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EXPENSES

Advertising	51,545
Depreciation	789
Dues and Subscriptions	4,480
Employee Benefits	2,500
Insurance	501
Grants and Scholarships	4,000
Miscellaneous	184
Office Expense	9,326
Payroll Service Fees	1,439
Professional Fees	4,814
Rent	8,150
Repairs and Maintenance	2,095
Security	75
Taxes - Payroll	3,621
Travel	2,163
Wages	<u>44,304</u>

Total Expenses	<u>139,986</u>
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INCREASE IN UNRESTRICTED NET ASSETS	25,463
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NET ASSETS AT BEGINNING OF YEAR	<u>46,245</u>
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NET ASSETS AT END OF YEAR	<u><u>\$ 71,708</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 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 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. The Bureau capitalizes expenses for improvements greater than \$500. Depreciation is computed using the double declining method 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, 2002.

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. 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 Grove City Area Visitors and Convention Bureau has renewed its lease agreement beginning June 30, 2002 and expiring June 30, 2005. The Bureau currently pays rent of \$700 a month, \$8,400 a year.

Future required minimum lease payments over the next five years are as follows:

Year Ended December 31,	Amount
2003	\$ 8,400
2004	8,400
2005	4,200
2006	0
2007	0
Total	\$ 21,000

GROVE CITY AREA VISITORS AND CONVENTION BUREAU
NOTES TO FINANCIAL STATEMENTS

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 two grants in the amount of \$1,000 each to the YMCA of Central Ohio and 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.

Stephen D. Burcham, CPA

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March 19, 2003

Board of Directors
Grove City Area Visitors and Convention Bureau

I have audited the accompanying statements of assets, liabilities and net assets – modified cash basis of Grove City Area Visitors and Convention Bureau (a non-profit organization) as of December 31, 2002 and the related statements of support, revenue and expenses – modified cash basis for the year then ended, and have issued my report thereon dated March 19, 2003. 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 of America.

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 and is not intended to be and should not be used by anyone other than this specified party.

Stephen D. Burcham
Certified Public Accountant



**Auditor of State
Betty Montgomery**

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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
APRIL 17, 2003**