

Grove City Area Visitors and Convention Bureau

Grove City, Ohio

Regular Audit

January 1, 2003 through December 31, 2003

Fiscal Year Audited Under GAGAS: 2003

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

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**Auditor of State  
Betty Montgomery**

Board of Directors  
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 Balestra, Harr & Scherer CPAs, Inc., for the audit period January 1, 2003 through December 31, 2003. 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

August 16, 2004

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TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors = 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 Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	6

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Ohio Society of Certified Public Accountants

Board of Directors

Grove City Area Visitors and Convention Bureau

Grove City, Ohio 43123

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis, of the Grove City Area Visitors and Convention Bureau (a non-profit organization), as of December 31, 2003, 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 Organization's management. Our responsibility is to express an opinion on the 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 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 Organization as of December 31, 2003, 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 May 26, 2004 on our consideration of the Organization'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 our audit.

Balestra, Harr & Scherer, CPAs, Inc.

Balestra, Harr & Scherer, CPAs, Inc.

May 26, 2004

Grove City Area Visitors and Convention Bureau  
Statement of Assets, Liabilities, and Net Assets  
Modified Cash Basis  
As of December 31, 2003

Assets:

Current Assets:	
Cash	\$73,070
Property Assets:	
Property and Equipment	11,293
Leasehold Improvements	3,045
Less: Accumulated Depreciation	<u>(12,908)</u>
Net Property Assets	1,430
Other Assets:	
Deposits	<u>650</u>
Total Assets:	<u><u>\$75,150</u></u>
Liabilities and Net Assets:	
Net Assets:	
Unrestricted Net Assets	<u>\$75,150</u>
Total Liabilities and Net Assets:	<u><u>\$75,150</u></u>

See accompanying notes to the 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, 2003

Unrestricted Net Assets:

Revenues:

Bed Tax	\$154,420
Interest	470
Other	612
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Total Revenues: 155,502

Expenses:

Payroll Taxes and Workers' Compensation	119
Monetary Grants	4,000
Advertising and Promotion	57,312
Professional Fees	8,530
Travel and Meeting Expenses	1,545
Bank Service Charges	1
Office Supplies	2,672
Wages	43,081
Payroll Taxes	3,638
Payroll Service Fees	1,217
Postage and Delivery	966
Rent	8,400
Repairs and Maintenance	2,320
Depreciation	1,311
Utilities	2,255
Telephone	1,455
Security	300
Insurance	627
Dues and Subscriptions	8,600
Employee Benefits	3,167
Donations	65
Miscellaneous Expenses	479
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Total Expenses: 152,060

Increase/(Decrease) in Unrestricted Net Assets 3,442

Net Assets, Beginning of Year 

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71,708

Net Assets, End of Year 

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\$75,150

See accompanying notes to the financial statements.



**Grove City Area Visitors and Convention Bureau**

Grove City, Ohio

Notes to the Financial Statements

For the Year Ended December 31, 2003

**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 accounting principles generally accepted in the United States of America.

**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 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 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 exp enses for improvements greater than \$500. Depreciation is computed using the double declining method over estimated useful lives:

Asset Class:	Useful Life
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, 2003.

**Grove City Area Visitors and Convention Bureau**  
Grove City, Ohio  
Notes to the Financial Statements  
For the Year Ended December 31, 2003

**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. 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 Grove City Area Visitors and Convention 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.

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

Year Ended December 31,	Amount
2004	\$8,400
2005	4,200
2006	0
2007	0
2008	0
Total	<u>\$12,600</u>

**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.

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors  
Grove City Area Visitors and Convention Bureau  
Grove City, Ohio 43123

We have audited the accompanying statement of assets, liabilities, and net assets – modified cash basis, of the Grove City Area Visitors and Convention Bureau (a non-profit organization), as of December 31, 2003, 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 May 26, 2004. 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.

### **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, we 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 our audit, and accordingly, we do not express such an opinion. The results of our 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 our audit, we considered the Grove City Area Visitors and Convention 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 assurance 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 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 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. However, we noted another matter involving the internal control over financial reporting, which we have reported to the management of the Grove City Area Visitors and Convention Bureau in a separate letter dated May 26, 2004.

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.

Balestra, Harr & Scherer, CPAs, Inc.  
Balestra, Harr & Scherer, CPAs, Inc.

May 26, 2004





**Auditor of State  
Betty Montgomery**

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**GROVE CITY AREA VISITOR'S & 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 26, 2004**