

Gahanna Convention and Visitors Bureau

Franklin County, Ohio

Regular Audit

November 1, 2002 through December 31, 2004

Fiscal Years Audited Under GAGAS: 2004 and 2003

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

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**Auditor of State  
Betty Montgomery**

Board of Directors  
Gahanna Convention and Visitors Bureau  
116 Mill St.  
Gahanna, OH 43230

We have reviewed the *Independent Auditor's Report* of the Gahanna Convention and Visitors Bureau, Franklin County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period November 1, 2002 through December 31, 2004. 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 Gahanna Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY  
Auditor of State

February 28, 2006

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**Gahanna Convention and Visitors Bureau**

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Ohio Society of Certified Public Accountants

Board of Directors  
Gahanna Convention and Visitors Bureau  
116 Mill Street  
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**INDEPENDENT AUDITOR'S REPORT**

We have audited the accompanying statements of cash receipts and disbursements of the Gahanna Convention and Visitors Bureau, (the Bureau), for the year ended December 31, 2004 and the fourteen month period ended December 31, 2003. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audits 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 1, the Bureau prepares its financial statements on the basis of cash receipts and disbursements 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 cash balances of the Bureau as of December 31, 2004 and 2003, and the cash receipts and disbursements for the year ended December 31, 2004 and the fourteen month period ended December 31, 2003 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2005 on our 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 our audit.

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.  
October 6, 2005

**Gahanna Convention and Visitors Bureau**  
*Statements of Cash Receipts, Cash Disbursements and Changes in Cash Balances*  
*For the Year Ended December 31, 2004 and the Fourteen Month Period Ended December 31, 2003*

	<u>2004</u>	<u>2003</u>
Cash receipts:		
Bed Tax	\$116,579	\$160,245
Rent	2,700	0
Total cash receipts:	119,279	160,245
Cash disbursements:		
Advertising/Promotion	28,819	27,955
Bank Charges	43	0
Dues and Memberships	3,390	2,085
Furniture and Fixtures	1,830	6,215
Insurance	500	1,000
Maintenance	4,836	2,253
Meals and Entertainment	2,255	827
Meetings and Seminars	620	405
Miscellaneous	45	79
Outside Services	4,445	13,213
Payroll Expenses	5,627	2,553
Photography	648	413
Postage	4,584	1,847
Printing	14,616	7,170
Rental Expenses	17,522	19,844
Supplies	4,236	3,438
Travel/Auto Expense	1,480	397
Utilities	5,447	5,569
Wages	38,020	34,334
Total cash disbursements:	138,963	129,597
Total receipts over/(under) disbursements:	(19,684)	30,648
Cash balance, January 1:	<u>72,882</u>	<u>42,234</u>
Cash balance, December 31:	<u><u>\$53,198</u></u>	<u><u>\$72,882</u></u>

See accompanying notes to the financial statements.

**Gahanna Convention and Visitors Bureau**

*Franklin County, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2004 and the Fourteen Month Period Ended December 31, 2003*

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

*Organization:*

The Gahanna Convention & Visitors Bureau (the Bureau) is a 501 (c)(6) operating under the jurisdiction of the Community Improvement Corporation of Gahanna. The Bureau is funded by an excise tax on lodging of transient guests within the City of Gahanna. The Bureau also received revenue by subleasing space to the Gahanna YMCA and currently to The Friends of the Big Walnut Creek (a 501 (c)(3) organization). The Bureau is directed by an eleven-member board of directors appointed by the Mayor, Community Improvement Corporation of Gahanna, Gahanna Area Chamber of Commerce, and the local lodging establishments. The Bureau serves the public by encouraging economic development of the City of Gahanna through the promotion of tourism.

*Basis of Accounting:*

The Bureau's accounts are maintained on a cash basis, and the statements of cash receipts and disbursements reflect only cash received and disbursed. Therefore, receivables and payables, inventories, long-lived assets, accrued income and expenses and amortization and depreciation, which would be recognized under generally accepted accounting principles, and which may be material in amount are not recognized in the accompanying financial statements.

These statements include adequate disclosure of material matters, as required by the cash basis of accounting.

*Cash Deposits:*

The Bureau maintains its cash balances in a demand deposit account at a local commercial bank. There were no investments during the audit period.

*Property, Plant and Equipment:*

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

*Income Taxes:*

The Bureau is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

**NOTE 2-EXCISE TAX ON LODGING**

As required by the Ohio Revised Code, the Bureau receives a minimum of 25% of the 6% excise tax collected by the City of Gahanna. During the year ended December 31, 2004 and the fourteen month period ended December 31, 2003, the Bureau received bed taxes in the amounts of \$116,579 and \$160,245, respectively.

**NOTE 3-CONCENTRATIONS**

The Bureau receives substantial revenue from the lodging excise tax levied by the City of Gahanna.

**Gahanna Convention and Visitors Bureau**

*Franklin County, Ohio*

*Notes to the Financial Statements*

*For the Year Ended December 31, 2004 and the Fourteen Month Period Ended December 31, 2003*

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**NOTE 4-LEASES**

The Bureau entered into an agreement on October 24, 2002 for the lease of office space. The lease required monthly lease payments of \$1,115 through September 2003; \$1,165 through September 2004; and \$1,215 through September 2005. Lease requirements do not include utilities and are the responsibility of the Bureau. During the year ended December 31, 2004 and the fourteen month period ended December 31, 2003, rent expenses were \$14,180 and \$15,810, respectively.

In November 2003, the Bureau entered into an agreement to lease a portion of its office space with the Gahanna YMCA. The lease required monthly payments of \$400. During 2004, the Bureau received \$1,500.

On July 1, 2004, the Bureau entered into an agreement with an organization for the sub-rental of a portion of the Bureau's office space. The lease requires weekly lease payments of \$75. During 2004, the Bureau received \$1,200.

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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***

Board of Directors  
Gahanna Convention and Visitors Bureau  
116 Mill Street  
Gahanna, Ohio 43230

We have audited the accompanying statements of cash receipts and disbursements of the Gahanna Convention and Visitors Bureau (the Bureau), for the year ended December 31, 2004 and the fourteen month period ended December 31, 2003. We conducted our audits 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 audits, we considered the 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 an opinion 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 over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud 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.

### **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 grants 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 audits, 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*.

We noted certain matters that we reported to management of the Bureau in a separate letter dated October 6, 2005.

This report is intended solely for the information and use of management and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.  
October 6, 2005



**Auditor of State  
Betty Montgomery**

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**GAHANNA CONVENTION AND VISITORS 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  
MARCH 14, 2006**