

Gahanna Convention and Visitors Bureau

Franklin County, Ohio

Regular Audit

January 1, 2005 through December 31, 2006

Years Audited Under GAGAS: 2006 and 2005

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com



Mary Taylor, CPA

Auditor of State

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 January 1, 2005 through December 31, 2006. 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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

June 18, 2007

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Independent Auditor's Report

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 years ended December 31, 2006 and 2005. 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 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 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, 2006 and 2005, and the cash receipts and disbursements for the years then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 23, 2007, on our consideration of the Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Balestra, Harr & Scherer, CPAs, Inc.
May 23, 2007

Gahanna Convention and Visitors Bureau
Statements of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
For the Years Ended December 31, 2006 and 2005

	2006	2005
Cash receipts:		
Bed tax	\$177,057	\$137,131
Interest income	2,590	6
Rent	2,100	3,600
Total cash receipts	<u>181,747</u>	<u>140,737</u>
Cash disbursements:		
Advertising/promotion	27,842	22,646
Bank charges	7	55
Dues and memberships	3,509	3,875
Events	7,392	6,010
Furniture, fixtures and equipment	1,233	1,560
Insurance	500	500
Maintenance	2,359	3,538
Meals and entertainment	2,108	1,681
Meetings and seminars	2,829	1,069
Miscellaneous	1,738	1,970
Outside services	4,452	1,549
Payroll expenses	7,219	1,722
Photography	185	0
Postage	4,098	3,927
Printing	3,933	3,695
Rental expenses	19,295	18,295
Supplies	1,860	3,258
Travel/auto expenses	808	485
Utilities	7,972	6,265
Wages	46,058	40,946
Total cash disbursements	<u>145,397</u>	<u>123,046</u>
Total cash receipts over/(under) cash disbursements:	36,350	17,691
Fund cash balance, January 1:	<u>70,889</u>	<u>53,198</u>
Fund cash balance, December 31:	<u><u>\$107,239</u></u>	<u><u>\$70,889</u></u>

See the accompanying notes to the financial statements.

Gahanna Convention and Visitors Bureau
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization:

The Gahanna Convention and 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 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 accounting 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 and certificates of deposit at a local commercial bank. There were no investments in 2006 or 2005.

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 2006 and 2005, the Bureau received bed taxes in the amounts of \$177,057 and \$137,131, respectively.

NOTE 3-CONCENTRATIONS

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

NOTE 4- CONCENTRATION OF CREDIT RISK

As of December 31, 2006, the Bureau had cash in excess of Federal Deposit Insurance Corporation (FDIC) coverage of \$15,844. The Bureau's cash balances were fully insured by the Federal Deposit Insurance Corporation as of December 31, 2005.

NOTE 5-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, which are the responsibility of the Bureau. On November 22, 2005, the Bureau entered into a new agreement for the lease of office space. The lease required monthly lease payments of \$1,265 through November 30, 2006 and \$1,340 through November 30, 2007. During 2006 and 2005, rent expenses were \$19,295 and \$18,295, respectively.

Gahanna Convention and Visitors Bureau
Notes to the Financial Statements
For the Years Ended December 31, 2006 and 2005

NOTE 5-LEASES (CONTINUED)

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 2006 and 2005, the Bureau received \$2,100 and \$3,600, respectively. This lease was terminated in July 2006.

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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 financial statements of the cash receipts and disbursements of the Gahanna Convention and Visitors Bureau (the Bureau), for the years ended December 31, 2006 and 2005, and have issued our report thereon dated May 23, 2007. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the accounting basis described in Note 1 such that there is more than a remote likelihood that a misstatement of the Bureau's financial statements that is more than inconsequential will not be prevented or detected by the Bureau's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be presented or detected by the Bureau's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 grant 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 audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.
May 23, 2007



Mary Taylor, CPA
Auditor of State

**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
JUNE 28, 2007**