

**GROVE CITY AREA VISITORS  
AND CONVENTION BUREAU**

**FINANCIAL STATEMENTS**

**YEAR ENDED DECEMBER 31, 2012**





# Dave Yost • Auditor of State

Board of Trustees  
Grove City Area Visitors and Convention Bureau  
3378 Park Street  
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 Dale Saylor and Associates, for the audit period January 1, 2012 through December 31, 2012. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 6, 2013

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**GROVE CITY AREA VISITORS AND CONVENTION BUREAU**

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# ***Dale Saylor & Associates***

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees  
Grove City Area Visitors and Convention Bureau  
Grove City, Ohio

We have audited the accompanying financial statements of the Grove City Area Visitors and Convention Bureau (the Bureau), which comprise the statement of assets, liabilities and net assets – modified cash basis as of December 31, 2012, and the related statements of revenues, expenses and changes in net assets – modified cash basis, and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities and net assets of the Bureau as of December 31, 2012, and its revenues, expenses and changes in net assets, and its cash flows for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

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## INDEPENDENT AUDITOR'S REPORT, continued

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2013, 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.

*Jale Saylor & Associates*

Dublin, Ohio  
June 28, 2013

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS  
MODIFIED CASH BASIS  
DECEMBER 31, 2012**

**ASSETS**

<b>CURRENT ASSETS</b>	
Cash	\$ <u>217,912</u>
<b>TOTAL CURRENT ASSETS</b>	217,912
 <b>PROPERTY AND EQUIPMENT</b>	
Property and equipment	30,708
Leasehold improvements	<u>7,095</u>
<b>TOTAL PROPERTY AND EQUIPMENT</b>	37,803
Accumulated depreciation	<u>(31,709)</u>
<b>NET PROPERTY AND EQUIPMENT</b>	<u>6,094</u>
 <b>TOTAL ASSETS</b>	
	\$ <u>224,006</u>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>	
Accrued workers' compensation	\$ <u>90</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>90</u>
<b>TOTAL LIABILITIES</b>	90
 <b>NET ASSETS</b>	
Unrestricted	<u>223,916</u>
<b>TOTAL NET ASSETS</b>	<u>223,916</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	
	\$ <u>224,006</u>

See accompanying notes to 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, 2012**

**UNRESTRICTED NET ASSETS**

**REVENUES**

Bed tax	\$ 270,000
Interest income	587
Rent income	<u>600</u>
<b>TOTAL REVENUES</b>	<b>271,187</b>

**EXPENSES**

Advertising, promotion and marketing	118,043
Professional fees	4,398
Travel and meetings	4,226
Bank service charges	17
Internet service and website	4,540
Office supplies	6,502
Wages	70,796
Payroll taxes	6,333
Payroll service	1,328
Postage and delivery	4,329
Rent	600
Grant	440
Repairs and maintenance	5,499
Depreciation	2,361
Telephone	1,793
Dues and subscriptions	4,619
Insurance	1,637
Public display	<u>9,170</u>
<b>TOTAL EXPENSES</b>	<b><u>246,631</u></b>

**CHANGE IN NET ASSETS** 24,556

**NET ASSETS AT BEGINNING OF YEAR** 199,360

**NET ASSETS AT END OF YEAR** \$ 223,916

See accompanying notes to financial statements.

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
STATEMENT OF CASH FLOWS  
MODIFIED CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash received for bed tax	\$ 270,000
Cash received for interest income	587
Cash received for rent income	600
Cash payments for employee wages and payroll taxes	(77,129)
Cash payments for other operating expenses	<u>(167,141)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>26,917</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	26,917
<b>CASH AT BEGINNING OF YEAR</b>	<u>190,995</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 217,912</u>

**RECONCILE CHANGE IN NET ASSETS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES**

Change in net assets	\$ 24,556
Depreciation	<u>2,361</u>
Net cash provided by operating activities	<u>\$ 26,917</u>

See accompanying notes to financial statements.

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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

Nature of Organization and Operations

The Grove City Area Visitors and Convention 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 an eleven 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.

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, and leasehold improvements are being depreciated over estimated useful lives of five, seven or ten 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.

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, 2012, 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.

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**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

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

Advertising, Promotion and Marketing

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

**NOTE 2 - LEASE**

The Bureau began leasing their office space at 3378 Park Street, Grove City, Ohio in September 2009. The City of Grove City owns the building in which the Bureau is located. A lease agreement between the City of Grove City and the Bureau has been executed for a term of sixty months commencing September 2009, with two options to extend the initial lease term each for an additional twelve month period. The lease agreement states that the Bureau shall not be required to pay any rent for the office space. The Bureau agrees to pay \$50 per month to the City of Grove City to help offset utilities and other costs which the Bureau records as rent expense.

**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, 2012, bed tax revenue included \$11,672 from underpayments carried forward from the year ended December 31, 2011.

**NOTE 4 – RENTAL INCOME**

In December 2009, the Bureau began renting space to the Franklin County Genealogical and Historical Society (the Society) for \$50 per month. For the year ended December 31, 2012, the Society paid the Bureau \$600 in rental income.

**NOTE 5 - CLEANING EXPENSE AND SUPPLIES**

The Bureau shares the building it rents with the Grove City Town Center, Franklin County Genealogical and Historical Society, and Southwest Historical Society. The Bureau pays the invoices for cleaning services and supplies directly. The Grove City Town Center, Franklin County Genealogical and Historical Society, and Southwest Historical Society each reimburse the Bureau monthly for a portion of the cleaning service and supplies. The Bureau's policy is to apply the reimbursement from the three other tenants toward the cleaning expense in order to offset the total cost.

**NOTE 6 - GRANT PROGRAM**

The Bureau may provide conditional grant funds to non-profit organizations and for-profit businesses to encourage and promote tourism and travel to Grove City and the Grove City Area. The grant program was added to the Bureau's Bylaws, as amended, January 21, 2009. In 2012, \$440 was spent for the grant program. The grant program was eliminated from the Bureau's Bylaws, November 28, 2012.

**NOTE 7 - 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.

**GROVE CITY AREA VISITORS AND CONVENTION BUREAU  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**NOTE 8 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 28, 2013, the date on which the financial statements were available to be issued, and there is one event to be reported. The event does not affect the financial statements of the Bureau. In February 2013, the Executive Director of the Bureau, Jim Hale, retired. Mr. Hale served as the Executive Director for many years. His replacement is Amanda Davis. She began working for the Bureau in November 2012 and worked with Mr. Hale until his retirement date.

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INDEPENDENT AUDITOR'S 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*

To the Board of Trustees  
Grove City Area Visitors and Convention Bureau  
Grove City, Ohio

We have audited, in accordance with the 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, the financial statements of Grove City Area Visitors and Convention Bureau (the Bureau), which comprise the statement of assets, liabilities and net assets as of December 31, 2012, and the related statements of revenues, expenses and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. 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 deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Bureau's financial statements are free from 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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INDEPENDENT AUDITOR'S 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, continued*

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Nale Taylor + Associates*

Dublin, Ohio  
June 28, 2013

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# Dave Yost • Auditor of State

**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  
SEPTEMBER 19, 2013**