

**REYNOLDSBURG VISITORS AND  
COMMUNITY ACTIVITIES BUREAU**

**FINANCIAL STATEMENTS**

**Years ended December 31, 2005 and 2004**





**Auditor of State  
Betty Montgomery**

Board of Directors  
Reynoldsburg Visitors and Community Activities Bureau  
7374 E. Main Street  
Reynoldsburg, Ohio 43068

We have reviewed the *Independent Auditors' Report* of the Reynoldsburg Visitors and Community Activities Bureau, Franklin County, prepared by Wolfe, Wilson & Phillips, Inc., for the audit period January 1, 2004 through December 31, 2005. 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 Reynoldsburg Visitors and Community Activities 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

September 18, 2006

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**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU  
FRANKLIN COUNTY**

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**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

**INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Reynoldsburg Visitors and Community Activities Bureau  
Reynoldsburg, Ohio 43068

We have audited the accompanying statement of financial position of Reynoldsburg Visitors and Community Activities Bureau (a not-for-profit organization) as of December 31, 2005 and 2004 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Bureau's management. 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 standard 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, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides the reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Reynoldsburg Visitors and Community Activities Bureau as of December 31, 2005 and 2004, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 24, 2006, on our consideration of Reynoldsburg Visitors and Community Activities Bureau's internal control structure 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.

***Wolfe, Wilson, & Phillips, Inc.***  
Zanesville, Ohio  
July 24, 2006

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2005 AND 2004**

|   | 2005      | 2004      |
|---|-----------|-----------|
| <b>ASSETS:</b>                          |           |           |
| <b>Current Assets:</b>                  |           |           |
| Cash and cash equivalents               | \$ 37,444 | \$ 41,258 |
| Bed Tax Receivable                      | 11,465    | 9,136     |
| Prepaid expenses                        | 174       | 174       |
| <b>Total Current Assets</b>             | 49,083    | 50,568    |
| Furniture and Equipment - net           | -         | -         |
| <b>TOTAL ASSETS</b>                     | \$ 49,083 | \$ 50,568 |
| <br><b>LIABILITIES AND NET ASSETS</b>   |           |           |
| <b>Current Liabilities</b>              |           |           |
| Payroll withholding payable             | \$ 1,594  | \$ 1,465  |
| Unrestricted Net Assets                 | 47,489    | 49,103    |
| <b>TOTAL LIABILITIES AND NET ASSETS</b> | \$ 49,083 | \$ 50,568 |

See notes to financial statements.

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU  
STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

|  | <u>2005</u>             | <u>2004</u>             |
|--|-------------------------|-------------------------|
| <b>REVENUE AND SUPPORT</b>             |                         |                         |
| Bed Tax                                | \$ 78,290               | \$ 72,988               |
| Fitness Challenge                      | 12,023                  | 14,491                  |
| Interest Income                        | 168                     | 96                      |
| Miscellaneous                          | 929                     | -                       |
| <b>TOTAL REVENUE AND SUPPORT</b>       | <u>91,410</u>           | <u>87,575</u>           |
| <b>EXPENSES:</b>                       |                         |                         |
| Advertising                            | 11,313                  | 4,712                   |
| Bank Service Charges                   | -                       | 60                      |
| Community Activities                   | 13,978                  | 10,143                  |
| COHC                                   | 844                     | 973                     |
| Co-op Fees                             | -                       | -                       |
| Dues and subscriptions                 | 1,555                   | 3,665                   |
| Heartland Fees                         | -                       | 334                     |
| Insurance                              | 5,483                   | 4,755                   |
| Meals and Entertainment                | 146                     | 587                     |
| Miscellaneous                          | 126                     | 74                      |
| Office and Postage                     | 1,644                   | 1,690                   |
| Professional Fees                      | 1,432                   | 1,977                   |
| Rent                                   | 4,140                   | 4,140                   |
| Salaries and Wages                     | 41,265                  | 40,063                  |
| Supplies                               | 3,906                   | 1,910                   |
| Taxes                                  | 3,527                   | 4,232                   |
| Telephone                              | 2,934                   | 2,703                   |
| Travel                                 | -                       | -                       |
| Utilities                              | 731                     | 617                     |
| <b>TOTAL EXPENSES</b>                  | <u>93,024</u>           | <u>82,635</u>           |
| <b>INCREASE IN NET ASSETS</b>          | (1,614)                 | 4,940                   |
| <b>NET ASSETS AT BEGINNING OF YEAR</b> | <u>49,103</u>           | <u>44,163</u>           |
| <b>NET ASSETS AT END OF YEAR</b>       | <u><u>\$ 47,489</u></u> | <u><u>\$ 49,103</u></u> |

See notes to financial statements.



**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

|  | 2005       | 2004      |
|--|------------|-----------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |            |           |
| Increase in Net Assets   | \$ (1,614) | \$ 4,940  |
| Adjustments to reconcile increase in net assets<br>to net cash provided by operating activities: |            |           |
| (Increase) Decrease in:  |            |           |
| Bed Tax Receivable   | (2,329)    | (775)     |
| Prepaid Expenses   | -          | (24)      |
| Increase (Decrease) in:  |            |           |
| Payroll Withholding Payable  | 129        | 43        |
|  | (3,814)    | 4,184     |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>   |            |           |
| <b>CASH AT BEGINNING OF YEAR</b>   | 41,258     | 37,074    |
| <b>CASH AT END OF YEAR</b>   | \$ 37,444  | \$ 41,258 |

See notes to financial statements.

**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES BUREAU  
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Description of the Entity**

The Reynoldsburg Visitors and Community Activities Bureau (“the Bureau”), a not-for-profit organization, was incorporated in 1989 to promote the economic development of the City of Reynoldsburg, Ohio on a local, state, and national level. Actively promoting the historical, cultural, recreational, and natural value and quality of the City; promoting travel, tourism, and convention activities; and creating a community calendar of events to achieve this purpose. The Bureau also assists in organizing and sponsoring community events in and around Reynoldsburg. The Bureau receives a majority of its revenue from the City of Reynoldsburg.

**Basis of Accounting**

These financial statements have been prepared utilizing the accrual method of accounting.

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Accounts Receivable**

This asset represents the amount of bed tax collected by the City of Reynoldsburg and payable to the Bureau as of the end of the year that have not yet been received by the Bureau.

**Furniture and Equipment**

These assets are recorded at cost. The Bureau follows the practice of capitalizing all expenditures for those assets with a cost of at least \$500 and a useful life of one year or greater. Depreciation is calculated by the straight-line method based on estimated useful lives of 5-7 years. Repairs and maintenance costs are charged to expense as incurred.

**Donated Services and Supplies**

No amounts have been recorded for donated services and supplies relating to the Fitness Challenge and other programs, since no objective basis is available to measure the value of such services and supplies.

**Income Taxes**

The Bureau is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code, and therefore has made no provisions for federal income taxes in the financial statements. In addition, the Bureau has been determined by the Internal Revenue Service not to be a “private foundation” within the meaning of Section 509(a) of the Internal Revenue Code.

**REYNOLDSBURG VISTIORS AND COMMUNITY ACTIVITIES BUREAU  
FRANKLIN COUNTY**

**NOTES TO FINANCIAL STATEMENTS**

**2. LEASE**

The Bureau leases office space under an operating lease. Under this lease, the Bureau pays rent on a year to year basis. Total rent expense was \$4,140 and \$4,120 for the years ending December 31, 2005 and 2004, respectively.

**3. CITY OF REYNOLDSBURG**

The Bureau's 1997 contract with the City of Reynoldsburg provides for general operations support from the revenues of the City's hotel/motel tax.

**4. PROGRAMS**

The Bureau organizes, participates in, and/or sponsors many local events including: the community prayer breakfast, Fourth of July and Founders Day celebrations, Ohio State Fair, Mount Carmel Health Fitness Challenge, Tomato Festival, Community Tree Lighting, and Christmas on the Town.

**5. CONCENTRATIONS**

Bed tax was 86% and 83% in 2005 and 2004, respectively, of all revenues.

**6. PROPERTY, PLANT, AND EQUIPMENT**

These assets are recorded at cost and shown net of accumulated depreciation of \$800 as of December 31, 2005 and 2004, respectively.

**7. CASH AND INVESTMENTS**

The Bureau maintains a checking account at Bank One. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

|                 |             |             |
|-----------------|-------------|-------------|
|                 | <u>2005</u> | <u>2004</u> |
| Demand deposits | \$37,444    | \$41,258    |

**8. RISK MANAGEMENT**

The Bureau has obtained commercial insurance for the following risks:

- \* Comprehensive property and general liability

**WOLFE, WILSON, & PHILLIPS, INC.  
37 SOUTH SEVENTH STREET  
ZANESVILLE, OHIO 43701**

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

To the Board of Directors  
Reynoldsburg Visitors and Community Activities Bureau  
Reynoldsburg, Ohio 43068

We have audited the statement of financial position of Reynoldsburg Visitors and Community Activities Bureau, a not-for-profit organization, as of and for the years ended December 31, 2005 and 2004 and the related statements of activities and cash flows, and have issued our report thereon dated July 24, 2006. 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 Reynoldsburg Visitors and Community Activities 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 over financial reporting 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 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 operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of Reynoldsburg Visitors and Community Activities Bureau in a separate letter dated July 24, 2006.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Reynoldsburg Visitors and Community Activities Bureau's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions 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 that are required to be reported under *Government Auditing Standards*.

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

**Wolfe, Wilson, & Phillips, Inc.**  
Zanesville, Ohio  
July 24, 2006



**Auditor of State  
Betty Montgomery**

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**REYNOLDSBURG VISITORS AND COMMUNITY ACTIVITIES 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  
OCTOBER 3, 2006**