

The Hilliard Convention & Visitors Bureau

*Audited Financial Statements
December 31, 2003 and 2002*



**Auditor of State
Betty Montgomery**

Board of Trustees
Hilliard Convention and Visitors Bureau
5354 Cemetery Road
Hilliard, Ohio 43026

We have reviewed the Independent Auditor's Report of the Hilliard Convention and Visitors Bureau, Franklin County, prepared by Rea & Associates, Inc., for the audit period January 1, 2002 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 Hilliard 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

July 15, 2004

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**The Hilliard Convention
& Visitors Bureau**

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THE HILLIARD CONVENTION & VISITORS BUREAU

**5354 Cemetery Road
Hilliard, Ohio 43026**

APPOINTED OFFICIALS

BOARD OF DIRECTORS

<u>NAME</u>	<u>TITLE</u>	<u>TERM EXPIRES</u>
Jon Meister	Board Member	Indefinite
Sandy Karnes	Board Member	Indefinite
Brian Dupont	Board Member	Indefinite
Barbara Cash	Board Member	Indefinite
John Brennan	Board Member	Indefinite
George Yoakam	Board Member	Indefinite
Bob Nicholes	Board Member	Indefinite
Chris Ramsey	Board Member	Indefinite

ADMINISTRATIVE PERSONNEL

Steve Craig	President	Indefinite
Tom Calhoon	Vice President	Indefinite
John W. Ulen	Treasurer	Indefinite
Brenda Kazmierczak	Executive Director	Indefinite

May 13, 2004

To the Board of Trustees
The Hilliard Convention & Visitors Bureau
Columbus, Ohio

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of assets and net assets – cash basis of The Hilliard Convention & Visitors Bureau (a not-for-profit organization) as of December 31, 2003 and 2002, and the related statements of revenues and expenditures and changes in net assets – cash basis for the years then ended. These financial statements are the responsibility of The Hilliard Convention & Visitors Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Except as explained in the following paragraph, 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 audits provide a reasonable basis for our opinion.

As described in Note 2 to the financial statements, these financial statements were prepared 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 receipts and disbursements of The Hilliard Convention & Visitors Bureau as of December 31, 2003 and 2002, and the changes in its cash and net assets for the years then ended on the basis of accounting described in Note 2.

In accordance with "Government Auditing Standards," we have also issued our report dated May 13, 2004 on our consideration of The Hilliard Convention & Visitors 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 audits.

Rea & Associates, Inc.

Rea & Associates, Inc.

Columbus
New Philadelphia
Millersburg
Coshocton
Cambridge
Marietta
Wooster
Medina
Lima

STATEMENTS OF ASSETS AND NET ASSETS - CASH BASIS
DECEMBER 31, 2003 AND 2002

	2003	2002
ASSETS		
Cash and cash equivalents	\$ 130,615	\$ 123,775
NET ASSETS		
Unrestricted	\$ 130,615	\$ 123,775

The accompanying notes are an integral part of these financial statements.

STATEMENTS OF REVENUES AND EXPENDITURES AND
CHANGES IN NET ASSETS - CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	2003	2002
REVENUES		
Tax revenues	\$ 55,663	\$ 45,908
Interest income	1,709	2,129
Membership fees	2,203	2,092
Total revenues	59,575	50,129
EXPENDITURES		
Salaries	22,667	21,583
Payroll taxes	1,962	1,917
Rent	7,500	6,375
Electric	848	1,265
Telephone	1,708	1,584
Postage	274	259
Bank charges	75	88
Printing	3,165	8,724
Office supplies	155	333
Insurance - casualty	300	300
Janitorial services	240	240
Dues	30	30
Trade publications	44	-
Entertainment	149	181
Website	685	680
Advertising	57	1,706
Event sponsorship	6,630	5,200
Computer management	257	240
Travel	507	590
Audit	-	2,889
Miscellaneous	226	228
Contributions	5,000	-
Computer service	-	270
Furniture/fixtures/equipment	256	2,331
Total expenditures	52,735	57,013
Excess (deficit) of revenues over expenditures	6,840	(6,884)
NET ASSETS, beginning of year	123,775	130,659
NET ASSETS, end of year	\$ 130,615	\$ 123,775

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Hilliard Convention and Visitors Bureau (the "Bureau") is a governmental agency, which is a promotional organization for the City of Hilliard (the "City"). It was established in 1991. Its purpose is to promote conventions and tourism in the community, to promote service organizations and businesses for the residents and visitors, and to comply with the legislative act of the city, which furthers the aims of the Bureau.

Cash and Cash Equivalents

The Organization considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

Unrestricted Net Assets

Net assets are resources that are not subject to donor-imposed stipulations.

Income Taxes

The Hilliard Convention & Visitors Bureau is an Ohio not-for-profit corporation and is exempt from state income tax. It is exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code.

Advertising Policy

The Organization's policy is to expense advertising costs as incurred. Advertising costs were \$57 and \$1,706 for the years ended December 31, 2003 and December 31, 2002, respectively.

Estimates

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

NOTE 2: BASIS OF PRESENTATION

The accompanying financial statements have been prepared on the cash basis of accounting. Under the cash basis of accounting, revenues and expenditures are recognized as cash is received and disbursed. The Statement of Assets and Net Assets reflects only a balance in cash and the net assets accounts, while the Statement of Revenues and Expenditures and Changes in Net Assets simply summarizes cash receipts and disbursements for each period.

NOTES TO FINANCIAL STATEMENTS

NOTE 3: RELIANCE ON BED TAX REVENUE

The Organization receives a significant amount of its support from a permissive lodging excise tax. The amount of this revenue is solely dependent on the number of hotel rooms in the city of Hilliard, the occupancy rate of those rooms, and the average rental rate. The excise tax is collected by the city of Hilliard Auditors office. The loss of this revenue would have an adverse effect on the Organization's financial condition.

NOTE 4: CONTRIBUTION COMMITMENT

The Organization has pledged \$15,000 to the YMCA of Central Ohio in support of the "Beat Goes On" Capital Campaign. A payment of \$5,000 was made in 2003 with the remaining \$10,000 to be paid in the following two years.

NOTE 5: LEASE OBLIGATION

The Organization currently rents office space on a month to month basis. Rental expense was \$7,500 and \$6,375 for 2003 and 2002, respectively.

NOTE 6: RELATED PARTY

The Organization paid for casualty insurance coverage of \$300 for each year ended December 31, 2003 and 2002 to a board member's company. The transactions involving this related party are considered to be at arm's length.

The Executive Director paid a nominal amount for a computer previously owned by the Organization.

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT 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 Trustees
The Hilliard Convention & Visitors Bureau
Columbus, Ohio

We have audited the financial statements of The Hilliard Convention & Visitors Bureau as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 13, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether The Hilliard Convention & Visitors 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 Hilliard Convention & Visitors 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 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 other matters involving the internal control over financial reporting that we have reported to management of The Hilliard Convention & Visitors Bureau in a separate letter dated May 13, 2004.

This report is intended solely for the information and use of the audit committee, management, and the State of Ohio, and is not intended to be and should not be used by anyone other than those specified parties.

Rea & Associates, Inc.

Rea & Associates, Inc.
May 13, 2004

Columbus
New Philadelphia
Millersburg
Coshocton
Cambridge
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**Auditor of State
Betty Montgomery**

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HILLIARD 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
AUGUST 17, 2004**