

Oxford Visitors and Convention Bureau

Butler County, Ohio

Regular Audit

January 1, 2002 through December 31, 2003

Fiscal Years Audited Under GAGAS: 2003 and 2002

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



**Auditor of State
Betty Montgomery**

Oxford Visitors and Convention Bureau
Oxford, Ohio

We have reviewed the Independent Auditor's Report of the Oxford Visitors and Convention Bureau, Butler County, prepared by Balestra, Harr & Scherer CPAs, 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 Oxford Visitors and Convention 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

March 9, 2005

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INDEPENDENT AUDITORS' REPORT

Oxford Visitors and Convention Bureau
Butler County, Ohio
30 W. Park Place
Oxford, Ohio 45056

We have audited the accompanying financial statements of the Oxford Visitors and Convention Bureau, (the Bureau), as of December 31, 2003 and 2002. 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 audits.

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 audits 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 1, the Bureau prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Oxford Visitors and Convention Bureau as of December 31, 2003 and 2002, 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 December 1, 2004 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 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 audits.

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

Balestra, Harr & Scherer, CPAs, Inc.
Balestra, Harr & Scherer, CPAs, Inc.

December 1, 2004

Oxford Visitors and Convention Bureau
 Statements of Cash Receipts, Cash Disbursements and Changes in Fund Cash Balances
 For the Years Ended December 31, 2003 and 2002

	2003	2002
Cash receipts:		
Motel tax	\$123,984	\$111,861
Community festivals	31,554	30,579
Other	1,067	21
Total cash receipts:	156,605	142,461
Cash disbursements:		
Administration		
Salaries	40,194	42,823
Payroll taxes and benefits	5,781	6,382
Total Administration	45,975	49,205
Operations		
Rent	3,960	4,290
Telephone	2,308	3,201
Postage	2,741	1,422
Insurance	1,086	1,115
Professional fees	5,473	11,031
Dues	570	900
Miscellaneous expenses	6,214	1,929
Travel	212	1,158
Office supplies and equipment	3,889	1,062
Education	15	55
Maintenance and repairs	500	478
Meals and entertainment	51	0
Total Operations	27,019	26,641
Project expenses		
Printing	2,693	3,284
Festival expenses	35,559	24,664
Advertising and promotion	55,942	20,137
Total project expenses	94,194	48,085
Total cash disbursements:	167,188	123,931
Total receipts over/(under) disbursements:	(10,583)	18,530
Fund cash balance, January 1:	58,022	39,492
Fund cash balance, December 31:	\$47,439	\$58,022

See accompanying notes to the financial statements.

Oxford Visitors and Convention Bureau
Butler County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2003 and 2002

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity:

The Oxford Visitors and Convention Bureau, Butler County, Ohio, (the Bureau) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Bureau was founded by the City of Oxford. The Bureau is directed by the Oxford Chamber of Commerce under a contract with the City of Oxford. It also has an appointed advisory board. The Bureau serves the public by encouraging economic development of the City of Oxford through the promotion of tourism.

The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

Basis of Accounting:

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

Cash and Investments:

The Bureau maintains a checking account at the local level. There were no investments in 2003 or 2002.

Fund Accounting:

The Bureau uses fund accounting to segregate cash and investments that are restricted as to use. The Bureau classifies its funds into the following type:

General Fund – The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Property, Plant and Equipment:

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

Budgetary Process:

Budgetary law, as outlined in Chapter 1 of the Ohio Revised Code, is not applicable to the Bureau. However, annual operating budgets are adopted by the Bureau as a management tool for monitoring financial activity and decision-making. Budgeted versus actual activity can be seen in Note 5.

NOTE 2-EQUITY IN POOLED CASH AND INVESTMENTS

The Bureau maintains a cash and investments pool used by the General Fund. The carrying amount of cash and investments at December 31 was as follows:

	2003	2002
Demand Deposits	\$47,439	\$58,022

Oxford Visitors and Convention Bureau
Butler County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2003 and 2002

NOTE 3-CONCENTRATION OF CASH REVENUE

The Bureau receives nearly all of its support from the City of Oxford Motel/Hotel Bed Tax.

NOTE 4-RELATED PARTY TRANSACTIONS

The Oxford Chamber of Commerce maintains the Visitors and Convention Bureau (VCB) as a separate entity as per agreement with the City of Oxford. This agreement is renewed annually and expires each December 31. This agreement includes providing staff and management. The Oxford Chamber of Commerce Board of Trustees oversees the functions of the VCB, through the Advisory Board. Two members of the advisory board also serve on the Oxford Chamber of Commerce Board of Trustees. Payroll is paid through the Chamber of Commerce and reimbursed by the VCB. Employees are on the Social Security and Medicare Systems.

NOTE 5-BUDGETARY ACTIVITY

Budgetary activity for the years ended December 31, 2003 and 2002 were as follows:

2003 Budgeted vs. Actual Receipts			
General Fund Type	Budgeted Receipts	Actual Receipts	Variance
Bed Tax	\$117,000	\$123,984	\$6,984
Other Receipts	35,000	32,621	(2,379)
Total	\$152,000	\$156,605	\$4,605

2003 Budgeted vs. Actual Expenditures			
General Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
Project Expenditures	\$72,290	\$94,194	(\$21,904)
General & Administrative	77,210	72,994	4,216
Total	\$149,500	\$167,188	(\$17,688)

2002 Budgeted vs. Actual Receipts			
General Fund Type	Budgeted Receipts	Actual Receipts	Variance
Bed Tax	\$115,000	\$111,861	(\$3,139)
Other Receipts	31,000	30,600	(400)
Total	\$146,000	\$142,461	(\$3,539)

2002 Budgeted vs. Actual Expenditures			
General Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
Project Expenditures	\$64,700	\$48,085	\$16,615
General & Administrative	81,300	75,846	5,454
Total	\$146,000	\$123,931	\$22,069

Oxford Visitors and Convention Bureau
Butler County, Ohio
Notes to the Financial Statements
For the Years Ended December 31, 2003 and 2002

NOTE 6-SUBSEQUENT EVENT

In 2004, the Bureau separated from the Oxford Chamber of Commerce and formed its own governing board. The Bureau employs its own staff and will enter into annual agreements directly with the City of Oxford.

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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*

Oxford Visitors and Convention Bureau
Butler County, Ohio
30 W. Park Place
Oxford, Ohio 45056

We have audited the financial statements of the Oxford Visitors and Convention Bureau, (the Bureau), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated December 1, 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.

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 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. However, we noted other matters involving the internal control over financial reporting, which we have reported to the management of the Oxford Visitors and Convention Bureau in a separate letter dated December 1, 2004.

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 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*.

Oxford Visitors and Convention Bureau
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

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

Balestra, Harr & Scherer, CPAs, Inc.

Balestra, Harr & Scherer, CPAs, Inc.

December 1, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

**OXFORD VISITORS AND CONVENTION BUREAU
BUTLER 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 22, 2005**