

Butler County Convention & Visitors Bureau

Butler County, Ohio

Regular Audit

January 1, 2006 through December 31, 2007

Years Audited Under GAGAS: 2007 and 2006

BALESTRA, HARR & SCHERER, CPAs, INC.

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Piketon, Ohio 45661

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Mary Taylor, CPA
Auditor of State

Board of Directors
Butler County Convention and Visitors Bureau
8750 Union Centre Boulevard
West Chester, Ohio 45069

We have reviewed the *Independent Auditor's Report* of the Butler County Convention and Visitors Bureau, Butler County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 Butler County Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 25, 2008

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Butler County Convention & Visitors Bureau
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Independent Auditor's Report

Board of Directors
Butler County Convention & Visitors Bureau
8750 Union Centre Boulevard
West Chester, Ohio 45069


We have audited the accompanying financial statements of the Butler County Convention & Visitors Bureau (the Bureau), as of and for the years ended December 31, 2007 and 2006, as listed in the table of contents. 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 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 financial position of the Bureau as of December 31, 2007 and 2006, and the change in financial position 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 June 26, 2008, 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.
June 26, 2008

BUTLER COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF FINANCIAL POSITION - CASH BASIS
December 31, 2007

ASSETS

Current Assets:

Cash \$ 1,634,800

Total Current Assets \$ 1,634,800

Total Assets \$ 1,634,800

NET ASSETS

Net Assets:

Unrestricted 1,634,800

Total Net Assets 1,634,800

Total Net Assets \$ 1,634,800

BUTLER COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

	2007
Unrestricted:	
Revenues	
County Bed Tax	\$ 753,208
Interest Income	59,085
Middletown CVB	45,000
FAM TOURS	250
Total Revenues	857,543
Expenses:	
Administration	
Bank Service Charges	0
CVB Board & Staff	2,658
Computer Equipment	10,350
Computer Software	10,370
Equip. Serv. Chrg & Rental	4,475
Fees, Dues & Subscriptions	611
Insurance	1,803
Internet Charges & Maint.	1,173
Middletown Accounting Fees	230
Middletown Telephone	397
Mileage & Parking	4,759
Miscellaneous	1,916
Office Furniture	11,292
Office Supplies	6,739
Professional Fees	36,015
Rent	34,957
Repairs & Janitorial	3,743
Shipping & Postage	1,956
Telephone	7,421
Training & Education	2,045
Utilities	3,999
Total Administration	146,910
Sales & PR	
Assoc. Meetings & Conven.	30,729
Association Memberships	8,231
Bid Fees & Sponsorships	27,203
Brochure Printing	41,471
Business & Entertainment	5,985
Gifts & Promotional Items	7,183
Group Tour Fam	1,584
Misc. S & PR	11,207
Trade Show Displays	4,836
Total Sales & PR	138,430
Advertising	
Graphic Design	57,027
Internet Ads	575
Internet Layout & Design	22,844
Magazine Ads	6,892
Misc. - Adv	12,822
Newspaper Ads	1,237
Total Advertising	101,397

BUTLER COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2007

Personnel	
FICA - Medicare	778
FICA - SS	3,328
FUTA Expense	62
Insurance - Dental	503
Insurance - Health	16,383
Insurance - Vision	218
Misc. Personnel	243
Payroll Taxes	9,962
Retirement	2,137
SUTA Expense	393
Salaries	162,683
Workers Compensation	322
Total Personnel	<u>197,011</u>
Research & Development	
Research	2,875
Total Research & Development	<u>2,875</u>
Total Expenses	<u>586,623</u>
Change in Net Assets	270,920
Net Assets, Beginning of Year	<u>1,363,880</u>
Net Assets, End of Year	<u><u>\$ 1,634,800</u></u>

BUTLER COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF FINANCIAL POSITION - CASH BASIS
December 31, 2006

ASSETS

Current Assets:

Cash \$ 1,363,880

Total Current Assets \$ 1,363,880

Total Assets \$ 1,363,880

NET ASSETS

Net Assets:

Unrestricted \$ 1,363,880

Net Assets \$ 1,363,880

Total Net Assets \$ 1,363,880

BUTLER COUNTY CONVENTION AND VISITORS BUREAU
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2006

	<u>2006</u>
Unrestricted Revenues:	
County Bed Tax	\$ 1,441,436
Interest Income	<u>12,893</u>
Total Revenues	<u>1,454,329</u>
Expenses:	
Administration	
Bank Service Charges	20
CVB Board & Staff	1,650
Computer Equipment	12,957
Fees, Dues & Subscriptions	1,043
Insurance	844
Mileage & Parking	772
Miscellaneous	459
Office Furniture	25,774
Office Supplies	886
Professional Fees	167
Rent	6,158
Shipping & Postage	257
Telephone	1,300
Utilities	<u>255</u>
Total Administration	<u>52,542</u>
Sales & PR	
Assoc. Meetings & Conven.	3,139
Association Memberships	285
Bid Fees & Sponsorships	1,750
Business & Entertainment	1,187
Misc. S & PR	<u>253</u>
Total Sales & PR	<u>6,614</u>
Advertising	
Graphic Design	617
Misc. - Adv	<u>1,138</u>
Total Advertising	<u>1,755</u>
Personnel	
Insurance - Health	5,029
Payroll Taxes	2,201
Salaries	<u>22,308</u>
Total Personnel	<u>29,537</u>
Total Expenses	<u>90,449</u>
Change in Net Assets	1,363,880
Net Assets, Beginning of Year	<u>-</u>
Net Assets, End of Year	<u>\$ 1,363,880</u>

BUTLER COUNTY CONVENTION AND VISITORS BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The Butler County Convention and Visitors Bureau (the Bureau) is a 501(c)(6) organization, and was created to promote and publicize Butler County, Ohio, to attract tourists into the county for their consumption of goods and services provided by the County's hospitality industry and the general business community. The organization also is in the business of increasing such tourists to create and generate new economic activity in the county.

Basis of Accounting:

The accompanying financial statements have been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

Consequently, receipts are recognized when received in cash rather than earned, and disbursements are recognized when a payment is made rather than when a liability is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Net Assets:

Unrestricted Net Assets are cash resources that are not subject to donor – imposed stipulations.

Cash and Cash Equivalents:

The Bureau maintains its cash balances in a demand deposit account and premium commercial money market account at a local commercial bank. There were no investments in 2007 or 2006. The Bureau maintains cash balances with one financial institution in West Chester, Ohio. Accounts at the institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. Throughout the year, the Bureau had uninsured balance. At December 31, 2007 and 2006, the Bureau had uninsured cash balances of \$1,481,040 and \$1,254,329, respectively.

Income Taxes

The Bureau is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code.

NOTE 2 – RELIANCE ON BED TAX REVENUE

The Bureau receives a significant amount of its support from permissive lodging excise tax. Butler County Commissioners adopted the imposition of the maximum amount of excise tax (3%) on transactions by which lodging by a hotel is or is to be furnished to guests. The excise tax is collected by the Butler County Auditors office. The County does not place any restrictions on the funds contributed to the Bureau. The loss of this revenue would have an adverse effect on the Bureau's financial condition.

NOTE 3 – OPERATING LEASE

The Bureau entered into an operating lease for office space during 2006. The lease period is for five years and is renewable for another five years. The operating lease expense was \$34,957 and \$6,158 for years ending December 31, 2007 and 2006, respectively.

BUTLER COUNTY CONVENTION AND VISITORS BUREAU
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

NOTE 3 – OPERATING LEASE (Continued)

The future lease payments are as follows:

12/31/2008	\$ 35,098
12/31/2009	\$ 41,871
12/31/2010	\$ 41,871
12/31/2011	<u>\$ 38,382</u>
	\$157,222

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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
Butler County Convention and Visitors Bureau
8750 Union Centre Blvd.
West Chester, Ohio 45069

We have audited the accompanying financial statements of the Butler County Convention and Visitors Bureau (the Bureau), as of and for the years ended December 31, 2007 and 2006, which collectively comprise the Bureau's basic financial statements as listed in the table of contents, and have issued our report thereon dated June 26, 2008 wherein we noted the Bureau follows the cash basis of accounting. 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 Bureau's cash basis of accounting 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 prevented 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.

Members of the Board

Butler County Convention and Visitors 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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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Bureau's basic 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 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 members of 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.

June 26, 2008



Mary Taylor, CPA
Auditor of State

BUTLER COUNTY CONVENTION AND VISITORS 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
SEPTEMBER 4, 2008**