

HILLIARD CONVENTION AND VISITORS BUREAU
AUDITED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008



Dave Yost • Auditor of State

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 Stemen, Mertens, Stickler, Phillips CPAs & Associates, for the audit period January 1, 2008 through December 31, 2009. 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 black ink that reads "Dave Yost".

Dave Yost
Auditor of State

April 4, 2011

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HILLIARD CONVENTION AND VISITORS BUREAU
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

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Stemen, Mertens, Stickler CPAs & Associates
Certified Public Accountants

(614) 224-0955 FAX (614) 224-0971 • 380 South 5th Street, The Americana, Suite 1 • Columbus, OH 43215

Member American Institute of
Certified Public Accountants

*Larry Stemen, CPA - retired

Member Ohio Society of
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Independent Auditor's Report

December 9, 2010

To the Board of Trustees
Hilliard Convention and Visitors Bureau
Hilliard, Ohio

We have audited the accompanying statements of assets and net assets - cash basis of the Hilliard Convention and Visitors Bureau, as of December 31, 2009 and 2008, and the related statements of revenues, expenses, and changes in net assets - cash basis for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these 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 our 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 A, these financial statements were prepared on the cash basis of accounting, 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 financial position of the Hilliard Convention and Visitors Bureau as of December 31, 2009 and 2008, and its revenues, expenses and changes in net assets for the years then ended, on the basis of accounting described in Note A.

In accordance with Government Auditing Standards, we have also issued our report dated December 9, 2010 on our consideration of the Hilliard Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws regulations, contracts and grants. 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 read in conjunction with this report in considering the results of our audits.

As more fully discussed in Note G, the Bureau's Board presented a motion to terminate operations at its January 20, 2010 meeting.

Stemen, Mertens, Stickler, CPAs & Associates

Stemen, Mertens, Stickler, CPAs & Associates
Columbus, Ohio

HILLIARD CONVENTION AND VISITORS BUREAU
 STATEMENTS OF ASSETS AND NET ASSETS - CASH BASIS
 AS OF DECEMBER 31, 2009 AND 2008

ASSETS

	<u>2009</u>	<u>2008</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 194,301	\$ 230,172
Total Current Assets	<u>\$ 194,301</u>	<u>\$ 230,172</u>

NET ASSETS

<u>Net Assets</u>		
Unrestricted	\$ 194,301	\$ 230,172
Total Net Assets	<u>\$ 194,301</u>	<u>\$ 230,172</u>

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

HILLIARD CONVENTION AND VISITORS BUREAU
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

CHANGES IN UNRESTRICTED NET ASSETS	Unrestricted	
	2009	2008
Revenue and Other Support		
Receipts From Excise Tax on Lodging	\$ 52,366	\$ 81,762
Interest Income	6,174	4,825
Total Revenue and Other Support	<u>58,540</u>	<u>86,587</u>
Expenses		
Salaries	26,400	26,400
Payroll Taxes	2,347	2,297
Rent	7,000	7,500
Electric	979	1,148
Telephone	2,172	2,084
Postage	97	171
Bank Charges	145	180
Printing	9,045	9,030
Office Supplies	1,344	788
Insurance - Casualty	412	412
Janitorial Services	-	260
Dues	35	35
Entertainment	166	41
Website	645	550
Advertising	14,659	2,435
Event Sponsorship	20,850	7,800
Grants	6,441	-
Travel	446	385
Audit	-	2,410
Miscellaneous	790	457
Computer Service	438	70
Total Expenses	<u>94,411</u>	<u>64,548</u>
(Decrease) Increase in Net Assets	(35,871)	22,039
Net Assets, Beginning of Year	<u>230,172</u>	<u>208,133</u>
Net Assets, End of Year	<u>\$ 194,301</u>	<u>\$ 230,172</u>

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

HILLIARD CONVENTION AND VISITORS BUREAU
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

A. Summary of Significant Accounting Policies

Nature of Activities

The Hilliard Convention and Visitors Bureau (the Organization) was created to promote, develop and encourage interest in tourist attractions in the City of Hilliard and to promote the City as a location for meetings and conventions of various organizations throughout the Ohio area. The Organization was established in 1991.

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

Cash and Cash Equivalents

The Organization considers the certificates of deposit with maturities of less than one year to be cash equivalents.

Unrestricted Net Assets

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

Income Taxes

The Organization is exempt from Federal Income Tax under Section 501(c)(6) of the Internal Revenue Code and therefore, no provision has been made for income taxes.

B. Equity in Pooled Cash and Cash Equivalents

The Organization maintains a pool of deposits used by all funds. The carrying amount of cash and deposits at December 31, consisted of the following:

	2009	2008
Petty Cash	\$ 50	\$ 50
Checking	2,309	1,513
Savings	191,942	78,609
Certificates of Deposit	-	150,000
Total	\$ 194,301	\$ 230,172

C. Reliance on Bed Tax Receipts

The Organization receives a significant amount of its support from a permissive lodging excise tax. The amount of receipts 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 Auditor's office. The loss of these receipts would have an adverse effect on the Organization's financial condition.

D. Advertising

Cost of advertising and promotion are recognized when paid. The amount charged to advertising expense for the years ended December 31, 2009 and 2008 was \$14,659 and \$2,435, respectively.

E. Lease Obligation

The Organization rented office space on a month to month basis. Rental expense was \$7,000 and \$7,500 for the years ending December 31, 2009 and 2008, respectively.

HILLIARD CONVENTION AND VISITORS BUREAU
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

F. Related Party

The Organization paid casualty insurance coverage to a Board member's company of \$412 and \$412 during 2009 and 2008, respectively. The transaction involving this related party is considered to be at arm's length.

G. Ceased Operations

On January 20, 2010, due to the fact that the City of Hilliard had discontinued the funding of the Convention Bureau through the bed tax, the Bureau's Board approved a motion to terminate operations.

H. Subsequent Events

The Organization's Board agreed to terminate the Bureau during a meeting held on January 20, 2010. The Board motion to terminate operations included a plan to continue business as usual until April 30, 2010. During this time the Organization would be able to give notice to the landlord, distribute furniture and complete other closing of operations requirements.

The Bureau continued to receive tax funds and disburse cash from January 1, 2010 until August 31, 2010. The following transactions occurred during this time:

Revenue and Other Support

Receipts From Excise Tax on Lodging	\$ 37,484
Interest Income	40
Total Revenue and Other Support	37,524

Expenses

Salaries	28,800
Payroll Taxes	2,203
Rent	1,500
Event Sponsorship	40,000
Grants/Special Projects	143,500
Accounting Fees	5,000
Other Costs	2,113
Total Expenses	223,116

Cash Expenses in Excess of Receipts	(185,592)
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Cash Balance, January 1, 2010	194,301
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Cash Balance, August 31, 2010	\$ 8,709
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I. Cash Balance in Bank Account

As of the date of the audit, December 9, 2010, the Bureau's cash in bank balance was \$8,575.37. The Board has decided after payment of accounting fees and any other costs that the remaining cash balance would be disbursed to the Franklin County Agricultural Society.

J. Evaluation of Subsequent Events

The Organization has evaluated subsequent events through December 9, 2010, the date which the financial statements were available to be issued.



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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

To the Board of Trustees
 Hilliard Convention and Visitors Bureau
 Hilliard, Ohio

We have audited the accompanying financial statements of the Hilliard Convention and Visitors Bureau as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated December 9, 2010, wherein we noted that the Hilliard Convention and Visitors Bureau did not follow accounting principles accepted in the United States of America, and also noted the Bureau's Board presenting a motion to terminate operations at its January 20, 2010 meeting. 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 Hilliard Convention and Visitors 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 Hilliard Convention and Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Hilliard Convention and Visitors Bureau's internal control over financial reporting.

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 a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Hilliard Convention and Visitors 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 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 the management, Board of Trustees, and State of Ohio agencies and is not intended to be and should not be used by anyone other than these specified parties.

Stemen, Mertens, Stickler, CPAs & Associates

Stemen, Mertens, Stickler, CPAs & Associates
 Columbus, Ohio
 December 9, 2010

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Dave Yost • Auditor of State

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
APRIL 14, 2011