

**NORTHERN CINCINNATI CONVENTION  
AND VISITORS BUREAU**

**December 31, 2009**

*FINANCIAL STATEMENT AND INDEPENDENT AUDITORS'  
REPORT INCLUDING SUPPLEMENTAL INFORMATION*



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# Dave Yost • Auditor of State

Board of Trustees  
Northern Cincinnati Convention and Visitors Bureau  
138 E. Court Street, Room 607  
Cincinnati, Ohio 45202

We have reviewed the *Independent Auditors' Report* of the Northern Cincinnati Convention and Visitors Bureau, Hamilton County, prepared by VonLehman and Company, Inc., for the audit period January 1, 2009 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 Northern Cincinnati 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

January 31, 2011

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**NORTHERN CINCINNATI CONVENTION AND VISITORS BUREAU  
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**INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees  
Northern Cincinnati Convention and Visitors Bureau  
Sharonville, Ohio

We have audited the accompanying statement of cash receipts, cash disbursements and change in cash balance of the Northern Cincinnati Convention and Visitors Bureau, Hamilton County, Ohio (a not-for-profit corporation) (the Organization), as of and for the year ended December 31, 2009. This financial statement is the responsibility of the Organization's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and the 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 more fully in Note 1, the Organization has prepared this financial statement on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, cash disbursements and cash balance arising from the cash transactions of the Organization, as of December 31, 2009 and for the year then ended on the basis of accounting described in Note 1.

As discussed in Note 7 to the financial statements, on December 9, 2009, the Board of Directors decided that due to loss of funding sources to close the Organization.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2010 on our consideration of the Organization'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 conjunction with this report in considering the results of our audit.

*VonLehman & Company Inc.*

Cincinnati, Ohio  
December 14, 2010

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**NORTHERN CINCINNATI CONVENTION AND VISITORS BUREAU  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND  
CHANGE IN CASH BALANCE**

	<b>Year Ended December 31, 2009</b>
	<u>                    </u>
<b>Cash Receipts</b>	
Greater Cincinnati Convention and Visitors Bureau Grant	\$ 312,500
Hamilton County Hotel Tax Grant	312,500
Miscellaneous Income	16,164
Interest Income	<u>1</u>
 Total Cash Receipts	 <u>641,165</u>
<b>Cash Disbursements</b>	
Salaries and Wages	271,097
Payroll Taxes	20,416
Sales and Marketing	382,525
Greater Cincinnati Sports Corporation Contribution	54,359
Professional Fees	29,670
Utilities	16,727
Travel and Entertainment	14,296
Office Expense	12,113
Membership	468
Supplies	2,165
Computer Expense	<u>5,373</u>
 Total Cash Disbursements	 <u>809,209</u>
 Change in Cash Balance	 (168,044)
 <b>Beginning Cash Balance, January 1, 2009</b>	 <u>168,044</u>
 <b>Ending Cash Balance, December 31, 2009</b>	 <u><u>\$ -</u></u>

See accompanying notes.

**NORTHERN CINCINNATI CONVENTION AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENT**

**NOTE 1 - ACCOUNTING POLICIES**

The Northern Cincinnati Convention and Visitors Bureau (the Organization) was a not-for-profit corporation formed under the laws of the State of Ohio. It operated in Sharonville, Ohio, and was supported primarily through grants from the Greater Cincinnati Convention and Visitors Bureau and the Hamilton County hotel tax. The purpose of the Organization was to promote and publicize the northern Cincinnati suburbs for tourism, meetings and conventions.

The Organization discontinued operations in 2009. See Note 7 for more details.

A summary of the significant accounting policies applied in the accompanying financial statement follows:

**Basis of Accounting**

The Organization's policy was to prepare its financial statement on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Cash receipts are recognized when received rather than when earned, and cash disbursements are recognized when paid rather than when a liability is incurred. Accordingly, the accompanying financial statement is not intended to present the Organization's financial position and results of operations in conformity with U.S. GAAP.

**Credit Risk**

During the year ended December 31, 2009, the Organization's funds were in an interest bearing checking account. The Organization had funds in a financial institution which were not in excess of the 2009 federally insured limit of \$250,000 for interest-bearing accounts, so the Organization was not exposed to potential loss for funds in excess of the federal insured limit as of December 31, 2009.

**Income Taxes**

The Organization was exempt from federal income tax under Section 501(c)(6) of the Internal Revenue Code and none of its activities were subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statement.

The Organization adopted the U.S. GAAP guidance regarding Accounting for Uncertainty in Income Taxes as it relates to uncertain tax positions for the year ended December 31, 2009 and evaluated its tax positions taken for all open tax years. Currently, the 2008, 2007, and 2006 tax years are open and subject to examination by the Internal Revenue Service and Ohio Department of Revenue. However, the Organization is not currently under audit nor has the Organization been contacted by either of these jurisdictions.

Based on the evaluation of the Organization's tax position, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended December 31, 2009.

**Functional Expenditures**

The costs of providing various programs and other activities have been summarized on a natural basis in the statement of cash receipts, cash disbursements and change in cash balance. All of the Organization's expenditures relate to program services.



**NOTE 1 - ACCOUNTING POLICIES (Continued)**

**Unrestricted Net Assets**

Unrestricted net assets of the Organization were used at the discretion of management to support the Organization's purposes and operations. Unrestricted net assets were \$0 at December 31, 2009.

There were no temporarily or permanently restricted net assets at December 31, 2009 either.

**NOTE 2 - CASH RECEIPTS**

The Organization's primary sources of cash receipts were from the Greater Cincinnati Convention and Visitors Bureau and Hamilton County under a funding agreement adopted on September 3, 2003. The original funding agreement ended on December 31, 2004, but had been extended through June 30, 2009.

**NOTE 3 - OPERATING LEASE**

The Organization leased office space located at 11641 Chester Road in Sharonville, Ohio, from the City of Sharonville for \$1 per year. In addition, the Organization was required to pay the related utility expenses based on a square footage calculation. The lease term began December 1, 2003 and was renewed for one year periods thereafter through the Organization's closing in October, 2009.

**NOTE 4 - RETIREMENT PLAN**

The Organization had a Simple IRA retirement plan with Ameriprise Financial. The Organization matched 3% of employee deferrals. The Organization's contribution to the plan was \$4,133 for the year ended December 31, 2009.

**NOTE 5 - COMMITMENTS**

The Organization entered into a three-year operational funding agreement with the Greater Cincinnati Sports Corporation (GCSC), the Greater Cincinnati Convention and Visitors Bureau, and the Northern Kentucky Convention and Visitors Bureau on January 1, 2006.

During 2009, the Organization contributed \$54,359 to the GCSC.

**NOTE 6 - BUSINESS CONCENTRATION**

The organization received the majority of its revenue from two sources. For 2009, the Greater Cincinnati Convention and Visitors Bureau provided 49% of the Organization's total revenue, while Hamilton County also provided 49%. The Organization was dependent upon continued funding from both sources to remain in operation.

**NOTE 7 - DISCONTINUED OPERATIONS**

As discussed in the Business Concentration note, the Organization was dependent on funding from the Greater Cincinnati Convention and Visitors Bureau and Hamilton County for its continued operation. In 2009, a decision was made by the Cincinnati City Council to eliminate funding from the Greater Cincinnati Convention and Visitors Bureau to the Northern Cincinnati Convention and Visitors Bureau. The ability of the Organization to continue operating at its current level was dependent upon its ability to generate sufficient cash flow to meet its anticipated obligations on a timely basis. Therefore, in 2009, the Board of the Northern Cincinnati Convention and Visitors Bureau decided to cease operations in its current capacity. The office closed and the employees were terminated as of October 31, 2009. On December 9, 2009, the Board of Directors decided to dissolve the Northern Cincinnati Convention and Visitors Bureau. All intellectual property will be donated to the Regional Tourism Network.

**NOTE 8 - SUBSEQUENT EVENTS**

Management has evaluated events through December 14, 2010 for inclusion and disclosure in this financial statement, the date that the financial statement was available to be issued. The Organization did not have any events subsequent to December 31, 2009 and December 14, 2010 to disclose.

**SUPPLEMENTAL INFORMATION**

**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  
Northern Cincinnati Convention and Visitors Bureau  
Sharonville, Ohio

We have audited the financial statement of the Northern Cincinnati Convention and Visitors Bureau as of and for the year ended December 31, 2009, and have issued our report thereon dated December 14, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards 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 Northern Cincinnati Convention and Visitors Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of Northern Cincinnati Convention and Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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, to 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 statement will not be prevented, or detected and corrected on a timely basis.

Our consideration of the 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 considered to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses, which we considered to be a significant deficiency in internal control over financial reporting (Finding 2009-001). A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Board of Trustees  
Northern Cincinnati Convention and Visitors Bureau  
Page Two

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statement is 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses (Findings 2009-002, 2009-003 and 2009-004).

The Organization's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Organization's responses and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the audit committee, Board of Directors, and awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*VonLehman & Company Inc.*

Cincinnati, Ohio  
December 14, 2010

NORTHERN CINCINNATI CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2009

FINDINGS AND RESPONSES RELATED TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Internal Control Over Financial Reporting

<b>Finding Number</b>	<b>2009-001</b>
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**Significant Deficiency**

*Record Certain Journal Entries Prior to Year End (Repeated from prior audit)* - The Organization incurred certain material transactions for which it did not record the entire effect of the transaction during the year, and required adjustment during the audit. We made entries regarding fixed assets and cash.

All material transactions must be recorded by the entity as they become known, not simply in connection with the financial statement audit.

*Northern Cincinnati Convention and Visitors Bureau response:* Not all prior year audit journal entries were posted. Due to timing of prior year audit and closing of entity, entity was unable to post entries.

Compliance and Other Matters

<b>Finding Number</b>	<b>2009-002</b>
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**Compliance**

*Obtain General and Professional Liability Insurance (Repeated from prior audit)* - The "Agreement for the Use of County Residual Transient Occupancy Funds Between the Board of County Commissioners of Hamilton County, Ohio and Northern Cincinnati Convention and Visitors Bureau" requires the Organization to maintain professional liability and general liability insurance coverages as are reasonably necessary to cover any liability arising out of the acts or omissions of the Organization and its employees. As of December 31, 2008, the Organization did not have professional liability or general liability insurance coverages.

*Northern Cincinnati Convention and Visitors Bureau response:* Upon being informed of this requirement, the Treasurer contacted an agent for All State Insurance Company. The Agent could not write the insurance through his company so he did an extensive search for a company which would. After finally satisfying the many questions that were asked, the news arrived that funding would be cut off. That fact made it impossible to obtain the insurance.

NORTHERN CINCINNATI CONVENTION AND VISITORS BUREAU

SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2009  
(Continued)

FINDINGS AND RESPONSES RELATED TO THE INTERNAL CONTROL OVER FINANCIAL REPORTING REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

Compliance and Other Matters

<b>Finding Number</b>	<b>2009-003</b>
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**Other**

*Make Simple IRA Retirement Plan Contributions in Accordance With the Plan (Repeated from prior audit) -* The Organization maintains a Simple IRA retirement plan for its employees. Employees may contribute a portion of their salary and the Organization contributes up to 3% of salary in matching funds. Through review of the funds received by the third party administrator and the funds to be contributed per the payroll documentation, we noted that less was contributed by the Organization than was withheld from employees and required to be matched by the Organization.

*Northern Cincinnati Convention and Visitors Bureau response:* This question is still under review. The company that receives the funds has no information on the individual's pay and the percentage of funds to be invested so they cannot resolve this question. The Director stated that he informed the payroll company to forward the correct amount to the company that receives the funds. Therefore, the information needed must come from the payroll company. We are awaiting a response from the payroll company.

<b>Finding Number</b>	<b>2009-004</b>
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**Other**

*Obtain Fidelity Bonds (Repeated from prior audit) -* The Organization does not maintain fidelity bonds on key personnel. The Organization should consider obtaining bonds of at least \$500,000 for key personnel to protect the Organization against a misappropriation of assets.

*Northern Cincinnati Convention and Visitors Bureau response:* Upon being informed of this requirement, the Treasurer contacted an agent for All State Insurance Company. The Agent could not write the bonds through his company so he did an extensive search for a company which would. After finally satisfying the many questions that were asked, the news arrived that funding would be cut off. That fact made it impossible to obtain the bonds.

**NORTHERN CINCINNATI CONVENTION AND VISITORS BUREAU**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENT REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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Finding Number	Finding Summary	Fully Corrected?	Not corrected, Partially Corrected; Significantly Different Corrective Action Taken or Finding No Longer Valid: <b>Explain</b>
<b>Internal Control Over Financial Reporting</b>			
2008-001	Follow Policy Requiring Two Board Member Signatures on Checks Over \$3,000 and Executive Director and a Board Member Signatures on Checks Over \$1,500	Yes	
2008-002	Board Should Set Employee Compensation	Yes	
2008-003	Address Lack of Segregation of Duties	Yes	
2008-004	Record Certain Journal Entries Prior to Year End	No	Not corrected. Refer to Finding 2009-001
<b>Compliance and Other Matters</b>			
2008-005	Obtain General and Professional Liability Insurance	No	Not corrected. Refer to Finding 2009-002
2008-006	Make Simple IRA Retirement Plan Contributions in Accordance with the Plan	No	Not corrected. Refer to Finding 2009-003
2008-007	Obtain Fidelity Bonds	No	Not corrected. Refer to Finding 2009-004





# Dave Yost • Auditor of State

**NORTHERN CINCINNATI CONVENTION AND VISITORS BUREAU**

**HAMILTON 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  
FEBRUARY 10, 2011**