



**Auditor of State
Betty Montgomery**

**GREATER HAMILTON CONVENTION AND VISITORS BUREAU
BUTLER COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts and Cash Disbursements For the Years Ended December 31, 2005 and 2004	5
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	9

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**Auditor of State
Betty Montgomery**

Greater Hamilton Convention and Visitors Bureau
Butler County
1 High Street
Suite 2
Hamilton, Ohio 45011

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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Betty Montgomery
Auditor of State

October 27, 2006

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Greater Hamilton Convention and Visitors Bureau
Butler County
1 High Street
Suite 2
Hamilton, Ohio 45011

To the Board of Trustees:

We have audited the accompanying financial statements of the Greater Hamilton Convention and Visitors Bureau, Butler County, Ohio (the Bureau), as of and for the years ended December 31, 2005 and 2004. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Bureau has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Bureau to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. While the Bureau does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Bureau has elected not to reformat its statements. Since this Bureau does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2005 and 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Bureau as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Greater Hamilton Convention and Visitors Bureau, Butler County, Ohio, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Bureau to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Bureau has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2006, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

October 27, 2006

**GREATER HAMILTON CONVENTION AND VISITORS BUREAU
BUTLER COUNTY**

**STATEMENT OF CASH RECEIPTS AND
CASH DISBURSEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

Cash Receipts:	<u>2005</u>	<u>2004</u>
Lodging Tax	\$51,922	\$74,792
Intergovernmental	147,240	
Sales	477	
Miscellaneous	13,029	
	<hr/>	<hr/>
Total Cash Receipts	<u>212,668</u>	<u>74,792</u>
Cash Disbursements:		
Payroll	31,368	23,888
Advertising	13,306	5,241
Festivals and Shows	539	
Office Expenses	11,972	4,150
Web Site Maintenance		1,080
Dues & Subscriptions	1,352	1,130
Telephone	7,208	2,703
Utilities	1,030	375
Audit Fees		2,872
Insurance	1,631	1,344
Capital Outlay	147,240	
Miscellaneous	9,416	2,509
	<hr/>	<hr/>
Total Cash Disbursements	<u>225,062</u>	<u>45,292</u>
Change in Net Assets	(12,394)	29,500
Net Assets, January 1	<u>46,517</u>	<u>17,017</u>
Net Assets, December 31	<u>\$34,123</u>	<u>\$46,517</u>

The notes to the financial statements are an integral part of this statement.

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**GREATER HAMILTON CONVENTION AND VISITORS BUREAU
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Greater Hamilton Convention and Visitors Bureau, Butler County, Ohio (the Bureau), is a non-governmental not-for-profit organization. The Bureau is directed by an elected eleven-member Board of Trustees. Board members are elected by the members of the Bureau. The Bureau was formed to promote travel and tourism in the Greater Hamilton area as part of the County's overall economic development program. The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting the Auditor of State prescribes or permits, which is similar to the cash receipts and disbursements basis of accounting. This basis recognizes receipts when received in cash rather than when earned, and recognizes disbursements 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.

C. Cash Deposits

The Bureau maintains its cash balance in a demand deposit account at a local commercial bank and maintains a \$200 petty cash fund that is recorded on the books. Demand deposits are collateralized by the Federal Depository Insurance Corporation. There were no investments in 2005 or 2004.

D. Hotel and Lodging Bed Tax

The Bureau receives tax receipts as authorized under legislation approved by the Ohio Legislature. In 1993, the City of Hamilton levied a six percent excise tax on transactions by which lodging by a hotel or motel is furnished to transient guests within the City of Hamilton. At this time, half of the monies were remitted to the Bureau. In 1998, the Bureau started receiving all of this tax. The tax is collected by the City of Hamilton and is distributed on a quarterly basis.

E. Budgetary Process

The Bureau prepares an annual budget for its internal use. However, there is no legal requirement for the Bureau to prepare a budget.

F. 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.

**GREATER HAMILTON CONVENTION AND VISITORS BUREAU
BUTLER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

2. INCOME TAX STATUS

The Bureau was formed as a non-profit corporation in Ohio and has received income tax exempt status from the Internal Revenue Service.

3. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

4. CONCENTRATION OF RISK

The Bureau receives substantial revenue from the lodging excise tax which is levied by the City of Hamilton. A reduction of that tax could have a significant impact on the operations of the Bureau.

5. RETIREMENT SYSTEM

The Bureau's full-time employee paid into Social Security (FICA) and Medicare. For 2005 and 2004, this employee contributed 7.65%, with the Bureau contributing the same percentage.

6. SUBSEQUENT EVENTS

The Bureau's main source of income is the six percent lodging/bed tax charged by motels and hotels on certain transient guests with the City of Hamilton. The Hamiltonian Hotel is the largest hotel in the City and is scheduled to close in December 2006 for approximately six months for the purpose of making renovations and other improvements. This will have a significant impact on the Bureau.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Greater Hamilton Convention and Visitors Bureau
Butler County
1 High Street
Suite 2
Hamilton, Ohio 45011

To the Board of Trustees:

We have audited the financial statements of the Greater Hamilton Convention and Visitors Bureau, Butler County, Ohio (the Bureau), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated October 27, 2006, wherein we noted the Bureau followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting 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 material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Bureau's management dated October 27, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of management, and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 27, 2006



**Auditor of State
Betty Montgomery**

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GREATER HAMILTON 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
NOVEMBER 9, 2006**