

The Hilliard Convention & Visitors Bureau

Audited Financial Statements

December 31, 2005 and 2004



**Auditor of State
Betty Montgomery**

Board of Directors
Hilliard Convention and Visitors Bureau
5354 Cemetery Rd.
Hilliard, OH 43026

We have reviewed the *Independent Auditor's Report* of the Hilliard Convention and Visitors Bureau, Franklin County, prepared by Rea & Associates, Inc., for the audit period January 1, 2004 through December 31, 2005. 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 cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

August 7, 2006

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**The Hilliard Convention
& Visitors Bureau**

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

May 4, 2006

To the Board of Trustees
The Hilliard Convention & Visitors Bureau
Hilliard, Ohio

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying statements of assets and net assets – cash basis of The Hilliard Convention & Visitors Bureau (a not-for-profit Organization) as of December 31, 2005 and 2004, and the related statements of revenue, 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 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 audits provide a reasonable basis for our opinion.

As described in Note 1, the Organization prepared these financial statements on the cash basis of accounting, 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 assets and net assets of The Hilliard Convention & Visitors Bureau as of December 31, 2005 and 2004, and its revenue, expenses and the changes in its net assets 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 May 4, 2006 on our consideration of The Hilliard Convention & Visitors 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 conjunction with this report in assessing the results of our audits.

Rea & Associates, Inc.

Rea & Associates, Inc.

STATEMENTS OF ASSETS AND NET ASSETS - CASH BASIS
AS OF DECEMBER 31, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 144,751	\$ 126,292
Total assets	<u>\$ 144,751</u>	<u>\$ 126,292</u>
<u>NET ASSETS</u>		
NET ASSETS:		
Unrestricted	\$ 144,751	\$ 126,292
Total net assets	<u>\$ 144,751</u>	<u>\$ 126,292</u>

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

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004

	2005	2004
CHANGES IN UNRESTRICTED NET ASSETS		
REVENUE AND OTHER SUPPORT:		
Receipts from excise tax on lodging	\$ 70,229	\$ 48,692
Interest income	2,014	1,121
Membership fees	1,875	1,200
	74,118	51,013
EXPENSES:		
Salaries	24,500	24,000
Payroll taxes	2,088	2,051
Rent	7,500	7,500
Electric	1,135	995
Telephone	2,198	1,654
Postage	192	148
Bank charges	60	61
Printing	5,157	4,369
Office supplies	336	216
Insurance - casualty	472	342
Janitorial services	220	220
Dues	30	30
Entertainment	80	331
Website	1,112	885
Advertising	1,010	-
Event sponsorship	3,410	3,500
Computer management	161	230
Travel	438	381
Audit	-	3,223
Miscellaneous	350	200
Contributions	5,000	5,000
Computer service	210	-
	55,659	55,336
	18,459	(4,323)
NET ASSETS, beginning of year	126,292	130,615
	\$ 144,751	\$ 126,292
	144,751	126,292

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

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Hilliard Convention & 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. It 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 a payment is made rather than when a liability is incurred. Accordingly, the accompanying statements of revenue, expenses and changes in net assets is not intended to present the financial position and results of operations in conformity with accounting principles accepted in the United States of America.

Cash and Cash Equivalents

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

Unrestricted Net Assets

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

Income Taxes

The Organization is exempt from Federal Income Tax under Internal Revenue Section 501(c)(6) and therefore has not made any provision for Federal income taxes.

NOTE 2: 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:

	2005	2004
Petty cash	\$ 50	\$ 50
Checking	1,913	1,114
Savings	42,788	75,128
Certificates of deposit	100,000	50,000
Total	<u>\$ 144,751</u>	<u>\$ 126,292</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 3: 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 Auditors office. The loss of these receipts would have an adverse effect on the Organization's financial condition.

NOTE 4: ADVERTISING

Costs of advertising and promotion are recognized when paid. The amount charged to advertising expense for the years ended December 31, 2005 and 2004 was \$1,010 and \$0, respectively.

NOTE 5: CONTRIBUTION COMMITMENT

The Organization has pledged \$15,000 to the YMCA of Central Ohio in support of the "Beat Goes On" Capital Campaign. Payments of \$5,000 were made in 2005 and 2004 to complete the pledge.

NOTE 6: LEASE OBLIGATION

The Organization currently rents office space on a month to month basis. Rental expense was \$7,500 for each of the years ending December 31, 2005 and 2004.

NOTE 7: RELATED PARTY

The Organization paid casualty insurance coverage to a board member's company of \$472 and \$342 during 2005 and 2004, respectively. The transactions involving this related party are considered to be at arm's length.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' 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
The Hilliard Convention & Visitors Bureau
Hilliard, Ohio

We have audited the accompanying financial statements of The Hilliard Convention & Visitors Bureau (the Organization) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated May 4, 2006, wherein we noted that the Organization prepared in financial statements using the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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 Organization'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 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 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 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 that do not require inclusion in this report, that we have reported to management of the Organization in a separate letter dated May 4, 2006.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 and other matters that are required to be reported under *Government Auditing Standards*.

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

Rea & Associates, Inc.

Rea & Associates, Inc.

May 4, 2006



**Auditor of State
Betty Montgomery**

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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
AUGUST 17, 2006**