

Oxford Visitors and Convention Bureau

Butler County, Ohio

Regular Audit

January 1, 2004 through December 31, 2005

Fiscal Years Audited Under GAGAS: 2005 and 2004

**BALESTRA, HARR & SCHERER, CPAs, INC.**

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Mary Taylor, CPA  
Auditor of State

Board of Trustees  
Oxford Visitors and Convention Bureau  
30 West Park Place, 2nd Floor  
Oxford, Ohio 45056

We have reviewed the *Independent Auditors' Report* of the Oxford Visitors and Convention Bureau, Butler County, prepared by Balestra, Harr & Scherer, CPAs, 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 Oxford Visitors and Convention Bureau is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

January 19, 2007

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**INDEPENDENT AUDITORS' REPORT**

Oxford Visitors and Convention Bureau  
Butler County, Ohio  
30 W. Park Place  
Oxford, Ohio 45056

We have audited the accompanying financial statements of the Oxford Visitors and Convention Bureau, (the Bureau), as of December 31, 2005 and 2004. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on the financial statements based on our audits.

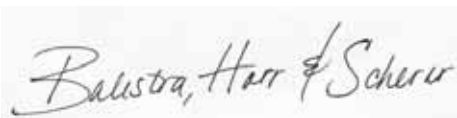
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits 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 Bureau prepares its financial statements 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 cash balances of the Oxford Visitors and Convention Bureau as of December 31, 2005 and 2004, and the cash receipts and disbursements 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 October 25, 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. 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 audits.

This report is intended solely for the information and use of management and 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.

October 25, 2006

**Oxford Visitors and Convention Bureau**  
*Statements of Cash Receipts, Cash Disbursements and Changes in Cash Balances*  
*For the Years Ended December 31, 2005 and 2004*

	2005	2004
Cash receipts:		
Motel tax	\$101,600	\$133,049
Project revenue	28,160	36,063
Other	3,158	2,376
Total cash receipts:	132,918	171,488
Cash disbursements:		
Administration		
Salaries	56,620	51,111
Payroll taxes and benefits	8,025	7,621
Total administration	64,645	58,732
Operations		
Rent	3,836	4,300
Telephone	3,153	2,806
Postage	2,575	4,173
Insurance	1,331	1,632
Professional fees	9,975	11,944
Dues	1,320	1,685
Miscellaneous expenses	6,655	5,477
Printing	1,472	493
Advertising and promotion	15,188	5,865
Travel	1,103	521
Office supplies and equipment	4,535	6,541
Education	4,308	4,468
Maintenance and repairs	0	801
Depreciation	325	0
Meals and entertainment	58	45
Total operations	55,834	50,751
Project expenses		
Printing	819	5,216
Festival expenses	35,519	68,575
Advertising and promotion	928	7,182
Total project expenses	37,266	80,973
Total cash disbursements:	157,745	190,456
Total receipts under disbursements:	(24,827)	(18,968)
Cash balance, January 1:	28,471	47,439
Cash balance, December 31:	\$3,644	\$28,471

See accompanying notes to the financial statements.

**Oxford Visitors and Convention Bureau**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2005 and 2004*

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**NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Description of the Entity:*

The Oxford Visitors and Convention Bureau, Butler County, Ohio, (the Bureau) is a not-for-profit organization established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Bureau promotes travel and tourism in the City of Oxford, and is funded by an excise tax on lodging of transient guests within the City of Oxford.

The Bureau was originally founded by the City of Oxford and was directed by the Oxford Chamber of Commerce under a contract with the City of Oxford. In May 2004, the Bureau separated from the Chamber and was directed by the Oxford Community Improvement Corporation until its own corporation status was approved. This status was approved in December 2005 with exemption status effective in October 2004. Since its incorporation, the Bureau has established its own governing board, and is no longer required to report to the Oxford Chamber of Commerce. The Bureau serves the public by encouraging economic development of the City of Oxford through the promotion of tourism.

The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

*Basis of Accounting:*

These financial statements follow the cash basis of accounting, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than earned, and disbursements are recognized 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.

*Cash and Investments:*

The Bureau maintains a checking account at the local level. There were no investments in 2005 or 2004.

*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.

*Budgetary Process:*

Budgetary law, as outlined in Chapter 1 of the Ohio Revised Code, is not applicable to the Bureau. However, annual operating budgets are adopted by the Bureau as a management tool for monitoring financial activity and decision-making. Budgeted versus actual activity can be seen in Note 5.

*Income Taxes:*

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

**NOTE 2- CASH**

The carrying amount of cash at December 31 was as follows:

	<u>2005</u>	<u>2004</u>
Demand Deposits	<u>\$3,644</u>	<u>\$28,471</u>

Cash on deposit with the Bureau's banking institution was fully covered by federal depository insurance for the years ended December 31, 2005 and 2004.

**NOTE 3-CONCENTRATION OF CASH REVENUE**

The Bureau receives nearly all of its support from the City of Oxford Motel/Hotel Bed Tax.



**Oxford Visitors and Convention Bureau**  
*Notes to the Financial Statements*  
For the Years Ended December 31, 2005 and 2004

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**NOTE 4-RELATED PARTY TRANSACTIONS**

Until May 2004, the Oxford Chamber of Commerce maintained the Visitors and Convention Bureau (Bureau) as a separate entity as per agreement with the City of Oxford. This agreement was renewed annually and expired each December 31. This agreement included providing staff and management. The Oxford Chamber of Commerce Board of Trustees oversaw the functions of the Bureau, through the Advisory Board. Payroll was paid through the Chamber of Commerce and reimbursed by the Bureau. Employees are on the Social Security and Medicare Systems.

However, as of May 2004, the Bureau legally separated from the Oxford Chamber of Commerce. It reported to the Oxford Community Improvement Corporation (CIC) until its own corporation status was granted in December 2005. No transactions occurred between the Bureau and the CIC in 2005 or 2004. The Bureau has established a new Board of Trustees, which is responsible for overseeing the functions of the Bureau.

**NOTE 5-BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2005 and 2004 were as follows:

2005 Budgeted vs. Actual Receipts			
General Fund Type	Budgeted Receipts	Actual Receipts	Variance
Bed Tax	\$101,600	\$101,600	\$0
Other Receipts	41,498	31,318	(10,180)
<b>Total</b>	<b>\$143,098</b>	<b>\$132,918</b>	<b>(\$10,180)</b>

2005 Budgeted vs. Actual Expenditures			
General Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
Project Expenditures	\$88,204	\$37,266	\$50,938
General & Administrative	102,922	120,479	(17,557)
<b>Total</b>	<b>\$191,126</b>	<b>\$157,745</b>	<b>\$33,381</b>

2004 Budgeted vs. Actual Receipts			
General Fund Type	Budgeted Receipts	Actual Receipts	Variance
Bed Tax	\$132,000	\$133,049	\$1,049
Other Receipts	0	38,439	38,439
<b>Total</b>	<b>\$132,000</b>	<b>\$171,488</b>	<b>\$39,488</b>

2004 Budgeted vs. Actual Expenditures			
General Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
Project Expenditures	\$28,958	\$80,973	(\$52,015)
General & Administrative	104,076	109,483	(5,407)
<b>Total</b>	<b>\$133,034</b>	<b>\$190,456</b>	<b>(\$57,422)</b>

**NOTE 6-LEASES**

In April 2005, the Bureau entered into a rental lease agreement for office space. The agreement is for a term of 1 year, ending March 31, 2006, and requires an annual payment of \$4,080. This annual payment is to be remitted in equal monthly installments of \$340.

**Oxford Visitors and Convention Bureau**  
*Notes to the Financial Statements*  
*For the Years Ended December 31, 2005 and 2004*

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**NOTE 7 – RISK MANAGEMENT**

The Bureau has obtained commercial insurance for the following risk:

- General Liability

Settled claims resulting from this risk have not exceeded commercial insurance coverage in any of the past three years. The Bureau has not incurred significant reductions in insurance coverage from the prior year by category or risk.

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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***

Oxford Visitors and Convention Bureau  
Butler County, Ohio  
30 W. Park Place  
Oxford, Ohio 45056

We have audited the financial statements of the Oxford Visitors and Convention Bureau, (the Bureau), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated October 25, 2006. 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 Bureau'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 an 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 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the 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 audits, 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*.

We noted certain matters that we have reported to management of the Bureau in a separate letter dated October 25, 2006.

Oxford Visitors and Convention 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*  
Page 2

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

A handwritten signature in cursive script that reads "Balistreri, Harr & Scherer". The signature is written in dark ink on a light-colored background.

October 25, 2006



**Mary Taylor, CPA**  
Auditor of State

**OXFORD 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  
FEBRUARY 1, 2007**