

Butler County Convention & Visitors Bureau

Butler County, Ohio

Regular Audit

January 1, 2008 through December 31, 2009

Years Audited Under GAGAS: 2009 and 2008



**Balestra, Harr & Scherer, CPAs, Inc.**

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528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639  
800 Gallia Street, Suite 38, Portsmouth, Ohio 45662 Phone: 740.876.9121





# Mary Taylor, CPA

Auditor of State

Board of Directors  
Butler County Convention and Visitors Bureau  
8750 Union Centre Boulevard  
West Chester, Ohio 45069

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

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 9, 2010

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**Butler County Convention & Visitors Bureau**  
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*For the Years Ended December 31, 2009 and 2008*

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### Independent Auditor's Report

Board of Directors  
Butler County Convention & Visitors Bureau  
8750 Union Centre Boulevard  
West Chester, Ohio 45069


We have audited the accompanying financial statements of the Butler County Convention & Visitors Bureau (the Bureau), as of and for the years ended December 31, 2009 and 2008, as listed in the table of contents. 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 *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 audit provides a reasonable basis for our opinion.

As described in Note 1, the Bureau prepares its financial statements on the basis of cash receipts and disbursements, 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 financial position of the Bureau as of December 31, 2009 and 2008, and the change in financial position 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 June 30, 2010, on our consideration of the Bureau's internal control over financial reporting and on 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 audit.



Balestra, Harr & Scherer, CPAs, Inc.  
June 30, 2010

BUTLER COUNTY CONVENTION AND VISITORS BUREAU  
STATEMENT OF FINANCIAL POSITION - CASH BASIS  
December 31, 2009

ASSETS

Current Assets:

Cash \$ 2,245,448

Total Current Assets \$ 2,245,448

Total Assets \$ 2,245,448

NET ASSETS

Net Assets:

Unrestricted 2,245,448

Total Net Assets 2,245,448

Total Net Assets \$ 2,245,448

BUTLER COUNTY CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

	2009
Unrestricted:	
Revenues	
County Bed Tax	\$ 878,791
Interest Income	9,870
Middletown CVB	60,000
Hamilton CVB	27,355
ODOT Map Program	6,966
Total Revenues	982,982
Expenses:	
Administration	
Bank Service Charges	1,651
CVB Board & Staff	3,498
Equip. Serv. Chrg & Rental	5,320
Fees, Dues & Subscriptions	632
Insurance	1,718
Internet Charges & Maint.	678
Middletown Accounting Fees	4,757
Middletown Insurance	1,069
Middletown Telephone	1,186
Mileage & Parking	2,787
Miscellaneous	1,294
Office Supplies	4,168
Professional Fees	14,961
Rent	53,653
Repairs & Janitorial	2,522
Telephone	6,789
Training & Education	2,072
Utilities	6,078
Total Administration	114,833
Sales & PR	
Assoc. Meetings & Conven.	33,180
Association Memberships	6,504
Bid Fees & Sponsorships	24,737
Brochure Printing	50,088
Business & Entertainment	7,929
Gifts & Promotional Items	14,985
Group Tour Fam	1,578
Local Event Promotion	3,000
Mileage & Parking Sales	1,265
Misc. S & PR	9,132
Partner Meetings	750
Shipping & Postage - Sales	367
Trade Show Displays	1,002
Total Sales & PR	154,517



BUTLER COUNTY CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(Continued)

Advertising	
Graphic Design	36,569
Internet Ads	7,545
Internet Layout & Design	40,428
Magazine Ads	83,917
Mileage & Parking - Mkting	1,812
Misc. - Adv	31,161
Newspaper Ads	12,912
ONN/OACV Coop	4,000
Online/Web Maintenance	3,485
Shipping & Postage	9,304
Total Advertising	<u>231,133</u>
Personnel	
Casual Labor	1,550
Insurance - Health	33,226
Payroll Taxes	23,005
Salaries	267,203
Total Personnel	<u>324,984</u>
Research & Development	
Misc Research	15,000
STR Report	4,727
Total Research & Development	<u>19,727</u>
Hamilton CVB	
Equipment Rental	307
Insurance	375
Miscellaneous	825
Office Supplies	146
Telephone	1,595
Utilities	1,238
Total Hamilton CVB	<u>4,486</u>
Total Expenses	<u>849,680</u>
Change in Net Assets	133,302
Net Assets, Beginning of Year	<u>2,112,146</u>
Net Assets, End of Year	<u>\$ 2,245,448</u>

BUTLER COUNTY CONVENTION AND VISITORS BUREAU  
STATEMENT OF FINANCIAL POSITION - CASH BASIS  
December 31, 2008

ASSETS

Current Assets:

Cash \$ 2,112,146

Total Current Assets \$ 2,112,146

Total Assets \$ 2,112,146

NET ASSETS

Net Assets:

Unrestricted \$ 2,112,146

Net Assets \$ 2,112,146

Total Net Assets \$ 2,112,146

BUTLER COUNTY CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

	2008
Unrestricted Revenues:	
County Bed Tax	\$ 1,179,501
Interest Income	30,512
Middletown CVB	60,000
 Total Revenues	 1,270,013
 Expenses:	
Administration	
Bank Service Charges	257
CVB Board & Staff	1,444
Computer Equipment	2,411
Equip. Serv. Chrg & Rental	10,281
Fees, Dues & Subscriptions	488
Insurance	3,145
Internet Charges & Maint.	1,969
Middletown Accounting Fees	1,906
Middletown Telephone	1,132
Mileage & Parking	3,803
Miscellaneous	4,931
Office Furniture	-
Office Supplies	5,146
Professional Fees	16,883
Rent	44,568
Repairs & Janitorial	3,497
Shipping & Postage	393
Telephone	7,106
Training & Education	2,060
Utilities	6,363
 Total Administration	 117,783
 Sales & PR	
Assoc. Meetings & Conven.	41,666
Association Memberships	9,470
Bid Fees & Sponsorships	20,505
Brochure Printing	31,435
Business & Entertainment	6,494
Direct Mail	1,832
Gifts & Promotional Items	17,723
Group Tour Fam	-
Mileage & Parking Sales	3,692
Misc. S & PR	7,157
Partner Meetings	1,743
Shipping & Postage - Sales	1,502
Trade Show Displays	487
 Total Sales & PR	 143,706

BUTLER COUNTY CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008  
(Continued)

Advertising	
Graphic Design	39,922
Internet Ads	12,165
Internet Layout & Design	26,219
Magazine Ads	51,567
Mileage & Parking - Mkting	1,434
Misc. - Adv	24,660
Newspaper Ads	1,321
ONN/OACVB Coop	4,000
Photography	-
Shipping & Postage	6,058
Total Advertising	<u>167,346</u>
Personnel	
Casual Labor	137
Insurance - Health	35,185
Payroll Taxes	22,806
Salaries	244,454
Total Personnel	<u>302,582</u>
Research & Development	
Research	61,250
Total Research & Development	<u>61,250</u>
Total Expenses	<u>792,667</u>
Change in Net Assets	477,346
Net Assets, Beginning of Year	<u>1,634,800</u>
Net Assets, End of Year	<u>\$ 2,112,146</u>

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The Butler County Convention and Visitors Bureau (the Bureau) is a 501(c)(6) organization, and was created to promote and publicize Butler County, Ohio, to attract tourists into the county for their consumption of goods and services provided by the County's hospitality industry and the general business community. The organization also is in the business of increasing such tourists to create and generate new economic activity in the county.

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

Net Assets:

Unrestricted Net Assets are cash resources that are not subject to donor – imposed stipulations.

Cash and Cash Equivalents:

The Bureau maintains its cash balances in a demand deposit account and premium commercial money market account at a local commercial bank. There were no investments in 2009 or 2008. The Bureau maintains cash balances with one financial institution in West Chester, Ohio. This institution may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105% of the total value of public monies on deposit at the institution.

Income Taxes

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

NOTE 2 – RELIANCE ON BED TAX REVENUE

The Bureau receives a significant amount of its support from permissive lodging excise tax. Butler County Commissioners adopted the imposition of the maximum amount of excise tax (3%) on transactions by which lodging by a hotel is or is to be furnished to guests. The excise tax is collected by the Butler County Auditors office. The County does not place any restrictions on the funds contributed to the Bureau. The loss of this revenue would have an adverse effect on the Bureau's financial condition.

NOTE 3 – OPERATING LEASE

The Bureau entered into an operating lease for office space during 2006. The lease period is for five years and is renewable for another five years. The operating lease expense was \$53,704 and \$44,568 for years ending December 31, 2009 and 2008, respectively.

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

NOTE 3 – OPERATING LEASE (Continued)

The future lease payments are as follows:

12/31/2010	\$ 41,871
12/31/2011	<u>\$ 38,382</u>
	\$ 80,253



**Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Required by  
Government Auditing Standards**

Board of Directors  
Butler County Convention and Visitors Bureau  
8750 Union Centre Blvd.  
West Chester, Ohio 45069

We have audited the financial statements of the Butler County Convention and Visitors Bureau, Butler County, (the Bureau) as of and for the years ended December 31, 2009 and 2008 and have issued our report thereon dated June 30, 2010. 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 as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the 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, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Bureau's financial statements will not be prevented, or detected and timely corrected.

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 material weaknesses, as defined above.

**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 the Bureau's management and the Bureau Council. We intend it for no one other than these specified parties.

Balestra, Harr & Scherer, CPAs, Inc.  
June 30, 2010







**Mary Taylor, CPA**  
Auditor of State

**BUTLER COUNTY 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  
SEPTEMBER 21, 2010**