

Cambridge/Guernsey County Visitors and Convention Bureau

Guernsey County, Ohio

Regular Audit

January 1, 2006 through December 31, 2007

Years Audited Under GAGAS: 2007 and 2006

BALESTRA, HARR & SCHERER, CPAs, INC.

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Mary Taylor, CPA

Auditor of State

Board of Directors
Cambridge-Guernsey County Visitors and Convention Bureau
627 Wheeling Avenue, Suite 200
Cambridge, Ohio 43725

We have reviewed the *Independent Auditor's Report* of the Cambridge-Guernsey County Visitors and Convention Bureau, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2006 through December 31, 2007. 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 Cambridge-Guernsey County Visitors and Convention Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

May 21, 2008

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Cambridge/Guernsey County Visitors and Convention Bureau
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For the Years Ended December 31, 2007 and 2006

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Independent Auditor's Report

Board of Directors
Cambridge/Guernsey County Visitors and Convention Bureau
627 Wheeling Avenue
Cambridge, Ohio 43725


We have audited the accompanying statements of cash receipts and disbursements of the Cambridge/Guernsey County Visitors and Convention Bureau (the Bureau), for the years ended December 31, 2007 and 2006. 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 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 cash balances of the Bureau as of December 31, 2007 and 2006, 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 March 28, 2008, 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.
March 28, 2008

Cambridge/Guernsey County Visitors and Convention Bureau
Statements of Cash Receipts, Cash Disbursements, and Changes in
Cash Balances
For the Years Ended December 31, 2007 and December 31, 2006

| | 2007 | 2006 |
|--|-------------------------|-------------------------|
| Cash Receipts | | |
| Bed Tax | \$267,341 | \$236,293 |
| Cabins and Bed and Breakfast Tax | 7,321 | 6,440 |
| Vacation Packages | 0 | 6,680 |
| Miscellaneous Income | 122 | 43 |
| Advertising Sales | 5,219 | 7,685 |
| Interest Income | 6,237 | 4,559 |
| Total Cash Receipts | <u>286,240</u> | <u>261,700</u> |
| Cash Disbursements | | |
| Payroll | 100,351 | 84,547 |
| Payroll Taxes and Employee Benefits | 31,173 | 31,237 |
| Rent | 13,275 | 13,275 |
| Telephone | 2,086 | 1,885 |
| Website Maintenance | 314 | 299 |
| County Tourism Promotion | 1,683 | 9,039 |
| Office Supplies and Postage | 14,525 | 15,829 |
| Dues and Subscriptions | 2,069 | 1,964 |
| Professional Fees | 5,052 | 12,098 |
| Travel | 361 | 315 |
| Repairs and Maintenance | 0 | 448 |
| Trade Shows | 2,362 | 3,983 |
| Meetings and Seminars | 5,946 | 5,336 |
| Leases | 4,355 | 0 |
| Insurance | 1,672 | 1,567 |
| Advertising and Printing | 53,350 | 66,870 |
| Miscellaneous | 441 | 495 |
| Total Cash Disbursements | <u>239,015</u> | <u>249,187</u> |
| Total Cash Receipts Over Disbursements | 47,225 | 12,513 |
| Cash Balances, Beginning | <u>166,455</u> | <u>153,942</u> |
| Cash Balances, Ending | <u><u>\$213,680</u></u> | <u><u>\$166,455</u></u> |

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

Cambridge/Guernsey County Visitors and Convention Bureau

Notes to the Financial Statements

For the Years Ended December 31, 2007 and 2006

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

The Cambridge/Guernsey County Visitors and Convention Bureau (the Bureau) was created to promote, develop, and encourage interest in tourist attractions in Guernsey County and to promote Guernsey County as a location for meetings and conventions of various organizations throughout the Ohio area. The Bureau is directed by a 12 member board. These board members are selected by an agreement with the Guernsey County Commissioners office.

Basis of Presentation:

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 financial statements are not intended to present the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents:

During 2007 and 2006, the Bureau's funds were in a checking account, a savings account, a repurchase account, a money market account, and a certificate of deposit.

Income Taxes:

The Bureau is exempt from Federal income tax under Internal Revenue Code 501(c)(6) and therefore has not made any provision for Federal income taxes.

Advertising Costs:

The Bureau expenses the production cost of advertising at the time payment is made.

NOTE 2-RELIANCE ON BED TAX REVENUE

The Bureau receives a significant amount of its support from permissive lodging excise tax. The Guernsey County Commissioners adopted the imposition of the maximum amount of excise tax (3%) on transactions by which lodging by a hotel is to be furnished to guests. The excise tax is collected by the Guernsey County Commissioner's office. The loss of this revenue would have an adverse effect on the Bureau's financial condition.

NOTE 3-OPERATING LEASE

The Bureau entered into a lease agreement for office space for a term of one year beginning September 1, 2003. The lease period is renewable annually at the consent of both parties within the agreement. Total operating lease (rent) expense was \$13,275 and \$13,275 for years ending December 31, 2007 and 2006, respectively.

NOTE 4-CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Bureau to concentrations of credit risk consist principally of cash and cash equivalents. The Bureau maintains cash balances with primarily three financial institutions in Cambridge, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2007 and 2006, the Bureau had uninsured cash balances of \$20,330 and \$0, respectively.

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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*

Board of Directors
Cambridge/Guernsey County Visitors and Convention Bureau
627 Wheeling Avenue
Cambridge, Ohio 43725

We have audited the financial statements of the cash receipts and disbursements of the Cambridge/Guernsey County Visitors and Convention Bureau (the Bureau), for the years ended December 31, 2007 and 2006, and have issued our report thereon dated March 28, 2008. 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.

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 auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency 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 or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with the cash accounting basis such that there is more than a remote likelihood that a misstatement of the Bureau's financial statements that is more than inconsequential will not be prevented or detected by the Bureau's internal control.

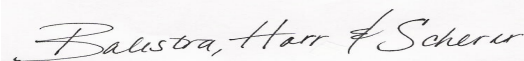
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Bureau's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 audit, 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*.

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



Balestra, Harr & Scherer, CPAs, Inc.
March 28, 2008



Mary Taylor, CPA
Auditor of State

CAMBRIDGE-GUERNSEY COUNTY VISITORS AND CONVENTION BUREAU

GUERNSEY 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
JUNE 3, 2008**