

**CAMBRIDGE/GUERNSEY COUNTY  
VISITORS & CONVENTION BUREAU**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**





STATE OF OHIO  
OFFICE OF THE AUDITOR

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Board of Directors  
Cambridge / Guernsey County Visitors and Convention Bureau  
2146 Southgate Parkway  
Cambridge, Ohio 43725

We have reviewed the Independent Auditor's Report of the Cambridge / Guernsey County Visitors and Convention Bureau, Guernsey County, prepared by Rea & Associates, Inc., for the audit period January 1, 2000 through December 31, 2001. 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 black ink, appearing to read "Jim Petro".

JIM PETRO  
Auditor of State

May 24, 2002

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**CAMBRIDGE/GUERNSEY COUNTY  
VISITORS & CONVENTION BUREAU**

**FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

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# Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

March 14, 2002

Board of Directors  
Cambridge/Guernsey County  
Visitors & Convention Bureau  
Cambridge, Ohio 43725

## Independent Auditor's Report

We have audited the accompanying statements of assets and net assets - cash basis of Cambridge/Guernsey County Visitors & Convention Bureau (a non-profit organization) as of December 31, 2001 and 2000, 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, these financial statements were prepared 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 Cambridge/Guernsey County Visitors & Convention Bureau as of December 31, 2001 and 2000, 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 also have issued our report dated March 14, 2002 on our consideration of the Cambridge/Guernsey County Visitors & Convention Bureau internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Rea & Associates, Inc.*

CAMBRIDGE/GUERNSEY COUNTY  
VISITORS & CONVENTION BUREAU

STATEMENTS OF ASSETS AND NET ASSETS-  
CASH BASIS  
AS OF DECEMBER 31, 2001 AND 2000

ASSETS

	<u>2001</u>	<u>2000</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 181,981	\$ 195,449
<b>Total assets</b>	<u>\$ 181,981</u>	<u>\$ 195,449</u>

NET ASSETS

<b>NET ASSETS:</b>		
Unrestricted	\$ 181,981	\$ 195,449
<b>Total net assets</b>	<u>\$ 181,981</u>	<u>\$ 195,449</u>

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

**CAMBRIDGE/GUERNSEY COUNTY  
VISITORS & CONVENTION BUREAU**

**STATEMENT OF REVENUE, EXPENSES  
AND CHANGES IN NET ASSETS-  
CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	<b>2001</b>	<b>2000</b>
<b>Revenue and other support:</b>		
Bed tax	\$ 249,048	\$ 241,882
Co-op ad reimbursement	7,313	6,080
Interest income	5,420	7,633
	261,781	255,595
<b>Program expenses:</b>		
County tourism promotion	275,249	212,423
	(13,468)	43,172
<b>Increase (Decrease) in unrestricted net assets</b>		
<b>NET ASSETS, At beginning of year</b>	195,449	152,277
<b>NET ASSETS, At end of year</b>	\$ 181,981	\$ 195,449

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



CAMBRIDGE/GUERNSEY COUNTY  
VISITORS & CONVENTION BUREAU

NOTES TO FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Nature of Activities**

The Cambridge/Guernsey County Visitors & Convention Bureau (the Organization) was created to promote, develop, and encourage interest in tourist attractions in Guernsey County and to promote Cambridge as a location for meetings and conventions of various organizations throughout the Ohio area. The Organization is directed by a seven 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 earned, and disbursements are recognized when a payment is made rather than when a liability is incurred.

**Unrestricted Net Assets**

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

**Cash and Cash Equivalents**

For the purposes of the statement of financial position, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents.

**Use of Estimates**

The preparation of financial statements in conformity with the principles of a comprehensive basis of accounting requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

The Organization 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 Organization expenses the production cost of advertising the first time the advertising takes place.

**CAMBRIDGE/GUERNSEY COUNTY  
VISITORS & CONVENTION BUREAU**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2: RELIANCE ON BED TAX REVENUE**

The Organization receives a significant amount of its support from permissive lodging excise tax. Guernsey 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 Guernsey County Auditors office. The loss of this revenue would have an adverse effect on the Organization's financial condition.

**NOTE 3: OPERATING LEASE**

The Organization entered into an operating lease for office space during the latter part of 1999. The lease period is for one year and is renewable at the consent of both parties within the agreement. Total operating lease expense was \$13,500 and \$12,250 in 2001 and 2000, respectively.

**NOTE 4: CONCENTRATION OF CREDIT RISK**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents. The Organization maintains cash balances with primarily two financial institutions in Cambridge, Ohio. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2001 and 2000, the Organization had uninsured cash balances.

**NOTE 5: TRANSACTIONS WITH RELATED PARTIES**

The Organization shares its federal identification number and files a consolidated tax return with the Cambridge Area Chamber of Commerce. The Chamber of Commerce bookkeeper prints and writes all checks for the Organization. The Organization paid the Cambridge Area Chamber of Commerce for bookkeeping services \$10,000 in 2001 and 2000. The Organization also paid the Cambridge Area Chamber of Commerce for promotional services approximately \$11,700 and \$11,400 in 2001 and 2000, respectively.

# Rea & Associates, Inc.

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ACCOUNTANTS AND BUSINESS CONSULTANTS

March 14, 2002

Board of Directors  
Cambridge/Guernsey County  
Visitors & Convention Bureau  
Cambridge, Ohio 43725

**Independent Auditor's Report on Compliance and Internal Control  
Over Financial Reporting Based on an Audit of Financial Statements  
Performed in Accordance with Government Auditing Standards**

We have audited the accompanying financial statements of Cambridge/Guernsey County Visitors & Convention Bureau (the "Organization") as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated March 14, 2002. 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.

**Compliance**

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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the 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 assurance on the internal control over financial reporting.

We noted no certain matters involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

**Board of Directors  
Cambridge/Guernsey County Visitors &  
Convention Bureau  
March 14, 2002  
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**A material weakness is a 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 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses.**

**This report is intended for the information and use of the Board of Directors and Management of the Organization and is not intended to be and should not be used by anyone other than these specific parties.**

*Kea & Associates, Inc.*



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**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 11, 2002**