

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

*Financial Statements
December 31, 2005 and 2004*



**Auditor of State
Betty Montgomery**

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, Guernsey 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 Cambridge/Guernsey County Visitors and Convention 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

July 28, 2006

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

**FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

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Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 15, 2006

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

Independent Auditor's Report

We have audited the accompanying statements of net assets - cash basis of Cambridge/Guernsey County Visitors & Convention Bureau (a non-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, 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 cash assets and net cash assets of Cambridge/Guernsey County Visitors & Convention 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 also have issued our report dated June 15, 2006 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 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 of 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 considering the results of our audit.

Rea & Associates, Inc.

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

ASSETS

	<u>2005</u>	<u>2004</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 153,942	\$ 137,263
	<hr/>	<hr/>
Total assets	\$ 153,942	\$ 137,263
	<hr/> <hr/>	<hr/> <hr/>

NET ASSETS

NET ASSETS:		
Unrestricted	153,942	137,263
	<hr/>	<hr/>
Total liabilities and net assets	\$ 153,942	\$ 137,263
	<hr/> <hr/>	<hr/> <hr/>

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

**STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN NET ASSETS-
CASH BASIS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005	2004
Revenue and other support:		
Bed tax	\$ 230,386	\$ 248,684
Cabins and bed & breakfast tax	3,862	0
Vacation Packages	8,099	10,061
Miscellaneous income	371	227
Interest income	2,404	950
	245,122	259,922
Expenses:		
Payroll	86,703	100,223
Payroll taxes and employee benefits	21,343	32,466
Rent	13,275	13,375
Telephone	2,093	3,009
Interest	299	299
County tourism promotion	18,660	17,846
Office supplies and postage	13,025	17,053
Dues and subscriptions	1,850	2,735
Professional fees	3,302	6,105
Travel	369	323
Repairs and maintenance	1,370	632
Trade shows	2,902	7,005
Contracted services	6,000	10,000
Meetings and seminars	4,858	3,472
Leases	710	3,435
Licenses and fees	0	25
Insurance	755	773
Advertising and printing	50,417	42,743
Miscellaneous	512	1,124
	228,443	262,643
Increase (Decrease) in unrestricted net assets	16,679	(2,721)
NET ASSETS, At beginning of year	137,263	139,984
NET ASSETS, At end of year	\$ 153,942	\$ 137,263

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. 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.

Unrestricted Net Assets

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

Cash and Cash Equivalents

For the purposes of the statement of net assets, the Organization considers all short-term investments with an original maturity of three months or less to be cash equivalents. During 2005 and 2004, the Organizations funds were in an interest bearing savings account.

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 at the time payment is made.

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.

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

NOTES TO FINANCIAL STATEMENTS

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. The organization signed a new lease agreement for a lease term of one year beginning September 1, 2003. The lease period is renewable at the consent of both parties within the agreement. Total operating lease expense was \$13,275 and \$13,375 for years ending December 31, 2005 and 2004, 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, 2005 and 2004, the Organization had uninsured cash balances of \$47,811 and \$31,642.

NOTE 5: CONTRACTUAL AGREEMENT

The Chamber of Commerce was contracted for services including preparing all checks for the Organization. The Organization paid the Cambridge Area Chamber of Commerce for bookkeeping services \$6,000 and \$10,000 in 2005 and 2004, respectively. The Organization also paid the Cambridge Area Chamber of Commerce for promotional services of approximately \$8,434 and \$12,300 in 2005 and 2004, respectively.

Rea & Associates, Inc.

ACCOUNTANTS AND BUSINESS CONSULTANTS

June 15, 2006

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

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

We have audited the financial statements of Cambridge/Guernsey County Visitors & Convention Bureau (the "Organization") as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated June 15, 2006. Wherein we noted the Organization prepared its 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 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 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 audits operations that we consider to be material weaknesses. However, we noted certain immaterial instances of internal control recommendations that we have reported to management of the organization in a separate letter dated June 15, 2006.

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*.

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.

Rea & Associates, Inc.



**Auditor of State
Betty Montgomery**

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**CAMBRIDGE/GUERNSEY COUNTY CONVENTION AND VISITORS 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
AUGUST 10, 2006**