



Dave Yost • Auditor of State



**CAMBRIDGE-GUERNSEY COUNTY VISITORS AND CONVENTION BUREAU  
GUERNSEY COUNTY**

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, to which the management of the Cambridge-Guernsey County Visitors and Convention Bureau, Guernsey County, Ohio (the Bureau), agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Guernsey County, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended December 31, 2011 and 2010. The Bureau is responsible for disbursing lodging taxes for allowable purposes. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the Bureau. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

### Cash Receipts

1. We summarized lodging taxes the Guernsey County's transaction history report reported as payments to the Bureau during the years ending December 31, 2011 and 2010. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2011	\$279,713
December 31, 2010	\$256,630

2. We compared the amounts from step 1. to amounts recorded as lodging tax receipts on the Bureau's cash transaction detail by account. We found no exceptions.

### Cash Disbursements

1. We inquired of management regarding sources describing allowable purposes or restrictions related to the Bureau's disbursements of lodging taxes. We listed these sources and summarized significant related restrictions below:

#### Source of Restrictions

- a. The Bureau's Articles of Incorporation.
- b. The Bureau's 501(c)(6) Tax Exemption.
- c. Ohio Rev. Code Section 5739.09(A)(2).
- d. The agreement dated January 17, 2006 between the Bureau and Guernsey County Commissioners.
- e. Auditor of State Bulletin 2003-005.

### Cash Disbursements (Continued)

The Bureau's tax exemption prohibits it from disbursements supporting a candidate's election.

Ohio Rev. Code Section 5739.09(A)(2) restricts the Bureau to spending lodging tax "specifically for promotion, advertising, and marketing of the region in which the county is located."

The agreement dated January 17, 2006 between the Bureau and Guernsey County Commissioners permits the Bureau to spend lodging taxes solely for the proper purpose of fostering and promoting tourism, visitors and conventions within Guernsey County, Ohio.

Auditor of State Bulletin 2003-005 Expenditure of Public Funds/Proper Public Purpose states that the Auditor of State's Office will only question expenditures where the legislative determination of a public purpose is manifestly arbitrary and incorrect.

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2011 and 2010 in addition to all disbursements exceeding \$2,000, and compared the purpose for these disbursements as documented on vendor invoices or other supporting documentation to the sources of restrictions listed in *Cash Disbursements Step 1.* above. We found four instances where the purpose described on the invoice or other supporting documentation described a possible violation of the restrictions listed above. Payments were made for the purchase of sympathy cards (\$4.26), coffee supplies (\$4.48), cookies (\$15), and a staff Christmas party (\$98.19).

State ex rel. McLure v. Hagerman, 155 Ohio St. 320 (1951), provides the expenditures made by a governmental unit should serve a public purpose. Typically, the determination of what constitutes a "proper public purpose" rests with the judgment of the governmental entity, unless such determination is arbitrary or unreasonable. Even if a purchase is reasonable, Ohio Attorney General Opinion 82-006 indicates that it must be memorialized by a duly enacted ordinance or resolution and may have a prospective effect only.

We recommend the Board of Directors adopt a resolution to approve the purchase of these types of expenditures and to indicate how these expenditures serve a proper public purpose to promote tourism.

In addition, two of 117 disbursements tested totaling \$17.52 and \$98.19 were paid with a credit card and did not have an itemized invoice. Without having a detailed invoice, purchases could be made for items which are not for a proper public purpose. We recommend all purchases be supported by an itemized invoice to document what was purchased.

**Officials' Response:** It is the intent of the Cambridge/Guernsey County Visitors & Convention Board of Directors to address the exceptions listed as expenditures for public purpose. We will add an addendum to the existing Accounting Procedures and Policies that will address and correct these exceptions.

We were not engaged to, and did not examine the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2011 and 2010, the objective of which would have been to opine on lodging tax receipts and disbursements. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

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This report is intended solely for the information and use of the Bureau and is not intended to be, and should not be used by anyone else.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

May 2, 2012

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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  
MAY 15, 2012**