



Balestra, Harr & Scherer, CPAs, Inc.

Accounting, Auditing and Consulting Services for Federal, State and Local Governments

www.bhscpas.com

Hocking Hills Tourism Association
Agreed-Upon Procedures over Lodging Tax Receipts and Related Disbursements
For the Years Ended December 31, 2011 and 2010

bhs

Circleville

Ironton

Piketon

Wheelersburg

Worthington



Dave Yost • Auditor of State

Board of Directors
Hocking Hills Tourism Association
13178 State Route 664 South
Logan, Ohio 43138

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Hocking Hills Tourism Association, Hocking County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted this report in lieu of the audit required by Section 117.11, Revised Code.

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 Hocking Hills Tourism Association is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

May 15, 2012

This page intentionally left blank.

Hocking Hills Tourism Association
Table of Contents
For the Years Ended December 31, 2011 and 2010

Independent Accountant's Report on Applying Agreed-Upon Procedures..... 1 - 3

This page intentionally left blank.



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: (740) 289-4131 Fax: (740) 289-3639

Independent Accountants' Report on Applying Agreed-Upon Procedures

March 19, 2012

Members of the Board
Hocking Hills Tourism Association
13178 St. Rt. 664 South
Logan, Ohio 43138

We have performed the procedures enumerated below, to which the management of the Hocking Hills Tourism Association (the Association) agreed, solely to assist the Association in evaluating whether it recorded all lodging taxes it received from Hocking County, and to help evaluate whether the Association disbursed these lodging taxes for allowable purposes described below for the years ended December 31, 2011 and 2010. The Association 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 Association. 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 confirmed with Hocking County the lodging taxes paid to the Association during the years ending December 31, 2011 and 2010. The County confirmed the following amounts:

<u>Year Ended</u>	<u>Amount</u>
Hocking County	
December 31, 2011	\$559,004
December 31, 2010	\$506,755

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts in the Association's profit and loss report. We found no exceptions.

Cash Disbursements

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

Sources of Restriction:

- The Hocking Hills Tourism Association's Articles of Incorporation
- Code of Regulations and By-Laws
- Logan Area Chamber of Commerce Resolution dated 9-1-82
- Hocking County's Resolution 4-28-83, 12-30-87 and 1-13-94
- Contractual Agreement between the County and Association dated 1-12-84 for administration of funds and operation of the Association
- Ohio Revised Code Section 5739.09(A)(2)

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

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

Auditor of State Bulletin 2003-005 deems any disbursement of public funds (e.g. lodging taxes) for alcohol to be improper.

Hocking County Resolutions 4-28-83, 12-20-87 and 1-13-94 permits the Association to spend lodging taxes only as prescribed in the Ohio Revised Code.

The Contractual Agreement dated 1-12-84 permits the Association to spend lodging taxes only as prescribed in the Ohio Revised Code.

Logan Area Chamber of Commerce Resolution dated 9-1-82 permits the Association to spend lodging taxes only as prescribed in the Ohio Revised Code.

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2011 and 2010 in addition to all disbursements exceeding \$1,000, 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 two exceptions: The Association issued Check Number 9807 for \$1,907.51 to pay for various expenditures made on the Association's Visa credit card. A receipt for a \$20.00 purchase was not attached, and therefore we were unable to ensure that the expenditure was not for a frivolous purpose. The Association issued Check Numbers 10449 and 10469 in the amount of \$5,000.00 each, which resulted in a duplicate payment of invoice #500011007 for advertising. The Association has a credit balance with Meredith Corporation, and will use that credit balance to pay for advertising fees during fiscal year 2012.

Hocking Hills Tourism Association
Independent Accountants' Report on Applying Agreed-Upon Procedures

We were not engaged to, and did not examine, the Association'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.

This report is intended solely for the information and use of the Association's management and Board of Directors and is not intended to be, and should not be, used by anyone else.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in dark ink on a light-colored background.

Balestra, Harr, & Scherer CPAs, Inc.
March 19, 2012

This page intentionally left blank.



Dave Yost • Auditor of State

HOCKING HILLS TOURISM ASSOCIATION

HOCKING 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 29, 2012**