

BELMONT COUNTY TOURISM COUNCIL, INC.

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003



SEACHRIST, KENNON & MARLING, A.C.
CERTIFIED PUBLIC ACCOUNTANTS



Mary Taylor, CPA
Auditor of State

Board of Directors
Belmont County Tourism Council, Inc.
Ohio Valley Mall, Unit 485
St. Clairsville, Ohio 43950

We have reviewed the *Independent Auditor's Report* of the Belmont County Tourism Council, Inc., prepared by Seachrist, Kennon & Marling, A.C., for the audit period January 1, 2004 through December 31, 2004. 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 Belmont County Tourism Council, Inc. is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

April 25, 2007

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BELMONT COUNTY TOURISM COUNCIL, INC.
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SEACHRIST, KENNON & MARLING, A.C.

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INDEPENDENT AUDITOR'S REPORT

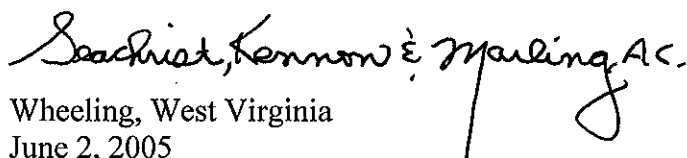
To the Board of Directors
Belmont County Tourism Council, Inc.

We have audited the accompanying statements of financial position of Belmont County Tourism Council, Inc., (a non-profit organization) as of December 31, 2004 and 2003 and related statements of activities, net assets, and cash flows for the years then ended. These financial statements are the responsibility of Belmont County Tourism Council'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 audits 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Belmont County Tourism Council, Inc., as of December 31, 2004 and 2003, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 2, 2005 on our consideration of Belmont County Tourism Council, Inc.'s 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 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 read in conjunction with this report in considering the results of our audit.


Wheeling, West Virginia
June 2, 2005

BELMONT COUNTY TOURISM COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2004 AND 2003

	2004	Restated 2003
<u>Assets</u>		
Current assets:		
Cash in checking	\$ 110,034	\$ 46,782
Cash in Lodging Excise Tax Fund	311,959	333,232
Accounts receivable	22,080	19,417
Total current assets	444,073	399,431
Fixed assets:		
Office equipment	6,232	15,255
Furniture and fixtures	7,140	13,726
Equipment	1,063	1,063
Total fixed assets	14,435	30,044
Less: accumulated depreciation	(14,120)	(28,614)
Net fixed assets	315	1,430
Total Assets	\$ 444,388	\$ 400,861
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 4,661	\$ 2,128
Payroll taxes payable	1,811	1,936
Accrued payroll	10	10
Total current liabilities	6,482	4,074
Net assets:		
Unrestricted	437,906	396,787
Total Liabilities and Net Assets	\$ 444,388	\$ 400,861

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

BELMONT COUNTY TOURISM COUNCIL, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	<u>2004</u>	<u>2003</u>
<u>Income</u>		
Belmont County Commissioners	\$ 282,718	\$ 258,104
Grant income	3,136	-
Interest income	270	486
	<hr/>	<hr/>
Total income	286,124	258,590
<u>General and administrative expenses</u>		
Salaries	69,882	68,159
Payroll taxes	5,717	5,601
Benefits	1,674	1,674
Brochures	10,930	8,529
Local promotion and entertainment	5,443	2,835
Advertising	41,223	36,980
Trade shows	4,104	5,788
Rent and utilities	17,151	16,734
Professional fees	2,443	1,644
Office supplies and expense	5,116	4,490
Auto expense	2,400	2,400
Professional meetings	986	581
Dues and subscriptions	3,838	4,041
Telephone	4,070	5,606
Miscellaneous	1,312	2,339
Travel expense	314	318
Postage and mailings	2,117	2,956
Insurance	1,579	1,505
Depreciation	563	938
GAP Program	30,300	30,356
Carnes Center donations	26,998	-
Bicentennial	-	25,095
Contracted services	6,257	6,162
Loss on disposal of assets	553	0
Repairs and maintenance	35	5,806
	<hr/>	<hr/>
Total general and administrative expenses	245,005	240,537
Increase (decrease) in net assets	<u>\$ 41,119</u>	<u>\$ 18,053</u>

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

BELMONT COUNTY TOURISM COUNCIL, INC.
STATEMENTS OF NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

12/31/2004:

Net assets at December 31, 2003	\$ 396,787
Increase in net assets	<u>41,119</u>
Net assets at December 31, 2004	<u><u>\$ 437,906</u></u>

12/31/2003, Restated:

Net assets at December 31, 2002	\$ 378,734
Increase in net assets	<u>18,053</u>
Net assets at December 31, 2003	<u><u>\$ 396,787</u></u>

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

BELMONT COUNTY TOURISM COUNCIL, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	Restated 2003
Increase (decrease) in net assets	\$ 41,119	\$ 18,053
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
(Gain) loss on disposal of fixed assets	553	-
Depreciation	563	938
Changes in assets and liabilities:		
Accounts receivable (increase) decrease	(2,664)	6,391
Accounts payable increase (decrease)	2,533	94
Payroll taxes payable increase (decrease)	(125)	(19)
Net cash provided (used) from operating activities	41,979	25,457
Net increase (decrease) in cash and cash equivalents	41,979	25,457
Beginning cash and cash equivalents	380,014	354,557
Ending cash and cash equivalents	\$ 421,993	\$ 380,014
Supplemental disclosures of cash flow information:		
Income taxes paid	\$ -	\$ -
Interest paid	\$ -	\$ -

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

BELMONT COUNTY TOURISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

Note 1: Accounting Policies

Nature of Business – Belmont County Tourism Council, Inc. is a non-profit organization formed to promote the Ohio Valley tourism area.

Accounting Method and Financial Statement Presentation – The Council prepares its financial statements on the accrual basis of accounting. The financial statements are also prepared in compliance with Statement of Financial Accounting Standards (SFAS) No. 117 “Financial Statements of Not-for-Profit Organizations.” Under SFAS 117 the Council is required to present information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, permanently restricted. All of the Council’s assets are unrestricted.

Property and Equipment – Property and equipment are capitalized at cost. Depreciation is calculated on the straight-line method over the assets’ estimated useful lives.

Income Taxes – The Tourism Council is exempt from Federal income taxes under section 501 (c)(4) of the Internal Revenue Code, except for taxes on unrelated business income.

Statement of Cash Flows – For the purposes of the Statement of Cash Flows, cash and cash equivalents include time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Deposit Funds – Funds of the Council, on deposit in banks, are maintained in accounts insured by F.D.I.C. up to \$100,000. Funds on deposit in excess of coverage amounted to \$13,655.68 and that amount was uninsured at December 31, 2004. Funds in the Lodging Excise Tax Fund are maintained by the county and in their accounts, all of which are F.D.I.C. insured or collateralized. The county has been audited by the State of Ohio Auditor’s office.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

BELMONT COUNTY TOURISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

Note 2: Contract

Renewal Agreement – The contract between the County of Belmont, State of Ohio and the Belmont County Tourism Council, Inc., (a non-profit organization) of St. Clairsville, Ohio is in effect and shall continue until terminated by either of the above stated parties. A lease contract with the Ohio Valley Mall is valid through January 31, 2005. Payments are \$1,275.00 per month or \$15,300.00 per year.

Note 3: Contingencies

Belmont County Tourism Council receives all of its funding from the Belmont County 3% motel bed tax. The tax is collected by the county and the funds are held in the Lodging Excise Tax Fund maintained by the county as described in Note 1. The Belmont County Tourism Council receives a monthly distribution from the county based on the Belmont County Tourism Council's budget. These distributions are used to assist the Council for budgeting purposes. A significant reduction in the collection of the motel bed tax would have a major effect on the operations of the council.

Note 4: Prior Period Adjustment

Belmont County Tourism Council's financial statements as of December 31, 2003 contained an error, which had the effect of understating net assets by \$25,808, and the financial statements have been restated to reflect the correction of the error. Beginning net assets were understated due to an error in recording revenue and accounts receivable in 2002. The error carried forward into 2003 and, in effect, cash was understated at December 31, 2003 by \$6,391, the amount of change in accounts receivable from 2002 to 2003, as well as accounts receivable for 2003 being understated by \$19,417. The restatement of net assets as of December 31, 2003 can be summarized as follows:

Understatement of Cash in Lodging Excise Tax Fund	<u>\$ 6,391</u>
Understatement of accounts receivable	<u>\$ 19,417</u>
Understatement of net assets	<u>\$ 25,808</u>

SEACHRIST, KENNON & MARLING, A.C.

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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

To the Board of Directors
Belmont County Tourism Council, Inc.

We have audited the financial statements of Belmont County Tourism Council, Inc., as of and for the year ended December 31, 2004, and have issued our report thereon dated June 2, 2005. 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 Belmont County Tourism Council, Inc.'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 and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Belmont County Tourism Council, Inc.'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 for the information of the Board of Directors of Belmont County Tourism Council, Inc., management and grantor agencies and is not intended to be and should not be used by anyone other than these specified parties.

Seachrist, Kennon E. Mauling, A.C.
Wheeling, West Virginia
June 2, 2005



Mary Taylor, CPA
Auditor of State

BELMONT COUNTY TOURISM COUNCIL, INC.

BELMONT 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 10, 2007**