

**BELMONT COUNTY TOURISM COUNCIL, INC.**

**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003 AND 2002**



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





**Auditor of State  
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Belmont County Tourism Council, Inc., Belmont County, prepared by Seachrist, Kennon & Marling, A.C., for the audit period January 1, 2002 through December 31, 2003. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

August 17, 2004

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**BELMONT COUNTY TOURISM COUNCIL, INC.**  
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## **INDEPENDENT AUDITOR'S REPORT**

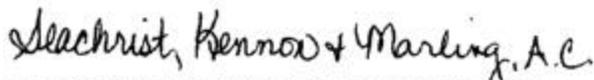
To the Board of Directors  
Belmont County Tourism Council, Inc.

We have audited the accompanying statement of financial position of Belmont County Tourism Council, Inc., (a non-profit organization) as of December 31, 2003 and 2002 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 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, 2003 and 2002, 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 April 5, 2004 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 grants. 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  
April 5, 2004

**BELMONT COUNTY TOURISM COUNCIL, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2003 AND 2002**

	<b>2003</b>	<b>2002</b>
<u>Assets</u>		
Current assets:		
Cash in checking	\$ 46,782	\$ 103,658
Cash in Lodging Excise Tax Fund	326,841	250,899
Total cash and cash equivalents	373,623	354,557
Total current assets	373,623	354,557
Fixed assets:		
Office equipment	15,255	15,255
Furniture and fixtures	13,726	13,726
Equipment	1,063	1,063
Total fixed assets	30,044	30,044
Less: accumulated depreciation	(28,614)	(27,676)
Net fixed assets	1,430	2,368
Total Assets	\$ 375,053	\$ 356,925
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 2,128	\$ 2,034
Payroll taxes payable	1,936	1,955
Accrued payroll	10	10
Total current liabilities	4,074	3,999
Net assets:		
Unrestricted	370,979	352,926
Total Liabilities and Net Assets	\$ 375,053	\$ 356,925

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

**BELMONT COUNTY TOURISM COUNCIL, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
<u>Income</u>		
Belmont County Commissioners	\$ 258,104	\$ 256,928
Interest income	486	864
	<hr/>	<hr/>
Total income	258,590	257,792
<u>General and administrative expenses</u>		
Salaries	68,159	64,858
Payroll taxes	5,601	5,269
Benefits	1,674	1,674
Brochures	8,529	8,251
Local promotion and entertainment	2,835	5,868
Advertising	36,980	32,095
Trade shows	5,788	5,084
Rent and utilities	16,734	15,986
Professional fees	1,644	1,630
Office supplies and expense	4,490	3,654
Auto expense	2,400	2,400
Professional meetings	581	962
Dues and subscriptions	4,041	3,225
Telephone	5,606	4,876
Miscellaneous	2,339	1,413
Travel expense	318	707
Postage and mailings	2,956	2,050
Insurance	1,505	1,445
Depreciation	938	938
GAP Program	30,356	24,100
Bicentennial	25,095	2,248
Contracted services	6,162	6,004
Repairs and maintenance	5,806	74
	<hr/>	<hr/>
Total general and administrative expenses	240,537	194,811
Increase (decrease) in net assets	<u>\$ 18,053</u>	<u>\$ 62,981</u>

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

**BELMONT COUNTY TOURISM COUNCIL, INC.**  
**STATEMENT OF NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

**12/31/2003:**

Net assets at December 31, 2002	\$ 352,926
Increase in net assets	<u>18,053</u>
Net assets at December 31, 2003	<u><u>\$ 370,979</u></u>

**12/31/2002:**

Net assets at December 31, 2001	\$ 289,945
Increase in net assets	<u>62,981</u>
Net assets at December 31, 2002	<u><u>\$ 352,926</u></u>

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

**BELMONT COUNTY TOURISM COUNCIL, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

	<u>2003</u>	<u>2002</u>
Increase (decrease) in net assets	\$ 18,053	\$ 62,981
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	938	938
Changes in assets and liabilities:		
Accounts payable increase (decrease)	94	(3,458)
Payroll taxes payable increase (decrease)	(19)	27
Accrued payroll increase (decrease)	-	10
	<u>19,066</u>	<u>60,498</u>
Net cash provided (used) from operating activities	19,066	60,498
Net increase (decrease) in cash and cash equivalents	19,066	60,498
Beginning cash and cash equivalents	<u>354,557</u>	<u>294,059</u>
Ending cash and cash equivalents	<u>\$ 373,623</u>	<u>\$ 354,557</u>
Supplemental disclosures of cash flow information:		
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$ -</u>	<u>\$ -</u>

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

**BELMONT COUNTY TOURISM COUNCIL, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2003**

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 \$100,000.00. Funds in the Lodging Excise Tax Fund are maintained by the county, 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, 2003**

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, 2004. Payments are \$1,175.00 per month or \$14,100.00 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.

# **SEACHRIST, KENNON & MARLING, A.C.**

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## **REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING 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, 2003, and have issued our report thereon dated April 5, 2004. 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.

### Compliance

As part of obtaining 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 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 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 to provide assurance 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 over financial reporting that might be material weaknesses.

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. We noted no matters involving the internal control over financial reporting and its operations that we considered to be material weaknesses.

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.

*Deachrist, Kennon & Marling, A.C.*

Wheeling, West Virginia  
April 5, 2004



**Auditor of State  
Betty Montgomery**

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**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  
AUGUST 31, 2004**