



**Auditor of State
Betty Montgomery**

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Gallia County Convention and Visitors Bureau
Gallia County
61 Court Street
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the accompanying basic financial statements of the Gallia County Convention and Visitors Bureau, Gallia County, Ohio (the Bureau), as of and for the years ended December 31, 2005 and 2004, as listed in the table of contents. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 audit provides 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 the Gallia County Convention and Visitors Bureau, Gallia County, as of December 31, 2005 and 2004, and the changes in its financial position 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 our report dated November 22, 2006, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. While we do not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of the internal control over financial reporting and compliance, and results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

The Bureau has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 22, 2006

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

**STATEMENT OF FINANCIAL POSITION
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005	2004
Assets:		
Current		
Cash and Cash Equivalents	\$41,928	\$38,747
Accounts Receivable, Lodging Tax	28,754	24,862
Inventory	681	681
Total Current Assets	71,363	64,290
Noncurrent:		
Fixed Assets (net of accumulated depreciation of \$42,111 and \$35,545, respectively)	171,713	175,183
Total Noncurrent Assets	171,713	175,183
Total Assets	\$243,076	\$239,473
Liabilities and Net Assets:		
Current Liabilities:		
Deductions Payable	\$291	\$0
Other Current Liabilities	100	0
Total Current Liabilities	391	0
Noncurrent Liabilities:		
Real Estate Mortgage	90,883	103,013
Total Noncurrent Liabilities	90,883	103,013
Total Liabilities	91,274	103,013
Net Assets	151,802	136,460
Total Liabilities and Net Assets	\$243,076	\$239,473

See accompanying notes to the basic financial statements

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

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

	2005	2004
Changes in Unrestricted Net Assets		
Revenues and Gains:		
Hotel Lodging Tax	\$94,120	\$91,994
Rent	9,800	9,270
Interest Income	831	873
Public Donations	8,786	6,916
Miscellaneous	450	2,323
 Total Revenue and Gains	 113,987	 111,376
 Functional Expenses	 98,645	 107,207
 Increase in Unrestricted Net Assets	 15,342	 4,169
 Temporarily Restricted Assets:		
Accrued Expenses	0	338
 Change in Net Assets	 15,342	 4,507
 Net Assets Beginning of Year	 136,460	 131,953
 Net Assets End of Year	 \$151,802	 \$136,460

See accompanying notes to the basic financial statements

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
Functional Expenses:		
Administrative	\$53,896	\$49,995
Program	14,481	14,328
Office	12,928	10,584
Facility	10,114	24,268
Other	661	45
	<u>92,080</u>	<u>99,220</u>
Total Expenses Before Depreciation		
	92,080	99,220
Depreciation	<u>6,565</u>	<u>7,987</u>
	<u>\$98,645</u>	<u>\$107,207</u>
Total Functional Expenses		

See accompanying notes to the basic financial statements

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**

	2005	2004
Cash Flows from Operating Activities		
Increase in Net Assets	\$15,342	\$4,506
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	6,565	7,987
Increase(Decrease) in Accrued Expense	392	(842)
(Increase)/Decrease in Accounts Receivable	(3,892)	0
Net Cash Provided by Operating Activities	18,407	11,651
Cash Flows from Investing Activities		
Mortgage Principal	(12,130)	(6,091)
Acquisition of Fixed Assets	(3,096)	(600)
Net Cash Provided (Used) by Investing Activities	(15,226)	(6,691)
Net Increase in Cash and Cash Equivalents	3,181	4,960
Cash and Cash Equivalents Beginning of Year	38,747	33,787
Cash and Cash Equivalents End of Year	\$41,928	\$38,747

See accompanying notes to the basic financial statements

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Gallia County Convention and Visitors Center, Gallia County (the Bureau), was organized and incorporated in 1986, to attract, initiate, promote and support events that will develop cultural interest and tourist attractions in Gallia County and the City of Gallipolis. The Bureau has been recognized by the State of Ohio as a tax exempt organization and by the Internal Revenue Service as a Section 501(c)(4) not-for-profit organization, exempt from federal income taxes.

The Bureau operates under the direction of a Board of Trustees, which consists of not less than nine nor more than twelve members, with broad representation from Gallia County. The staff consists of an appointed Treasurer, who is responsible for the fiscal control of the resources of the Bureau, and an Executive Director, responsible for the day-to-day operations.

The Bureau's management believes the basic financial statements included in this report represent all activities over which the Bureau has the ability to exercise direct operating control.

B. Basis of Accounting

The basic financial statements of the Bureau have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to not-for-profit organizations. Under this basis, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Bureau and any changes therein are classified and reported as follows:

Unrestricted net assets – Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Bureau and/or the passage of time. As of December 31, 2005 and 2004, temporarily restricted net assets were \$0 and \$338, respectively.

Permanently restricted net assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Bureau. Generally, the donors of these assets permit the Bureau to use all or part of the income earned or related investments for general specific purposes. As of December 31, 2005 and 2004, there were no permanently restricted net assets. These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Cash Equivalents

Cash and cash equivalents include the operating accounts, savings accounts and certificates of deposit of the Bureau. For the purposes of the Statement of Cash Flows, the Bureau's certificates of deposit and savings accounts are valued at cost and reported as a cash equivalent on the Statement of Financial Position. Both cash and certificates of deposit are considered cash for the purposes of the Statement of Cash Flows.

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

The Bureau is not subject to the provisions of Ohio Revised Code Chapter 5705, since property taxes are not utilized to finance its operations. However, the Bureau's Code of Regulations requires an annual budget be prepared and adopted by the Board of Trustees. The budgetary activity of the Bureau is disclosed in Note 3.

E. Capital Assets and Depreciation

Capital assets acquired or constructed for the general use of the Bureau in providing services are recorded at cost. The Bureau provides for depreciation in amounts adequate to amortize costs over the estimated useful lives of assets. Certain assets are being depreciated under the Internal Revenue Service's Modified Accelerated Cost Recovery System (MACRS) for financial book and tax reporting purposes. The remaining assets are depreciated using the straight-line method. The lives of the assets under this method do not materially differ from the actual lives of the assets. All assets reported in the financial statements are at cost less accumulated depreciation. The estimated useful lives by major fixed asset class are as follows:

Equipment	5 - 7 Years
Furniture and Fixtures	7 Years
Leasehold Improvements	31.5 Years
Building	39 Years

F. Long-Term Obligations

Long-term debt is reported as a liability.

G. Accounts Receivable

The Bureau receives the three percent lodging excise tax imposed by Gallia County, less an administration fee retained by the County. This constitutes the accounts receivable balance at December 31, 2005 and 2004. The amount represents the fourth quarter payment from the Gallia County Auditor for lodging taxes collected.

H. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

2. CASH AND CASH EQUIVALENTS

The Bureau maintains a cash pool. The carrying amount of cash at December 31 was as follows:

	<u>2005</u>	<u>2004</u>
Demand deposits	\$15,647	\$12,863
Certificates of deposit	\$26,281	\$25,884
	<u>\$41,928</u>	<u>\$38,747</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2005 and 2004 follows:

	<u>2005</u>	<u>2004</u>
Budgeted Receipts	\$ 115,500	\$ 137,250
Actual Receipts	<u>110,517</u>	<u>116,917</u>
Variance	<u>\$ (4,983)</u>	<u>\$ (20,333)</u>
	<u>2005</u>	<u>2004</u>
Appropriations	\$ 115,500	\$ 137,250
Actual Expenditures	<u>98,229</u>	<u>113,220</u>
Variance	<u>\$ 17,271</u>	<u>\$ 24,030</u>

4. CAPITAL ASSETS

A summary of the capital assets as of December 31 is as follows:

	<u>2005</u>	<u>2004</u>
Building	\$ 162,163	\$ 162,163
Equipment	20,796	17,700
Furniture and Fixtures	10,865	10,865
Land	<u>20,000</u>	<u>20,000</u>
Total	213,824	210,728
Less: accumulated depreciation	<u>(42,111)</u>	<u>(35,545)</u>
Capital Assets- Net	<u>\$ 171,713</u>	<u>\$ 175,183</u>

**GALLIA COUNTY CONVENTION AND VISITORS BUREAU
GALLIA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004
(Continued)**

5. LONG-TERM DEBT

Debt outstanding at December 31, 2005 was as follows:

	Principal	Interest Rate
Real Estate Mortgage	\$90,883	7.125%

The real estate mortgage relates to the purchase of a building and property and the related renovations to the property.

Amortization of the above debt, including interest, is scheduled as follows:

Year Ending December 31:	Real Estate Mortgage
2006	\$ 13,618
2007	13,618
2008	13,618
2009	13,618
2010	13,618
Subsequent	55,229
Total	\$ 123,319

6. SOCIAL SECURITY

All of the employees of the Bureau are covered by the Social Security System. The Bureau's liability is 6.2 percent of wages paid.

7. RISK MANAGEMENT

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Executive protection & employment practices

8. RELATED PARTIES

The Bureau engaged in one related party transaction during the audit period. The Bureau hired the son of the Treasurer to perform a minor repair job for \$1,745 in 2004. The transaction was approved by the Board and the check was signed by two Board members.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Gallia County Convention and Visitors Bureau
Gallia County
61 Court Street
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the basic financial statements of the Gallia County Convention and Visitors Bureau, Gallia County, Ohio (the Bureau), as of and for the years ended December 31, 2005 and 2004, , and have issued our report thereon dated November 22, 2006. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting to determine our auditing procedures to express our opinion on the basic financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting 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 material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Bureau's management dated November 22, 2006, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's basic financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could directly and materially affect 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 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*.

Gallia County Convention and Visitors Bureau
Gallia County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 22, 2006



**Auditor of State
Betty Montgomery**

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GALLIA COUNTY CONVENTION AND VISITORS BUREAU

GALLIA 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
DECEMBER 21, 2006**