



Mary Taylor, CPA
Auditor of State

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

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Mary Taylor, CPA

Auditor of State

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 financial statements of the Gallia County Convention and Visitors Bureau, Gallia County, Ohio (the Bureau), as of and for the years ended December 31, 2007 and 2006, 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 the 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 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, Ohio, as of December 31, 2007 and 2006, and the changes in financial position and 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 April 18, 2008, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the 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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 18, 2008

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

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006**

	2007	2006
Assets:		
Current:		
Cash and Cash Equivalents	\$64,718	\$56,464
Accounts Receivable	27,176	37,191
Inventory	200	571
Total Current Assets	92,094	94,226
Non-current:		
Fixed Assets (Net of Accumulated Depreciation)	165,522	170,329
Total Non-current Assets	165,522	170,329
Total Assets	\$257,616	\$264,555
Liabilities and Net Assets:		
Current Liabilities:		
Accrued Expenses	\$235	\$1,367
Total Current Liabilities	235	1,367
Non-current Liabilities:		
Real Estate Mortgage	50,318	83,765
Total Non-current Liabilities	50,318	83,765
Total Liabilities	50,553	85,132
Net Assets	207,063	179,423
Total Liabilities and Net Assets	\$257,616	\$264,555

The notes to the financial statements are an integral part of this statement.

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

**STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Changes in Net Assets		
Revenues and Gains		
Hotel Lodging Tax	\$119,510	\$127,203
Interest	1,980	1,141
Public Donations and Grants		2,000
Rental Income	10,869	11,886
Miscellaneous	7,834	6,222
	<u>140,193</u>	<u>148,452</u>
Total Revenues and Gains		
Functional Expenses	<u>112,553</u>	<u>120,830</u>
Change in Net Assets	27,640	27,622
Net Assets Beginning of Year	<u>179,423</u>	<u>151,801</u>
Net Assets End of Year	<u><u>\$207,063</u></u>	<u><u>\$179,423</u></u>

The notes to the financial statements are an integral part of this statement.

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

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Functional Expenses		
Administrative	\$60,220	\$56,187
Program	20,778	20,764
Office	10,132	16,772
Facility	12,849	15,395
Other	1,964	5,120
	<u>105,943</u>	<u>114,238</u>
Total Expenses Before Depreciation		
	<u>105,943</u>	<u>114,238</u>
Depreciation	6,610	6,592
	<u>6,610</u>	<u>6,592</u>
Total Functional Expenses	<u><u>\$112,553</u></u>	<u><u>\$120,830</u></u>

The notes to the financial statements are an integral part of this statement.

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

**STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
Cash Flows from Operating Activities		
Increase in Net Assets	\$27,640	\$27,622
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	6,610	6,592
Increase (Decrease) in Accrued Expense	(1,132)	975
(Increase) Decrease in Inventory	371	110
(Increase) Decrease in Accounts Receivable	10,015	(8,437)
	43,504	26,862
Cash Flows from Investing Activities		
Mortgage Principal	(33,447)	(7,118)
Acquisition of Fixed Assets	(1,803)	(5,208)
	(35,250)	(12,326)
Net Cash Provided (Used) by Investing Activities		
	8,254	14,536
Net Increase in Cash and Cash Equivalents		
	56,464	41,928
Cash and Cash Equivalents Beginning of Year		
	\$64,718	\$56,464
Cash and Cash Equivalents End of Year	\$64,718	\$56,464

The notes to the financial statements are an integral part of this statement.

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Gallia County Convention and Visitors Bureau, 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 Village of 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)(3) not-for-profit organization, exempt from federal income taxes.

The Bureau operates under the direction of a Board of Trustees, which consists of eleven members, with broad representation from Gallia County. Management staff consists of a Board elected Treasurer, who is responsible for the fiscal control of the resources of the Bureau, and an Executive Director, who is responsible for the day-to-day operations.

The Bureau's management believes the 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 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, 2007 and 2006, there were no temporarily restricted net assets.

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, 2007 and 2006, 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, 2007 AND 2006
(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 on the Bureau's financial statements.

G. Accounts Receivable

The Bureau receives a three percent lodging excise tax imposed by Gallia County, less an administration fee retained by the County. This constitutes a majority of the accounts receivable balance at December 31, 2007 and 2006. 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 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.

2. CASH AND CASH EQUIVALENTS

The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand deposits	\$35,881	\$29,043
Certificates of deposit	28,837	27,421
	\$64,718	\$56,464

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2007 and 2006 follows:

	2007	2006
Budgeted Revenue	\$ 138,900	\$ 119,500
Actual Revenue	140,193	148,452
Variance	(1,293)	(28,952)
	2007	2006
Appropriations	138,900	119,370
Actual Expenses	112,553	120,830
Variance	\$ 26,347	\$ (1,460)

4. CAPITAL ASSETS

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

	2007	2006
Building	\$ 163,232	\$ 163,232
Equipment	27,807	26,004
Furniture and Fixtures	9,796	9,796
Land	20,000	20,000
Total	220,835	219,032
Less: accumulated depreciation	(55,313)	(48,703)
Capital Assets- Net	\$ 165,522	\$ 170,329

5. LONG-TERM DEBT

Debt outstanding at December 31, 2007 was as follows:

	Principal	Interest Rate
Real Estate Mortgage	\$50,318	7.125%

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

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

5. LONG-TERM DEBT (Continued)

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

<u>Year Ending December 31:</u>	<u>Real Estate Mortgage</u>
2008	13,618
2009	13,618
2010	13,618
2011	13,618
2012	<u>3,666</u>
Total	<u>\$ 58,138</u>

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
- Blanket Coverage for Employee Dishonesty



Mary Taylor, CPA

Auditor of State

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 45631-1131

To the Board of Trustees:

We have audited the financial statements of the Gallia County Convention and Visitors Bureau, Gallia County, Ohio (the Bureau) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated April 18, 2008. 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Bureau's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Bureau's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the Bureau's management in a separate letter dated April 18, 2008.

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 we must report under *Government Auditing Standards*.

We noted a certain noncompliance or other matter that we reported to the Bureau's management in a separate letter dated April 18, 2008.

We intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

April 18, 2008



Mary Taylor, CPA
Auditor of State

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
MAY 13, 2008**