

BELMONT COUNTY TOURISM COUNCIL, INC.

AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008



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



Dave Yost • Auditor of State

Board of Directors
Belmont County Tourism Council, Inc.
Ohio Valley Mall
Unit 485
St. Clairsville, Ohio 43956

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, 2008 through December 31, 2009. 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

March 30, 2011

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

To the Board of Directors of
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, 2009 and 2008 and related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of Belmont County Tourism Council, Inc.'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, 2009 and 2008, 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 our report dated September 1, 2010, on our consideration of Belmont County Tourism Council, Inc.'s internal control over financial reporting and on 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 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 considered in assessing the results of our audit.

Seachrist, Kennon + Marling, A.C.

Wheeling, West Virginia
September 1, 2010

BELMONT COUNTY TOURISM COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2009 AND 2008

	2009	2008
<u>Assets</u>		
Current assets:		
Cash in checking	\$ 197,618	\$ 186,433
Cash in Lodging Excise Tax Fund	236,016	301,528
Accounts receivable	34,338	25,311
Grants receivable	-	9,500
Total current assets	467,972	522,772
Fixed assets:		
Office equipment	5,002	4,499
Furniture and fixtures	12,057	12,057
Equipment	4,063	4,063
Total fixed assets	21,122	20,619
Less: accumulated depreciation	(17,392)	(15,757)
Net fixed assets	3,730	4,862
 Total Assets	 \$ 471,702	 \$ 527,634
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 5,400	\$ 2,700
Payroll taxes payable	2,123	2,476
Total current liabilities	7,523	5,176
 Total Liabilities	 7,523	 5,176
Net assets:		
Unrestricted	464,179	522,458
 Total Liabilities and Net Assets	 \$ 471,702	 \$ 527,634

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

BELMONT COUNTY TOURISM COUNCIL, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>Revenues</u>		
Belmont County Commissioners	\$ 322,516	\$ 319,880
Grant income	4,724	13,371
	<u>327,240</u>	<u>333,251</u>
<u>Expenses</u>		
Salaries	79,980	77,986
Payroll taxes	6,580	5,685
Fringe benefits	4,804	4,721
Brochures	12,941	8,785
Local promotion and entertainment	15,497	19,258
Advertising	62,708	59,770
Trade shows	2,076	5,113
Rent and utilities	18,423	18,472
Professional fees	2,711	5,160
Office supplies and expense	6,428	6,396
Professional meetings	595	774
Dues and subscriptions	2,770	3,118
Telephone	2,915	2,243
Insurance	1,139	892
Travel expense	82	408
Postage and mailings	1,229	1,450
Depreciation	1,635	1,296
GAP Program	51,500	42,300
Contributions	109,000	-
Repairs and maintenance	2,506	2,097
	<u>385,519</u>	<u>265,924</u>
Increase (decrease) in net assets	(58,279)	67,327
Net assets, beginning of the year	<u>522,458</u>	<u>455,131</u>
Net assets, end of the year	<u>\$ 464,179</u>	<u>\$ 522,458</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, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (58,279)	\$ 67,327
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	1,635	1,296
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	472	(10,616)
Increase (decrease) in accounts payable	2,700	(382)
Increase (decrease) in payroll taxes payable	(353)	208
Net cash provided (used) by operating activities	<u>(53,825)</u>	<u>57,833</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(502)</u>	<u>(3,921)</u>
Net cash provided (used) by investing activities	<u>(502)</u>	<u>(3,921)</u>
Net increase (decrease) in cash and cash equivalents	(54,327)	53,912
Beginning cash and cash equivalents	<u>487,961</u>	<u>434,049</u>
Ending cash and cash equivalents	<u>\$ 433,634</u>	<u>\$ 487,961</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, 2009 AND 2008

Note 1: Accounting Policies

Nature of Business – Belmont County Tourism Council, Inc. is a non-profit organization formed to promote tourism in Belmont County, Ohio. Revenues are derived from a 3% motel bed tax and occasional grants.

Accounting Method – The Council prepares its financial statements on the accrual basis of accounting.

Financial Statement Presentation – The Council is required to present information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. Assets with voluntary designations by the governing board are considered unrestricted. All of the Council's assets are unrestricted.

Property and Equipment – Property and equipment is capitalized at cost. The policy of the organization is to capitalize assets with a cost of \$100 and a useful life of one year or more. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets.

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.

Cash and Cash Equivalents – For 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 the F.D.I.C. up to \$250,000. 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 and is in compliance with all state statutes.

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.

Reclassifications – The organization's policy is to reclassify amounts reported in prior year financial statements when necessary for classifications adopted in the current year.

BELMONT COUNTY TOURISM COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008

Note 2: Contracts and Leases

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, 2010. Rent payments are \$1,350 per month or \$16,200 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: Functional Classification of Expenses

Expenses by function for the years ended December 31, 2009 and 2008 are as follows:

	2009	2008
Program services	\$ 323,919	\$ 204,284
Management and general	61,600	61,640
	\$ 385,519	\$ 265,924

Note 5: Subsequent Events

The Council has evaluated subsequent events through September 1, 2010, the date which the financial statements were available to be issued.

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 of
Belmont County Tourism Council, Inc.:

We have audited the financial statements of Belmont County Tourism Council, Inc. (a non-profit organization) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 1, 2010. 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Belmont County Tourism Council, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedules of findings and responses, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness. See Finding 08/09-1.

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*.

Belmont County Tourism Council, Inc.'s response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit Belmont County Tourism Council, Inc.'s response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Directors, others within the organization and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Seachrist, Kennon + Marling, A.C.

Wheeling, West Virginia
September 1, 2010

BELMONT COUNTY TOURISM COUNCIL, INC.
SCHEDULE OF FINDINGS AND RESPONSES
FOR YEARS ENDED DECEMBER 31, 2009 and 2008

Finding 08/09-1: Financial Statement Preparation (Material Weakness)

Condition: The Organization currently requires assistance from the auditors to prepare financial statements and related disclosures in accordance with generally accepted accounting principles.

Criteria: Effective internal control over financial reporting requires that management possess the ability to select and apply appropriate accounting principles to prepare financial statements in accordance with generally accepted accounting principles.

Effect: The Organization's financial statements required material adjustments and modifications to be properly presented in accordance with generally accepted accounting principles.

Recommendation: We recommend that the Organization provide the required training to its staff or hire additional staff with the expertise required to prepare financial statements in accordance with generally accepted accounting principles.

Response: Management agrees with the finding; however, it would not be cost beneficial to hire additional staff at this time.



Dave Yost • 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
APRIL 12, 2011**