

**THE DELAWARE COUNTY CONVENTION AND  
VISITORS BUREAU, INC.  
DELAWARE, OHIO**

*FINANCIAL STATEMENTS*

DECEMBER 31, 2009 AND 2008

**WOLF, ROGERS, DICKEY & CO.**  
*Certified Public Accountants*





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
The Delaware County Convention and Visitors Bureau  
44 E. Winter Street  
Delaware, Ohio 43015

We have reviewed the *Independent Auditors' Report* of the Delaware County Convention and Visitors Bureau, Inc. prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 2009 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 Delaware County Convention and Visitors Bureau, Inc. is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

June 16, 2010

# **Wolf, Rogers, Dickey & Co.**

Certified Public Accountants

38 South Franklin Street

P. O. Box 352

Delaware, Ohio 43015-0352

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Telephone: 740-362-9031

Fax: 740-363-7799

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Trustees of  
The Delaware County Convention and  
Visitors Bureau, Inc.  
Delaware, Ohio

We have audited the accompanying statements of cash receipts and disbursements of The Delaware County Convention and Visitors Bureau, Inc. (a nonprofit organization) (the CVB) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the CVB's management. Our responsibility is to express an opinion on the 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit 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 presentation of the statement of cash receipts and disbursements. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1, the CVB has prepared its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash of the CVB as of December 31, 2009 and 2008, and the cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 2010 on our consideration of the CVB's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

May 21, 2010  
Delaware, Ohio

**The Delaware County Convention and Visitors Bureau, Inc.**  
**Statements of Cash Receipts and Disbursements**  
**For the Years Ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Cash receipts:		
Excise tax on lodging	\$ 160,891	179,455
Interest	<u>2,163</u>	<u>4,392</u>
Total cash receipts	163,054	183,847
Cash disbursements:		
Salaries	71,896	74,836
Marketing and promotion	45,601	55,425
Publications	22,776	21,771
Rent, utilities and cleaning	19,400	19,262
Payroll taxes and fringe benefits	14,139	16,400
Office supplies	4,261	4,291
Telephone	3,067	2,998
Professional fees	2,159	2,804
Dues and subscriptions	1,798	1,369
Office equipment	1,738	166
Insurance	1,692	1,634
Training and conference	1,679	1,535
Mileage and parking	1,512	1,715
Other	<u>591</u>	<u>538</u>
Total cash disbursements	<u>192,309</u>	<u>204,744</u>
Excess of disbursements over receipts	(29,255)	(20,897)
Cash – beginning of year	<u>198,937</u>	<u>219,834</u>
Cash – end of year	\$ <u>169,682</u>	<u>198,937</u>

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

**The Delaware County Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**  
**December 31, 2009 and 2008**

(1) Summary of Significant Accounting Policies

Organization

The Delaware County Convention and Visitors Bureau (the CVB) is a not-for-profit organization which promotes travel and tourism in Delaware County, Ohio. The organization is funded by an excise tax on lodging of transient guests within Delaware County. The CVB is governed by a Board of Trustees composed of at least eleven members appointed by Delaware County Chambers of Commerce, Delaware County Commissioners, Fair Board and the CVB Trustees.

Basis of Presentation

The financial statements are prepared on the basis of cash receipts and disbursements. Consequently, support and revenue are recognized when received, and expenses are recognized when paid.

Excise tax on lodging is recognized by the CVB as it is received from Delaware County, and may not represent all revenue that is actually due from the lodging establishments. Delaware County is solely responsible for collection of the tax. One lodging establishment was delinquent in remitting the excise tax at December 31, 2009. At December 31, 2008, eight lodging establishments were delinquent in remitting the excise tax.

Income Taxes

The CVB is exempt from income taxes under Section 501(c) 6 of the Internal Revenue Code.

(2) Concentrations of Credit Risk

The CVB maintains bank accounts with a local financial institution. Effective October 2008, the accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Prior to that date the accounts were insured up to \$100,000.

January through July 2008 the CVB maintained funds in an interest bearing checking account. The bank was required to purchase government securities as collateral for these deposits. Such securities were segregated from other securities owned by the bank as subject to the agreement.

In July 2008 the CVB established a Certificate of Deposit Account Registry Service (CDARS) deposit placement agreement under which the CVB purchases federally insured time deposits with participating institutions. Maturities, payment terms and interest rates vary by time deposit. At December 31, 2009 and 2008, the CVB had \$102,059 and \$151,886, respectively placed with several institutions.

**The Delaware County Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2009 and 2008**

(3) Cash

Cash consists of the following:

	<u>2009</u>	<u>2008</u>
Checking	\$ 67,623	47,051
CDARS	<u>102,059</u>	<u>151,886</u>
	<u>\$ 169,682</u>	<u>198,937</u>

(4) Leases

The CVB leases office space under an operating lease agreement that expires September 30, 2012. The lease agreement requires a security deposit and monthly payments which increase in increments of 1.5% on October 1 of each year. Rent expense for 2009 and 2008 was \$16,313 and \$16,092, respectively. Monthly payments due from January 1, 2010 to September 30, 2010 are \$1,375.

In addition, the CVB leases certain office equipment under an operating lease that expired in April 2008. The lease has not yet been renegotiated and monthly payments total \$141 since expiration of the lease. Payments under the lease totaled \$1,571 and \$1,712 for the years ended December 31, 2009 and 2008, respectively.

(5) Employee Benefits

The CVB has adopted a self-funded, short-term disability personnel policy covering the Executive Director. Under terms of the personnel policy, the Director would be paid 60% of her salary until such time as the long-term disability insurance policy commences coverage. The CVB's liability for the short-term disability coverage would occur after all vacation and sick leave has been used.

The CVB offers health insurance for full-time employees. Additionally, the CVB reimburses employees for excess out-of-pocket costs up to a maximum amount each year. Payments under the plan totaled \$1,527 and \$490 for the years ended December 31, 2009 and 2008, respectively. There were no outstanding reimbursements as of December 31, 2009 or 2008.

(6) Commitments

The CVB entered into a deferred compensation agreement with an employee in January 2010. The agreement provides for the CVB to set aside a percentage of the employee's base compensation each year commencing in 2009, so long as the Trustees determine that sufficient funds are available. The employee will be entitled to the deferred compensation payments following her regular employment at the CVB. The total deferred compensation for 2009 of \$6,885 was set aside in 2010 in an interest bearing checking account subject to all creditors.



# Wolf, Rogers, Dickey & Co.

Certified Public Accountants

38 South Franklin Street

P. O. Box 352

Delaware, Ohio 43015-0352

Telephone: 740-362-9031

Fax: 740-363-7799

## **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 Trustees of  
The Delaware County Convention and Visitors Bureau, Inc.

We have audited the financial statements of The Delaware County Convention and Visitors Bureau, Inc. (the CVB) (a nonprofit organization) as of and for the year ended December 31, 2009 and have issued our report thereon dated May 21, 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 the CVB'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 the CVB's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the CVB'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 the normal course of 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 organization'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 a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the CVB 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 trustees and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

*Wolf, Rogers, Dickey & Co.*

Certified Public Accountants

Delaware, Ohio  
May 21, 2010



**Mary Taylor, CPA**  
Auditor of State

**CONVENTION AND VISITORS BUREAU**

**DELAWARE 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  
JUNE 29, 2010**