

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

DELAWARE, OHIO

FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



Dave Yost • Auditor of State

Board of Trustees
Delaware County Convention and Visitors Bureau, Inc.
44 E. Winter St.
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, 2011 through December 31, 2011. 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.

A handwritten signature in black ink that reads "Robert R. Hinkle".

Robert Hinkle
Deputy Chief Auditor

October 10, 2012

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**The Delaware County Convention and Visitors Bureau, Inc.
Delaware County, Ohio**

For the Years Ended December 31, 2011 and 2010

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Wolf, Rogers, Dickey & Co.

Certified Public Accountants

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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, cash disbursements and change in cash balance of The Delaware County Convention and Visitors Bureau, Inc. (a nonprofit organization) (the CVB) as of and for the years ended December 31, 2011 and 2010. 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 Comptroller General of the United States' *Government Auditing Standards*. 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 statements of cash receipts, cash disbursements and change in cash balance. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis 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 receipts, cash disbursements and cash balance arising from the cash transactions of the CVB as of December 31, 2011 and 2010, and 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 June 14, 2012 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 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, compliance and results of that testing. 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 assessing the results of our audit.

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

June 14, 2012
Delaware, Ohio

The Delaware County Convention and Visitors Bureau, Inc.
Statements of Cash Receipts, Cash Disbursements and Change in Cash Balance
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash receipts:		
Excise tax on lodging	\$ 168,052	139,084
Interest	<u>294</u>	<u>466</u>
Total cash receipts	168,346	139,550
Cash disbursements:		
Salaries	63,395	74,197
Marketing and promotion	27,927	24,343
Payroll taxes and fringe benefits	24,507	21,934
Rent, utilities and cleaning	22,694	19,611
Relocation	7,424	-
Office supplies	4,586	4,461
Telephone	2,954	3,128
Publications	2,825	18,928
Professional fees	2,152	3,562
Dues and subscriptions	1,671	1,727
Insurance	1,642	643
Office equipment	1,369	1,219
Training and conference	1,303	1,760
Mileage and parking	1,184	1,496
Other	<u>525</u>	<u>670</u>
Total cash disbursements	<u>166,158</u>	<u>177,679</u>
Excess (deficiency) of receipts over (under) disbursements	2,188	(38,129)
Cash – beginning of year	<u>131,553</u>	<u>169,682</u>
Cash – end of year	\$ <u>133,741</u>	<u>131,553</u>

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

The Delaware County Convention and Visitors Bureau, Inc.
Notes to Financial Statements
December 31, 2011 and 2010

(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. Three lodging establishments were delinquent in remitting the excise tax at December 31, 2011. At December 31, 2010, two lodging establishments were delinquent in remitting the excise tax.

Cash and Cash Equivalents

The CVB considers all short-term investments with an original maturity of three months or less to be cash equivalents.

Income Taxes

The CVB has been determined, by the Internal Revenue Service, to be exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code and as a result, a provision for taxes is not required. The CVB has adopted the provisions of the *Accounting for Uncertainty in Income Taxes* topic of the FASB Accounting Standards Codification. The CVB's tax returns for the years 2005 through 2011 are subject to examination by tax authorities. The CVB records interest and penalties, if any, in interest expense and other expense, respectively. During the years ended December 31, 2011 and 2010, the CVB did not have any interest or penalties related to taxes. The CVB currently has no unrelated business income.

The CVB's evaluation December 31, 2011 revealed no uncertain tax positions that would have a material impact on the financial statements.

The Delaware County Convention and Visitors Bureau, Inc.
Notes to Financial Statements, continued
December 31, 2011 and 2010

(1) Summary of Significant Accounting Policies, continued

Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

(2) Concentrations of Credit Risk

Cash accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 for interest bearing accounts and to an unlimited amount for certain non-interest bearing business accounts. The CVB had no uninsured cash balances at December 31, 2011 and 2010, respectively. The CVB has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

In 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, 2011 and 2010, the CVB had \$0 and \$51,339, respectively, placed with financial institutions.

(3) Cash

Cash consists of the following:

	<u>2011</u>	<u>2010</u>
Checking	\$ 133,741	80,214
CDARS	<u> -</u>	<u>51,339</u>
	<u>\$ 133,741</u>	<u>131,553</u>

(4) Leases

The CVB leases office space under an operating lease agreement that expires October 31, 2016. The lease agreement requires monthly payments of \$1,450. Rent expense for 2011 and 2010 was \$18,554 and \$16,558, respectively.

In addition, the CVB leases certain office equipment under an operating lease that expires in October 2013. The monthly payments are \$131 beginning November 2010 through expiration of lease. Payments under the lease totaled \$1,572 and \$1,922 for the years ended December 31, 2011 and 2010, respectively.

The Delaware County Convention and Visitors Bureau, Inc.
Notes to Financial Statements, continued
December 31, 2011 and 2010

(5) Employee Benefits

The CVB self-funded a 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. As of October 2010, the CVB eliminated the disability policy but coverage remained in effect through December 2010.

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 \$0 for each of the years ended December 31, 2011 and 2010. There were no outstanding reimbursements as of December 31, 2011 or 2010.

(6) Commitments

The CVB entered into a deferred compensation agreement with an employee in January 2010 which was rescinded and modified in October 2010. The agreement provides for the CVB to set aside a percentage of the employee's base compensation each year commencing in 2009. The employee will be entitled to the deferred compensation payments following her regular employment at the CVB. Deferred compensation of \$6,885 for 2011 and 2010 was set aside in an individual retirement account.

(7) Subsequent Events

The CVB has evaluated subsequent events through June 14, 2012, the date which the financial statements were available to be issued.

Wolf, Rogers, Dickey & Co.

Certified Public Accountants

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Independent Auditors' Report On Internal Control Over Financial Reporting and On Compliance And Other Matters Required By Government Auditing Standards

To the Board of Trustees of
The Delaware County Convention and Visitors Bureau, Inc.
Delaware, Ohio 43015

We have audited the accompanying statements of cash receipts, cash disbursements and change in cash balance of The Delaware County Convention and Visitors Bureau, Inc. (a nonprofit organization) (the CVB) as of and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated June 14, 2012. 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 CVB's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of opining on the effectiveness of the CVB's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the CVB'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. Therefore, we cannot assure that we have identified all deficiencies, 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.

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 and timely correct misstatements. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected.

Compliance and Other Matters

As part of reasonably assuring whether the CVB'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 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*.

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

Wolf, Rogers, Dickey & Co.
Certified Public Accountants

Delaware, Ohio
June 14, 2012



Dave Yost • Auditor of State

DELAWARE COUNTY CONVENTION AND VISITORS BUREAU, INC

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
OCTOBER 23, 2012**