

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

FINANCIAL STATEMENTS  
DECEMBER 31, 2005 and 2004

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





**Auditor of State  
Betty Montgomery**

Board of Trustees  
Delaware County Convention and Visitors Bureau, Inc.  
44 East 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, 2005 through December 31, 2005. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

October 30, 2006

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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 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, 2005 and 2004. These financial statements are the responsibility of the Organization'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 and investments of the CVB as of December 31, 2005 and 2004, 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 April 28, 2006, 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

April 28, 2006  
Delaware, Ohio

Delaware County Convention and Visitors Bureau, Inc.  
 Statements of Cash Receipts and Disbursements  
 For the Years Ended December 31, 2005 and 2004

	<u>2005</u>	<u>2004</u>
Cash receipts:		
Excise tax on lodging	\$ 177,323	166,089
Interest	5,087	859
Souvenir sales	<u>75</u>	<u>954</u>
 Total cash receipts	 182,485	 167,902
 Cash disbursements:		
Salaries	63,283	63,992
Marketing and promotion	42,930	29,234
Rent, utilities and cleaning	18,064	17,418
Payroll taxes and fringe benefits	12,376	11,468
Publications	5,987	13,987
Office supplies	4,369	4,138
Office equipment	3,165	1,972
Telephone	2,950	2,545
Professional fees	2,600	2,269
Insurance	1,559	612
Dues and subscriptions	1,390	1,789
Training and conference	1,329	1,475
Mileage and parking	1,139	991
Other	<u>513</u>	<u>528</u>
 Total cash disbursements	 <u>161,654</u>	 <u>152,418</u>
 Excess of receipts over disbursements	 20,831	 15,484
 Cash and investments – beginning of year	 <u>178,970</u>	 <u>163,486</u>
 Cash and investments – end of year	 \$ <u>199,801</u>	 <u>178,970</u>

See accompanying notes to financial statements

**The Delaware County Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements**  
**December 31, 2005 and 2004**

(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, Commissioners and 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. Two lodging establishments were delinquent in remitting the excise tax at December 31, 2005.

Income Taxes

The CVB is exempt from income taxes under Section 501(c)(6) of the Internal Revenue Code. The CVB has unrelated business income from souvenir sales. No provision has been made for income tax as the CVB anticipates the associated expenses will exceed the sale revenue.

(2) Concentrations of Credit Risk

The CVB maintains a checking account with a local financial institution. The account is insured by the Federal Deposit Insurance Corporation up to \$100,000. The CVB had no uninsured account balances at December 31, 2005 or 2004.

The CVB maintains funds in a federated investment account pursuant to a master repurchase agreement. Terms of the agreement require the bank to purchase government securities as collateral. Such securities are segregated from other securities owned by the bank as subject to the agreement. The CVB had balances of \$120,375 and \$135,000 in this account at December 31, 2005 and 2004, respectively.



**The Delaware County Convention and Visitors Bureau, Inc.**  
**Notes to Financial Statements, continued**  
**December 31, 2005 and 2004**

	<u>2005</u>	<u>2004</u>
<b>(3) <u>Cash and Investments</u></b>		
Cash and investments consist of the following:		
Checking	\$ 91,995	43,970
Federated investment	<u>107,806</u>	<u>135,000</u>
	<u>\$ 199,801</u>	<u>178,970</u>

**(4) Leases**

The CVB leases office space under a lease agreement that expires September 30, 2007. The lease agreement required a security deposit and monthly payments which increase in increments of 2% on October 1 of each year. Monthly payment amounts for the current year were \$1,264 through September 30, 2005 and \$1,288 as of October 1, 2005. Rent expense for 2005 and 2004 was \$15,240 and \$14,979, respectively.

In addition, the CVB leased certain office equipment under an operating lease that expired in July 2005. In 2005, the CVB entered into a new equipment lease with the same payment terms as the previous lease, which expires in April 2008. The leases require monthly payments of \$151 plus a charge for excess copies. Payments under the leases totaled \$1,970 for the years ended December 31, 2005 and 2004, 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.

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## **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 statement of The Delaware County Convention and Visitors Bureau, Inc. (the CVB) (a nonprofit organization) as of and for the year ended December 31, 2005 and have issued our report thereon dated April 28, 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **Internal Control Over Financial Reporting**

In planning our audit, we considered the CVB's internal control over financial reporting in order to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control over financial reporting 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 in relation 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 to be material weaknesses.

### **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 grants 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  
April 28, 2006





**Auditor of State  
Betty Montgomery**

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**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  
NOVEMBER 9, 2006**