

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

FINANCIAL STATEMENT

DECEMBER 31, 2003

WOLF, ROGERS, DICKEY & CO.
Certified Public Accountants



**Auditor of State
Betty Montgomery**

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

We have reviewed the Independent Auditor's Report of the Delaware County Convention and Visitors Bureau, Inc., Delaware County, prepared by Wolf, Rogers, Dickey & Co., for the audit period January 1, 2003 through December 31, 2003. 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

September 20, 2004

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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 statement of cash receipts and disbursements of The Delaware County Convention and Visitors Bureau, Inc. (a nonprofit organization) as of and for the year ended December 31, 2003. This financial statement is 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 financial statement has been prepared on the cash receipts and disbursements 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 statement referred to in the first paragraph presents fairly, in all material respects, the cash receipts and disbursements of The Delaware County Convention and Visitors Bureau, Inc. as of and for the year ended December 31, 2003 on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 30, 2004, on our consideration of The Delaware County Convention and Visitors Bureau, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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

Delaware, Ohio
June 30, 2004

Delaware County Convention and Visitors Bureau, Inc.
Statement of Cash Receipts and Disbursements
For the Year Ended December 31, 2003

Cash receipts:	
Excise tax on lodging	\$ 158,409
Souvenir sales	1,943
Interest	<u>217</u>
 Total cash receipts	 160,569
 Cash disbursements:	
Salaries	60,825
Marketing and promotion	28,361
Rent, utilities and cleaning	17,276
Publications	13,229
Payroll taxes and fringe benefits	10,463
Office equipment	4,939
Office supplies	4,492
Professional fees	3,207
Telephone	2,699
Training and conference	2,116
Dues and subscriptions	1,510
Mileage and parking	1,138
Insurance	612
Other	<u>547</u>
 Total cash disbursements	 <u>151,414</u>
 Excess of receipts over disbursements	 9,155
 Cash and investments – beginning of year	 <u>154,331</u>
 Cash and investments – end of year	 \$ <u>163,486</u>

See accompanying notes to financial statements

The Delaware County Convention and Visitors Bureau, Inc.
Notes to Financial Statements
December 31, 2003

(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, Fair Board and the 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.

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, 2003.

The CVB also 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 a balance of \$105,000 in this account at December 31, 2003.

The Delaware County Convention and Visitors Bureau, Inc.
Notes to Financial Statements, continued
December 31, 2003

(3) Cash and Investments

Cash and investments consist of the following :

Checking	\$ 17,707
Federated investment	105,000
Restricted checking	<u>40,779</u>
	\$ <u>163,486</u>

(4) Leases

The CVB leases office space under a lease agreement that expires September 30, 2007. The lease agreement requires a security deposit and monthly payments of \$1,215 through September 30, 2003 and \$1,239 as of October 1, 2003. Rent expense for 2003 was \$14,647.

In addition, the CVB leases certain office equipment under an operating lease that expires in July 2005. The lease requires monthly payments of \$151 plus a charge for excess copies. Payments under the lease totaled \$1,970 for the year ended December 31, 2003.

(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.

(6) Unearned Tax Revenue

In 1999, a Delaware County hotel collected and remitted the Delaware County excise tax on lodging. Because this hotel was located in the City of Columbus no Delaware County tax should have been collected. The Delaware County Prosecutor's office advised the CVB that pursuant to Ohio Revised Code Section 5739.07, consumers who have erroneously paid this tax may file an application for a refund during the four years after the tax was paid. In addition, the funds already collected should be kept in a separate fund until the four-year period has expired. At that time, the funds may be released and utilized as any other funds from the lodging tax.

The Delaware County Convention and Visitors Bureau, Inc.
Notes to Financial Statements, continued
December 31, 2003

(6) Unearned Tax Revenue (continued)

The restricted cash included in cash and investments on the statement of cash receipts and disbursements represents the excise tax on lodging the CVB received that should not have been collected. Total funds plus interest earned were \$40,779 at December 31, 2003.

**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, 2003 and have issued our report thereon dated June 30, 2004. 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.

Compliance

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 that are required to be reported under *Government Auditing Standards*.

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 for the purpose of expressing our opinion on the financial statements and not to provide assurance 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 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of 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.

This report is intended for the information of the board of trustees and management 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
June 30, 2004



**Auditor of State
Betty Montgomery**

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DELAWARE COUNTY 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
SEPTEMBER 30, 2004**