

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

**FINANCIAL STATEMENT
(AUDITED)**

**FOR THE YEAR ENDED
DECEMBER 31, 2016**

DEBORAH SHATZER, EXECUTIVE DIRECTOR



Dave Yost • Auditor of State

Board of Trustees
Delaware County Convention and Visitors Bureau
34 S. Sandusky St.
Delaware, OH 43015

We have reviewed the *Independent Auditor's Report* of the Delaware County Convention and Visitors Bureau, Delaware County, prepared by Julian & Grube, Inc., for the audit period January 1, 2016 through December 31, 2016. 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 is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

July 25, 2017

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

TABLE OF CONTENTS

| | |
|---|-------|
| Independent Auditor's Report..... | 1 - 2 |
| Financial Statement: | |
| Statement of Cash Receipts, Cash Disbursements and Changes in Cash Balance..... | 3 |
| Notes to the Financial Statement..... | 4 - 5 |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 6 - 7 |

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Julian & Grube, Inc.

Serving Ohio Local Governments

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Auditor's Report

Delaware County Convention and Visitors Bureau, Inc.
Delaware County
34 S. Sandusky Street
Delaware, Ohio 43015

To the Board of Trustees:

Report on the Financial Statement

We have audited the accompanying financial statement of Delaware County Convention and Visitors Bureau, Inc., Delaware County, Ohio (a not-for-profit corporation), which comprise the statement of cash receipts, cash disbursements and change in cash balance as of and for the year ended December 31, 2016, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting this financial statement in accordance with the cash accounting basis Note 1 describes. This responsibility includes determining that the cash accounting basis is acceptable for the circumstances. Management is also responsible for designing, implementing and maintaining internal control relevant to preparing and fairly presenting the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on this financial statement based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statement is free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Delaware County Convention and Visitors Bureau, Inc.'s preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Delaware County Convention and Visitors Bureau Inc.'s internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts, cash disbursements, and change in cash balance of the Delaware County Convention and Visitors Bureau, Inc., Delaware County, Ohio, as of December 31, 2016 and for the year then ended in accordance with the accounting basis described in Note 1.

Accounting Basis

We draw attention to Note 1 of the financial statement, which describes the accounting basis, which differs from generally accepted accounting principles. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 8, 2017, 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 grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine 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* in considering the Delaware County Convention and Visitor Bureau, Inc.'s internal control over financial reporting and compliance.



Julian & Grube, Inc.
June 8, 2017

DELAWARE COUNTY CONVENTION AND VISITORS BUREAU, INC.

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2016

| | 2016 |
|--|-------------------|
| Cash Receipts: | |
| Excise tax on lodging | \$ 295,518 |
| Interest | 1,191 |
| Total cash receipts | 296,709 |
| Cash Disbursements: | |
| Salaries | 111,894 |
| Marketing and promotion | 52,031 |
| Payroll taxes and fringe benefits | 34,717 |
| Rent, utilities and cleaning | 20,761 |
| Publications | 24,672 |
| Office Supplies | 3,687 |
| Professional Fees | 4,701 |
| Dues and subscriptions | 4,024 |
| Telephone | 2,295 |
| Insurance | 1,584 |
| Mileage and parking | 1,347 |
| Training and conference | 2,442 |
| Office Equipment | 1,992 |
| Other | 197 |
| Total cash disbursements | 266,344 |
| Excess of receipts over disbursements. | 30,365 |
| Cash at beginning of year | 232,447 |
| Cash at end of year | \$ 262,812 |

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENT

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

NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Delaware County Convention and Visitors Bureau, Inc. (the "CVB") is a nonprofit 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 nine members appointed by Delaware County Chambers of Commerce, Delaware County Commissioners and the CVB Trustees.

Basis of Presentation

The financial statement is 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.

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 is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code, except for fees which are subject to unrelated business income tax. There is no provision for unrelated business income taxes at December 31, 2016. The CVB's federal income tax returns are subject to examination by the IRS, generally for three years after they were filed. Management has evaluated the effect of accounting guidance regarding uncertain income tax positions and concluded the CVB has no significant financial statement exposure to uncertain tax positions. The CVB is not currently under audit by any tax jurisdiction.

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 statement.

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

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2016**

NOTE 2 - CONCENTRATIONS OF CREDIT RISK

Cash accounts at each financial institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The CVB had a carrying amount of deposits of \$262,812 as of December 31, 2016, and a total bank balance of \$269,812. Of the total bank balance, \$251,000 was covered by the Federal Deposit Insurance Corporation, while \$18,812 was uninsured and exposed to credit risk. 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.

NOTE 3 - HOTEL AND LODGING BED TAX AND CONCENTRATION OF RISK

The CVB received excise tax on lodging from eight lodging establishments and four of these lodging establishments each represent over ten percent of total revenues. At December 31, 2016, all but one lodging establishments were current in remitting the excise tax. A reduction in this tax could have a significant impact on the operations of the CVB.

NOTE 4 - LEASES

The CVB leases office space under an operating lease agreement that expired in October, 2016. The lease was renewed for an additional five years, ending October, 2021. The lease agreement required monthly payments of \$1,450 from January to October, then once renewed, the monthly payments were \$1,550. Rent expense for 2016 was \$17,700.

NOTE 5 - EMPLOYEE BENEFITS

The CVB, in the past, offered health insurance for full-time employees. However, during 2016 the plan was canceled and the CVB no longer provides health insurance.



Julian & Grube, Inc.

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333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Delaware County Convention and Visitors Bureau, Inc.
Delaware County
34 S. Sandusky Street
Delaware, Ohio 43015

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statement of the Delaware County Convention and Visitors Bureau, Inc., Delaware County, Ohio (a nonprofit organization), as of and for the year ended December 31, 2016, and the related notes to the financial statement, which collectively comprise the Delaware County Convention and Visitors Bureau, Inc.'s basic financial statement and have issued our report thereon dated June 8, 2017.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Delaware County Convention and Visitor Bureau, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statement, but not to the extent necessary to opine on the effectiveness of the Delaware County Convention and Visitor Bureau, Inc.'s internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Delaware County Convention and Visitors Bureau, Inc.'s financial statement. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Board of Trustees
Delaware County Convention and Visitors Bureau, Inc.

Compliance and Other Matters

As part of reasonably assuring whether the Delaware County Convention and Visitors Bureau, Inc.'s financial statement is 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, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Delaware County Convention and Visitors Bureau, Inc.'s internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Delaware County Convention and Visitors Bureau, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Julian & Grube, Inc.".

Julian & Grube, Inc.
June 8, 2017

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Dave Yost • Auditor of State

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
AUGUST 8, 2017**