

**PENNSYLVANIA DUTCH TOURIST
BUREAU T/A PENNSYLVANIA
DUTCH CONVENTION AND
VISITORS BUREAU #36**

YEARS ENDED DECEMBER 31, 2007 AND 2006

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

Financial Statements with Supplementary Information

Years Ended December 31, 2007 and 2006

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention
and Visitors Bureau #36
Lancaster, Pennsylvania

We have audited the accompanying statements of financial position of the **Pennsylvania Dutch Tourist Bureau** as of December 31, 2007 and 2006, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the **Pennsylvania Dutch Tourist Bureau's** management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Pennsylvania Dutch Tourist Bureau** as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information on pages 13 - 23 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Trout, Ebersole & Groff, LLP

March 27, 2008
Lancaster, Pennsylvania

TROUT, EBERSOLE & GROFF, LLP
Certified Public Accountants



Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

STATEMENTS of FINANCIAL POSITION

December 31, 2007 and 2006

	2007	2006
ASSETS		
ASSETS		
Cash and Cash Equivalents - Undesignated	\$ 2,119,406	\$ 1,564,121
Accounts Receivable - less Allowance for Doubtful Accounts of \$7,500	366,081	427,333
Accounts Receivable - Related Party	43,734	10,000
Matching Funds Grant Receivable	260,000	73,500
Prepaid Expenses and Other Current Assets	8,156	8,270
Cash and Cash Equivalents - Designated	530,813	505,604
Property and Equipment, net	<u>950,142</u>	<u>762,380</u>
TOTAL ASSETS	<u>4,278,332</u>	<u>3,351,208</u>
LIABILITIES and NET ASSETS		
LIABILITIES		
Bonds Payable - Current	57,500	4,000
Accounts Payable	139,751	97,041
Accrued Salaries and Wages	20,060	13,072
Compensated Absences	16,443	-0-
Deferred Revenue	330,415	328,283
Accrued Expenses	44	42
Payroll Withholdings	22	-0-
Long-Term Debt	<u>-0-</u>	<u>56,500</u>
TOTAL LIABILITIES	564,235	498,938
NET ASSETS		
Unrestricted:		
Undesignated	3,142,108	2,274,695
Designated - Bond Redemption	24,000	24,000
Designated - Board	530,813	505,604
Temporarily Restricted	<u>17,176</u>	<u>47,971</u>
TOTAL NET ASSETS	<u>3,714,097</u>	<u>2,852,270</u>
TOTAL LIABILITIES and NET ASSETS	<u>\$ 4,278,332</u>	<u>\$ 3,351,208</u>

See notes to financial statements.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

STATEMENTS of ACTIVITIES and CHANGES in NET ASSETS
Years Ended December 31, 2007 and 2006

	2007	2006
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue:		
Matching Funds Grant	\$ 849,717	\$ 785,695
5% Regional Set-Aside Grant	35,378	25,834
DCED Grants	258,733	172,499
Member Dues	561,787	551,860
Contributions	1,400	780
Interest Income	91,528	65,758
Miscellaneous Income	22	79
Map and Vacation Guide	681,793	685,503
Marketing Department Income - Hotel Taxes	2,303,640	2,069,979
Marketing Department Income - Other	107,085	72,198
Member and Visitor Services Income	197,692	198,566
Self-Liquidating Programs	176,794	193,518
Group Tour and Travel	113,102	136,067
Total Revenue	5,378,671	4,958,336
Net Assets Released from Restrictions:		
Scholarships	8,000	7,750
Transportation Grant	15,000	-0-
Carribean Festival	3,065	-0-
Mid-Atlantic Tourism Public Relations Alliance	6,139	16,031
Legislative Weekend	308	-0-
Downtown Partnership Funds	36,028	28,025
Total Net Assets Released from Restrictions	68,540	51,806
Total Revenue and Other Support	5,447,211	5,010,142
Expenses:		
Heritage Tourism	45,000	45,000
5% Set Aside	15,187	39,596
Grants	228,757	203,034
Map and Vacation Guide	458,501	450,412
Marketing Department	1,700,998	1,755,996
Member and Visitor Services	470,188	469,405
Self-Liquidating Programs	181,356	220,807
Group Tour and Travel	\$ 649,569	\$ 601,047

See notes to financial statements.

Pennsylvania Dutch Tourist Bureau
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STATEMENTS of ACTIVITIES and CHANGES in NET ASSETS
(Continued)

Years Ended December 31, 2007 and 2006

	2007	2006
Expenses: (Continued)		
Communications	\$ 352,250	\$ 385,676
Special Promotions	-0-	6,241
Administrative	450,350	482,937
Total Expenses	<u>4,552,156</u>	<u>4,660,151</u>
 INCREASE in UNRESTRICTED NET ASSETS	 895,055	 349,991
 CHANGES in TEMPORARILY RESTRICTED NET ASSETS		
Scholarship Contributions	7,585	7,635
Downtown Partnership Receipts	-0-	48,000
Mid-Atlantic Tourism Public Relations Alliance	6,477	24,675
County Transportation Grant	20,000	-0-
Caribbean Festival	1,250	1,815
Net Assets Released from Restrictions	<u>(68,540)</u>	<u>(51,806)</u>
 INCREASE (DECREASE) in TEMPORARILY RESTRICTED NET ASSETS	 <u>(33,228)</u>	 <u>30,319</u>
 CHANGES in NET ASSETS	 861,827	 380,310
 NET ASSETS		
Beginning of Year	<u>2,852,270</u>	<u>2,471,960</u>
 End of Year	 <u>\$ 3,714,097</u>	 <u>\$ 2,852,270</u>

See notes to financial statements.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

STATEMENTS of CASH FLOWS
Years Ended December 31, 2007 and 2006

	2007	2006
CASH FLOWS from OPERATING ACTIVITIES		
Changes in Net Assets	\$ 861,827	\$ 380,310
Adjustments to Reconcile Changes in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	112,000	111,826
Donated Bonds and Interest Forgiven	(1,400)	(780)
Interest Forgiven	900	780
(Increase) Decrease in:		
Accounts Receivable	61,252	79,820
Accounts Receivable - Related Party	(33,734)	(10,000)
Matching Funds Grant Receivable	(186,500)	519,589
Other Grant Receivables	-0-	15,000
Prepaid Expenses and Other Current Assets	114	518
Increase (Decrease) in:		
Accounts Payable	42,710	35,434
Accrued Salaries, Wages, and Payroll Withholdings	7,010	(4,270)
Compensated Absences	16,443	-0-
Deferred Revenue	2,131	(106,412)
Accrued Expenses	2	(822)
Customer Deposits	-0-	(5,942)
	882,755	1,015,051
CASH FLOWS from INVESTING ACTIVITIES		
Purchases of Property and Equipment	(299,761)	(221,470)
Purchase of Assets Restricted for Long-Term Purposes	(25,209)	(505,604)
	(324,970)	(727,074)
CASH FLOWS from FINANCING ACTIVITIES		
Payments on Long-Term Debt	(2,500)	(5,018)
	555,285	282,959
INCREASE in CASH and CASH EQUIVALENTS		
CASH and CASH EQUIVALENTS		
Beginning	1,564,121	1,281,162
Ending	\$ 2,119,406	\$ 1,564,121
SUPPLEMENTAL DISCLOSURE of CASH FLOW INFORMATION		
Cash Payments for Interest	3,034	2,856

See notes to financial statements.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

NOTES to FINANCIAL STATEMENTS

NOTE 1 - NATURE of ACTIVITIES and CONCENTRATION of CREDIT RISK

The **Pennsylvania Dutch Tourist Bureau** is a non-stock membership organization. The Tourist Bureau's principal business activities and purposes are educational, philanthropic, civic, and patriotic, including the following: to promote and encourage tourist travel and the holding of conventions in Lancaster County; to encourage the restoration of points of interest and places of historical significance; and to assemble and disseminate information designed to maintain and further develop the strong position of Lancaster County in the tourist, vacation, and convention fields.

Certain financial instruments potentially subject the Tourist Bureau to concentrations of credit risk. These financial instruments consist primarily of temporary cash investments. The Tourist Bureau maintains its temporary cash investments with various financial institutions where the account balances may at times exceed FDIC and SIPC insured limits.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Presentation

All numbers represent United States dollars unless otherwise indicated.

Accrual Basis

The financial statements of the Tourist Bureau have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

The Tourist Bureau has adopted SFAS No. 116, Accounting for Contributions Received and Contributions Made. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Under SFAS No. 117, Financial Statements for Not-for-Profit Organizations, the Tourist Bureau is required to report information regarding its financial position and activities according to three classes of net assets (unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) based upon the existence or absence of donor-imposed restrictions.

The Tourist Bureau had no permanently restricted net assets at December 31, 2007 or 2006.

Cash and Cash Equivalents

Cash balances include amounts on hand, amounts held in the Tourist Bureau's checking accounts, and cash equivalent/investments. The Tourist Bureau considers all highly liquid investments with maturities of three months or less to be cash equivalents.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable

Accounts receivable that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at outstanding principal adjusted for allowance for doubtful accounts. Account balances generally are written off when management judges such balances uncollectible, such as an account in bankruptcy. Management continually monitors and reviews accounts receivable balances.

The Tourist Bureau charges interest on past due accounts that are over 90 days old. The Tourist Bureau recognizes interest when it is billed. Interest receivable included in accounts receivable for the years ended December 31, 2007 and 2006 was \$732 and \$-0-, respectively. Accounts receivable past due 90 days or more and still accruing interest amounted to \$18,809 at December 31, 2007.

For accounts receivable, the allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than the historical experience, management's estimates of the recoverability of amounts due the Tourist Bureau could be adversely affected.

Property and Equipment

Property and equipment are stated at cost or at fair market value at the date of donation. Depreciation is calculated on an annual straight-line basis over the estimated useful lives. The cost of routine repairs and maintenance are expensed as incurred. The Tourist Bureau does not imply time restrictions on gifts of long-lived assets. Capital assets are defined by the Bureau as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of one year.

In 1990, the Tourist Bureau entered into a lease with the Pennsylvania Department of Transportation for the land its building is located on. The lease requires a nominal \$1 per year payment for the 50 year term lease.

Revenue Recognition

Grants - The Tourist Bureau is the recipient of a matching funds grant from the Department of Community and Economic Development (DCED) of the Commonwealth of Pennsylvania. Under this grant program, Commonwealth funds are provided to assist tourist promotion agency activities in marketing, advertising, public relations, promotion, printing, and postage. Generally, grant funding is provided on a reimbursement basis and covers 66.667% of qualified expenditures. Grant revenue is recognized as the qualifying expenses are incurred.

DCED grant revenues include a \$50,000 grant for the theater renovations project. The expenses related to this project have been capitalized.

Membership Dues - Membership dues generally cover the period from July 1st to June 30th. Membership dues are recognized ratably over the year. Dues received or billed in advance of the fiscal year to which they pertain are treated as deferred revenue.

Pennsylvania Dutch Tourist Bureau
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NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Retail Sales - The Tourist Bureau sells souvenirs at the visitor center. This revenue is recognized at the time of sale.

Display Rentals - Members can display information about their businesses in the visitors center. The rental income from these displays is recognized ratably over the rental period. Rental income received or billed in advance of the fiscal year to which it pertains is treated as deferred revenue.

Hotel Room Tax and Excise Tax - The Tourist Bureau is the recipient of a portion of the Hotel Room Tax and Hotel Room Excise Tax collected by Lancaster County. All hotels, motels, and bed and breakfasts are subject to a 1.1% excise tax. Hotels, motels, and bed and breakfasts that have greater than 10 rooms are also subject to a 3.9% room tax. The Tourist Bureau receives 100% of the excise taxes collected and 20% of the room taxes collected. This revenue is recognized at the time the lodging establishment collects the tax from the guests.

Functional Expense Classification

Certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of administrative expenses. Administrative expenses totaled \$450,350 and \$482,937 for the years ending December 31, 2007 and 2006, respectively.

Contributions

Contributions consist of waived/forgiven bond principal, interest, and scholarship monies. Waived/forgiven bond principal and interest are recorded when the Tourist Bureau is informed of the bond holder's intent. Scholarship contributions are recorded as they are received.

Scholarship contributions are considered temporarily restricted as they are for the purpose of awarding scholarships to students pursuing a career in the hospitality/tourism industry. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted donations whose restrictions are met in the same reporting period are accounted for as temporarily restricted revenue and as net assets released from restrictions.

Donated Services

A portion of the Tourist Bureau's functions, including member services, committees, and operational activities, are conducted by unpaid officers and volunteers. The value of this contributed time is not reflected in the accompanying financial statements since there is no objective basis for valuation of the volunteers' time.

Pennsylvania Dutch Tourist Bureau
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NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Principally, estimates relate to depreciation and deferred revenue.

Media Advertising

Advertising and promotion costs are expensed as they are incurred.

Tax-Exempt Status

The **Pennsylvania Dutch Tourist Bureau** is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code. The Tourist Bureau was incorporated in 1972 in the Commonwealth of Pennsylvania under the Nonprofit Corporation Law of 1933 and, as such, is exempt from state income taxes.

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable consist of the following at December 31, 2007 and 2006:

	2007	2006
Member Dues	60,549	71,435
Hotel Excise Taxes	296,136	287,341
Regional	-0-	495
Former Employee	-0-	75,460
Other Receivables	16,382	-0-
Miscellaneous	<u>514</u>	<u>102</u>
	373,581	434,833
Less: Allowance for		
Doubtful Accounts	<u>(7,500)</u>	<u>(7,500)</u>
	366,081	427,333

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 4 - PROPERTY and EQUIPMENT

Property and equipment consist of the following at December 31, 2007 and 2006:

	2007	2006
Building and Improvements	1,247,219	1,084,136
Office Equipment and Furniture	688,546	551,868
Vehicles	<u>20,186</u>	<u>20,186</u>
	1,955,951	1,656,190
Less: Accumulated Depreciation	<u>1,005,809</u>	<u>893,810</u>
	950,142	762,380

NOTE 5 - BONDS and NOTES PAYABLE

In 1990, the Tourist Bureau offered 1,000 unsecured bonds to its members. The bonds were offered in \$500 denominations and bear interest at the rate of 6%. The bonds mature through 2010. The proceeds were applied to building renovations and expansion. The Tourist Bureau received \$207,500 in connection with the issuance of the bonds. The Tourist Bureau had bonds outstanding at December 31, 2007 and 2006, in the amounts of \$57,500 and \$60,500, respectively. The Tourist Bureau intends to pay off the remaining \$57,500 bonds during 2008.

During the years ended December 31, 2007 and 2006, bond interest expense amounting to \$900 and \$780, respectively, was waived/forgiven by certain bond holders. These amounts are included in contributions in the financial statements.

NOTE 6 - COMPENSATED ABSENCES

Employees of the Tourist Bureau are entitled to paid time off to be used for vacation, personal or family illness, or other needs. Unused paid time off can be carried over to the next year; however, there is a five day cap on the amount of paid time off time that can be carried over each year. The total cap is 20 days. Compensated absences for paid time off earned were \$16,443 and \$-0- at December 31, 2007 and 2006, respectively.

NOTE 7 - LINE of CREDIT

The Tourist Bureau has a \$500,000 unsecured line of credit. Interest is at the bank's prime rate. Outstanding borrowings on the line of credit at December 31, 2007 and 2006, was \$0- and \$0-, respectively.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 8 - RETIREMENT PLAN

The Tourist Bureau has a 401(k) money purchase (defined contribution) retirement plan which covers substantially all full-time employees. The employer's contribution is 5% of covered employees' compensation. In addition, the Tourist Bureau matches employee contributions on a dollar for dollar basis up to 1% of eligible employees' compensation. Employees are permitted to contribute up to 15% of their compensation to their retirement account. The employer's share of contributions to the retirement account for the years ended December 31, 2007 and 2006, was \$35,602 and \$43,971, respectively.

NOTE 9 - BOARD DESIGNATED NET ASSETS

Board designated net assets represent reserve funds established by the Board for emergency purposes, such as economic downturns, loss of income through a curtailment in state funding, a decline in Hotel Tax revenues, or other events that negatively impact the Tourist Bureau's sources of income. These funds are to be invested in accordance with the Tourist Bureau's investment policy. Earnings on Board designated funds are accumulated and considered additions to designated net assets. At December 31, 2007 and 2006, Board designated funds consisted of the following:

	2007	2006
Cash and Cash Equivalents	\$530,813	\$505,604

NOTE 10 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2007 and 2006:

	2007	2006
Purpose Restrictions:		
Promote Tourism in Downtown Lancaster	-0-	33,903
Scholarships	3,194	3,609
Mid Atlantic Tourism & Public Relations	8,982	8,644
County Transportation Grant	5,000	-0-
Caribbean Festival	<u>-0-</u>	<u>1,815</u>
	17,176	47,971

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

NOTES to FINANCIAL STATEMENTS

(Continued)

NOTE 11 - RELATED PARTY TRANSACTIONS

The Tourist Bureau has a marketing consulting agreement with Dutch Country Roads Regional Tourism Marketing Corporation dated October 2006. For the years ended December 31, 2007 and 2006, no transactions were consummated under this agreement.

For the years ended December 31, 2007 and 2006, the Tourist Bureau had receivables due from Dutch Country Roads Regional Tourism Marketing Corporation in the amounts of \$43,734 and \$10,000, respectively. Such receivables represent amounts advanced to fund operations in advance of anticipated DCED grant receipts.

NOTE 12 - RECLASSIFICATION

Several categories of liabilities and expenses listed in the financial statements for December 31, 2006, have been reclassified to be in conformity with the presentation adopted for December 31, 2007. This reclassification has no effect on the change in net assets.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 SCHEDULES of MAP and VACATION GUIDE
 Years Ended December 31, 2007 and 2006

	2007	2006
MAP and VACATION GUIDE SUPPORT and REVENUE	\$ 681,793	\$ 685,503
MAP and VACATION GUIDE EXPENSES		
Wages	10,535	10,049
Payroll Taxes	135	189
Insurance Benefits	288	232
Retirement	57	158
Workers' Compensation	21	44
Production Costs	74,610	72,000
Printing	312,920	294,882
Cleaning Supplies	4	10
Delivery Costs	410	-0-
Shipping	15,501	16,300
Telephone	10,504	12,069
Postage Meter	-0-	7,811
Grounds Maintenance	521	391
Building Maintenance	158	198
Utilities	189	187
Real Estate Taxes	83	73
Property Insurance	39	37
Depreciation - Building	208	135
Depreciation	<u>32,318</u>	<u>35,647</u>
TOTAL MAP and VACATION GUIDE EXPENSES	<u>458,501</u>	<u>450,412</u>
EXCESS of MAP and VACATION		
GUIDE SUPPORT and REVENUE over EXPENSES	<u>\$ 223,292</u>	<u>\$ 235,091</u>

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

SCHEDULES of MARKETING DEPARTMENT

Years Ended December 31, 2007 and 2006

	2007	2006
MARKETING DEPARTMENT SUPPORT and REVENUE		
Getaways Online	\$ 23,225	\$ 20,952
Regional Tourism Summit	-0-	7,433
Hotel Room Rental/Excise Taxes	2,303,640	2,069,979
Dutch Country Pass	-0-	53
Sponsorships - Advertising	5,000	3,100
Webervations	2,360	1,760
Culinary Guide	-0-	38,900
Corp Mtg Advertisement Income	1,500	-0-
Partner Co-Op Advertising	75,000	-0-
	2,410,725	2,142,177
TOTAL MARKETING DEPARTMENT SUPPORT and REVENUE		
MARKETING DEPARTMENT EXPENSES		
Wages	97,983	141,653
Payroll Taxes	7,067	11,268
Insurance Benefits	9,612	8,501
Retirement	4,942	7,476
Workers' Compensation	551	417
Ad Agency Fee	-0-	114,580
Internet	-0-	38,704
Research	695	28,645
Paper Supplies	4,704	10,677
Cleaning Supplies	28	132
800 Number	640	311
Postage	54,527	31,441
Advertising	1,314,782	1,240,251
Media Promotions	124,917	-0-
Dutch Country Pass	-0-	22
Webervations	2,640	1,760
MyClipper.Com	-0-	300
Rack Brochure	\$ 34,027	\$ 33,658

See auditors' report.

Pennsylvania Dutch Tourist Bureau
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 SCHEDULES of MARKETING DEPARTMENT
 (Continued)
 Years Ended December 31, 2007 and 2006

	2007	2006
MARKETING DEPARTMENT EXPENSES (Continued)		
AAA Travel	\$ -0-	\$ 40
AAA Gifts	-0-	14
Hershey/Pa Dutch AAA	-0-	29,934
Telephone	5,252	6,034
Grounds Maintenance	3,723	5,085
Building Maintenance	1,130	2,579
Utilities	1,351	2,426
Real Estate Taxes	595	945
Property Insurance	280	478
Depreciation - Building	1,488	1,755
Depreciation	16,159	17,824
Postage Meter	-0-	3,905
GLHMA Telephone	<u>13,905</u>	<u>15,181</u>
TOTAL MARKETING DEPARTMENT EXPENSES	<u>1,700,998</u>	<u>1,755,996</u>
EXCESS of MARKETING DEPARTMENT SUPPORT and REVENUE over EXPENSES	<u>\$ 709,727</u>	<u>\$ 386,181</u>

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

SCHEDULES of MEMBER and VISITOR SERVICES

Years Ended December 31, 2007 and 2006

	2007	2006
MEMBER and VISITOR SERVICES SUPPORT and REVENUE		
Display Box Rentals	\$ 95,882	\$ 89,850
Lodging Board	4,757	4,474
Retail Sales	5,689	20,850
Retail Sales - Bus Tours	70,202	61,753
Retail Sales - Non-Taxable	1,022	5,552
Kiosk Commissions	6,261	5,539
Vending Machines	2,424	2,325
Meetings and Seminars	6,455	3,400
Member Labels	-0-	23
Hospitality Days	5,000	4,800
TOTAL MEMBER and VISITOR SERVICES SUPPORT and REVENUE	197,692	198,566
MEMBER and VISITOR SERVICES EXPENSES		
Wages	191,291	174,417
Payroll Taxes	18,332	18,292
Insurance Benefits	8,776	8,840
Retirement	7,097	5,998
Workers' Compensation	1,537	295
Visitor Services Expense Account	483	1,103
Holiday Building Decorating	536	830
Credit Card Fees	2,945	6,004
Exhibit Maintenance	3,107	3,359
Lodging Board Maintenance	603	576
Retail Sales	2,366	16,704
Staff FAM Tours	15	797
Bus Tours	61,921	52,641
Heritage Columbia Tours	-0-	1,979
Vending Machines	201	419
Employee Uniforms	2,124	-0-
Member Tickets	393	534
Musak	682	682
Postage Meter	-0-	1,953
Trade Shows	1,301	875
Printing	\$ 6,659	\$ 2,047

See auditors' report.

Pennsylvania Dutch Tourist Bureau
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 SCHEDULES of MEMBER and VISITOR SERVICES
 (Continued)
 Years Ended December 31, 2007 and 2006

	2007	2006
MEMBER and VISITOR SERVICES EXPENSES (Continued)		
Member Relations	\$ 9,323	\$ 14,705
Annual Meeting	8,735	16,191
Legislative Dinner	110	1,100
Board Retreat	4,916	803
New Member Kits	1,020	842
Member Training	1,149	-0-
Hospitality Days	7,891	17,891
National Tourism Week	5,900	5,507
Telephone	2,626	3,017
Equipment Repair	-0-	1,733
Grounds Maintenance	47,683	38,090
Building Maintenance	14,477	19,317
Cleaning Supplies	355	987
Utilities	17,298	18,169
Real Estate Taxes	7,624	7,075
Property Insurance	3,581	3,577
Depreciation - Building	19,052	13,144
Depreciation	8,079	8,912
	470,188	469,405
 DEFICIENCY of MEMBER and VISITOR SERVICES		
SUPPORT and REVENUE over EXPENSES		
	\$ (272,496)	\$ (270,839)

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 SCHEDULES of SELF-LIQUIDATING PROGRAMS
 Years Ended December 31, 2007 and 2006

	2007	2006
SELF-LIQUIDATING PROGRAMS SUPPORT and REVENUE		
Co-Op - AAA Campbook	\$ 3,137	\$ 3,060
Co-Op - AAA Tourbook	102,335	105,380
Co-Op - PA Visitors Guide	52,334	64,208
Co-Op - Campground Travel Guides	<u>18,988</u>	<u>20,870</u>
TOTAL SELF-LIQUIDATING PROGRAMS SUPPORT and REVENUE	176,794	193,518
SELF-LIQUIDATING PROGRAMS EXPENSES		
AAA Campbook Ad	3,137	3,060
AAA Tourbook Ad	102,335	111,172
PA Visitors Guide Ad	56,981	84,121
Campground Travel Advertising	<u>18,903</u>	<u>22,454</u>
TOTAL SELF-LIQUIDATING PROGRAMS EXPENSES	<u>181,356</u>	<u>220,807</u>
DEFICIENCY of SELF-LIQUIDATING PROGRAMS SUPPORT and REVENUE over EXPENSES	<u>\$ (4,562)</u>	<u>\$ (27,289)</u>

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

SCHEDULES of GROUP TOUR and TRAVEL
Years Ended December 31, 2007 and 2006

	2007	2006
GROUP TOUR and TRAVEL SUPPORT and REVENUE		
Meeting Planners Guide	\$ -0-	\$ 1,200
Group Tour Planners Guide	88,460	89,900
Trade Show Co-Op Income	15,229	21,410
Lancaster County Cookbook Project	-0-	30
Sponsorship - Group	-0-	294
Member Relations	7,000	8,500
Event & Meeting Services	2,107	1,610
City Tours	-0-	(161)
Bus Tours - Flavorfest	-0-	6,696
Heritage Columbia Tours	-0-	2,040
FAM Tours	(113)	4,548
Special Event Advertising	350	-0-
Special Event Ticket Sales	68	-0-
	113,101	136,067
TOTAL GROUP TOUR and TRAVEL SUPPORT and REVENUE		
GROUP TOUR and TRAVEL EXPENSES		
Wages	254,021	211,539
Payroll Taxes	20,849	17,634
Insurance Benefits	25,612	15,839
Retirement	10,049	7,269
Workers' Compensation	1,522	564
Trade Show Gifts	9,165	5,961
Seminars and Workshops	1,397	1,861
Meeting Planners Guide	2,740	29,952
Sales Development & Training	11,079	18,631
Tour Operator/Partner Coops	4,298	-0-
FAM Tours	5,787	4,751
Sales Tools and Reference Materials	657	775
Trade Show Travel and Expenses	60,494	39,545
Group Tour Advertising	10,437	35,714
Group Tour Book Mailing Services	1,842	1,618
Group Tour Sponsorship	11,004	-0-
Group Expense Account	505	945
Group Tour Book Creative & Printing	62,415	73,956
Group Special Events	\$ -0-	\$ 4,116

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 SCHEDULES of GROUP TOUR and TRAVEL
 (Continued)
 Years Ended December 31, 2007 and 2006

	2007	2006
GROUP TOUR and TRAVEL EXPENSES (Expenses)		
Trade Show Fees	\$ 55,976	\$ 34,755
Meet Us in Lancaster	2,151	2,726
Meeting and Convention Advertising	10,303	21,005
Corporate Meeting Sales Expense	16,078	25,863
Restaurant Week Expenses	9,540	-0-
Telephone	2,626	3,017
Grounds Maintenance	12,265	8,142
Building Maintenance	3,724	4,129
Cleaning Supplies	91	211
Utilities	4,450	3,884
Event, Meeting, and Convention Services	19,489	3,985
Real Estate Taxes	1,961	1,513
Property Insurance	921	765
Depreciation - Building	4,901	2,810
Depreciation	8,079	8,912
Sponsorship	3,141	6,707
Postage Meter	-0-	1,953
	<u>649,569</u>	<u>601,047</u>
TOTAL GROUP TOUR and TRAVEL EXPENSES		
DEFICIENCY of GROUP TOUR and TRAVEL SUPPORT and REVENUE over EXPENSES	\$ (536,468)	\$ (464,980)
	<u>(536,468)</u>	<u>(464,980)</u>

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 SCHEDULES of COMMUNICATIONS
 Years Ended December 31, 2007 and 2006

	2007	2006
COMMUNICATIONS SUPPORT and REVENUE	\$ 6,755	\$ 16,031
 COMMUNICATIONS EXPENSES		
Wages	163,444	165,407
Payroll Taxes	13,469	13,651
Insurance Benefits	13,435	13,285
Retirement	9,166	9,263
Workers' Compensation	1,112	564
Mid-Atlantic Tourism Public Relations Alliance	6,139	16,031
Photographs and Slides	98	10,669
Professional Organizations Dues	26,046	22,929
Press and Community Relations	18,489	30,097
Agency & Writers Fees	-0-	100
Special Projects	-0-	15,265
Clipping Service	11,213	10,674
Web Site Maintenance	17,146	1,195
Technical Research	10,170	10,344
Online Advertising	600	11,072
Public Relations Expense Account	-0-	242
Miscellaneous	98	35
Printing	568	346
Subscriptions	2,113	2,834
Gifts and Novelties	1,801	1,302
Grounds Maintenance	7,963	6,294
Building Maintenance	2,418	3,192
Cleaning Supplies	59	163
Utilities	2,889	3,002
Real Estate Taxes	1,273	1,169
Property Insurance	598	591
Depreciation - Building	3,182	2,172
Conferences	1,734	2,157
Downtown Tourism	36,028	28,025
Legislative Weekend	308	1,880
Legislative Relations	151	601
Sponsorships	540	1,125
	352,250	385,676
 DEFICIENCY of COMMUNICATIONS		
SUPPORT and REVENUE over EXPENSES	\$ (345,495)	\$ (369,645)

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 SCHEDULES of SPECIAL PROMOTIONS
 Years Ended December 31, 2007 and 2006

	2007	2006
SPECIAL PROMOTIONS EXPENSES		
Flavorfest Tours	<u>-0-</u>	<u>6,241</u>
TOTAL SPECIAL PROMOTIONS EXPENSES	<u>-0-</u>	<u>6,241</u>
DEFICIENCY of SPECIAL PROMOTIONS SUPPORT and REVENUE over EXPENSES	<u>\$ -0-</u>	<u>\$ (6,241)</u>

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36

SCHEDULES of ADMINISTRATIVE EXPENSES

Years Ended December 31, 2007 and 2006

	2007	2006
Wages	\$ 123,284	\$ 192,945
Payroll Taxes	10,157	16,479
Insurance Benefits	21,681	20,258
Retirement	4,291	13,807
Workers' Compensation	1,588	4,423
Other Employee Benefits	8,638	12,918
Administration Expense Account	7,740	7,416
Conventions/Seminars	28,992	21,414
Telephone	5,252	6,035
Cleaning Supplies	45	1,391
Grounds Maintenance	5,949	7,811
Building Maintenance	4,029	7,934
Utilities	2,157	3,724
Real Estate Taxes	952	1,451
Property Insurance	534	733
Depreciation - Building	2,375	2,694
Depreciation	16,159	17,821
Director and Officer Insurance	4,809	4,515
Professional Fees	59,264	43,548
Bank Fees	1	3,638
Interest	3,934	3,636
Equipment Maintenance	17,986	37,276
Equipment Rental	-0-	321
Postage Meter	18,821	3,906
Office Supplies	9,060	15,651
Postage	-0-	426
Public Relations	5,026	6,842
Chamber Dinner	1,500	1,494
Computer Supplies	2,306	12,621
Technical Support	13,398	-0-
Scholarships	8,000	7,750
Miscellaneous	2,448	-0-
Bad Debt	59,974	2,059
	<u>59,974</u>	<u>2,059</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 450,350</u>	<u>\$ 482,937</u>

See auditors' report.