

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

YEARS ENDED DECEMBER 31, 2008 AND 2007

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

Financial Statements with Supplementary Information

Years Ended December 31, 2008 and 2007

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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, 2008 and 2007, 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, 2008 and 2007, 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 14 - 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

April 14, 2009
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, 2008 and 2007

	2008	2007
ASSETS		
ASSETS		
Cash and Cash Equivalents - Undesignated	\$ 2,117,881	\$ 2,119,406
Accounts Receivable - less Allowance for Doubtful Accounts of \$7,500	362,257	366,081
Accounts Receivable - Related Party	-0-	43,734
DCED/Matching Funds Grant Receivable	274,131	260,000
Prepaid Expenses and Other Current Assets	15,201	8,156
Cash and Cash Equivalents - Designated	78,593	530,813
Investments - Designated	339,539	-0-
Property and Equipment, net	<u>879,720</u>	<u>950,142</u>
TOTAL ASSETS	<u>4,067,322</u>	<u>4,278,332</u>
LIABILITIES and NET ASSETS		
LIABILITIES		
Bonds Payable - Current	-0-	57,500
Accounts Payable	92,049	139,751
Accrued Salaries and Wages	-0-	20,060
Compensated Absences	25,021	16,443
Deferred Revenue	350,250	330,415
Accrued Expenses	32	44
Payroll Withholdings	<u>119</u>	<u>22</u>
TOTAL LIABILITIES	467,471	564,235
NET ASSETS		
Unrestricted:		
Undesignated	3,173,173	3,142,108
Designated - Bond Redemption	-0-	24,000
Designated - Board	418,132	530,813
Temporarily Restricted	<u>8,546</u>	<u>17,176</u>
TOTAL NET ASSETS	<u>3,599,851</u>	<u>3,714,097</u>
TOTAL LIABILITIES and NET ASSETS	<u>\$ 4,067,322</u>	<u>\$ 4,278,332</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, 2008 and 2007

	2008	2007
CHANGES IN UNRESTRICTED NET ASSETS		
Revenue:		
Matching Funds Grant	\$ 414,500	\$ 849,717
PA Tourism Promotion Assistance Grant	274,131	-0-
5% Regional Set-Aside Grant	12,500	35,378
DCED Grants	9,000	258,733
Member Dues	573,655	561,788
Contributions	11,725	1,400
Interest Income	41,030	91,528
Miscellaneous Income	1,753	22
Map and Vacation Guide	634,807	681,793
Marketing Department Income - Hotel Taxes	2,193,126	2,303,640
Marketing Department Income - Other	166,456	107,085
Member and Visitor Services Income	211,709	197,692
Self-Liquidating Programs	120,959	176,794
Group Tour and Travel	141,884	113,101
Total Revenue	4,807,235	5,378,671
Net Assets Released from Restrictions:		
Scholarships	8,000	8,000
Transportation Grant	-0-	15,000
Caribbean Festival	-0-	3,065
Mid-Atlantic Tourism Public Relations Alliance	-0-	6,139
Legislative Weekend	-0-	308
Downtown Partnership Funds	-0-	36,028
Total Net Assets Released from Restrictions	8,000	68,540
Total Revenue and Other Support	4,815,235	5,447,211
Expenses:		
Heritage Tourism	30,000	45,000
5% Set Aside	30,780	15,187
Grants	26,747	228,757
Map and Vacation Guide	386,680	458,501
Marketing Department	2,009,783	1,700,998
Member and Visitor Services	493,058	470,188
Self-Liquidating Programs	119,495	181,356
Group Tour and Travel	\$ 851,082	\$ 649,569

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
(Continued)
Years Ended December 31, 2008 and 2007

	2008	2007
Expenses: (Continued)		
Communications	\$ 372,924	\$ 352,250
Administrative	489,376	450,350
Investment Loss, net	110,676	-0-
Total Expenses	<u>4,920,601</u>	<u>4,552,156</u>
 INCREASE (DECREASE) in UNRESTRICTED NET ASSETS	 (105,366)	 895,055
 CHANGES in TEMPORARILY RESTRICTED NET ASSETS		
Scholarship Contributions	8,102	7,585
Mid-Atlantic Tourism Public Relations Alliance	(8,982)	6,477
County Transportation Grant	-0-	20,000
Caribbean Festival	-0-	1,250
Net Assets Released from Restrictions	<u>(8,000)</u>	<u>(68,540)</u>
 DECREASE in TEMPORARILY RESTRICTED NET ASSETS	 <u>(8,880)</u>	 <u>(33,228)</u>
 CHANGES in NET ASSETS	 (114,246)	 861,827
 NET ASSETS		
Beginning of Year	<u>3,714,097</u>	<u>2,852,270</u>
 End of Year	 <u>\$ 3,599,851</u>	 <u>\$ 3,714,097</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, 2008 and 2007

	2008	2007
CASH FLOWS from OPERATING ACTIVITIES		
Changes in Net Assets	\$ (114,246)	\$ 861,827
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	110,545	112,000
Donated Bonds and Interest Forgiven	(11,725)	(1,400)
Interest Forgiven	225	900
Realized/Unrealized Loss on Investments	127,969	-0-
(Increase) Decrease in:		
Accounts Receivable	3,824	61,252
Accounts Receivable - Related Party	43,734	(33,734)
Matching Funds Grant Receivable	(14,131)	(186,500)
Prepaid Expenses and Other Current Assets	(7,045)	114
Increase (Decrease) in:		
Accounts Payable	(47,702)	42,710
Accrued Salaries, Wages, and Payroll Withholdings	(19,963)	7,010
Compensated Absences	8,578	16,443
Deferred Revenue	19,835	2,131
Accrued Expenses	(12)	2
	<u>99,886</u>	<u>882,755</u>
Net Cash Provided by Operating Activities	99,886	882,755
CASH FLOWS from INVESTING ACTIVITIES		
Purchases of Property and Equipment	(40,123)	(299,761)
Proceeds from Sale of Assets Restricted for Long-Term Purposes	2,929,903	-0-
Purchase of Assets Restricted for Long-Term Purposes	<u>(2,945,191)</u>	<u>(25,209)</u>
Net Cash Used by Investing Activities	(55,411)	(324,970)
CASH FLOWS from FINANCING ACTIVITIES		
Payments on Long-Term Debt	<u>(46,000)</u>	<u>(2,500)</u>
INCREASE (DECREASE) in CASH and CASH EQUIVALENTS	(1,525)	555,285
CASH and CASH EQUIVALENTS		
Beginning	<u>2,119,406</u>	<u>1,564,121</u>
Ending	<u>\$ 2,117,881</u>	<u>\$ 2,119,406</u>
SUPPLEMENTAL DISCLOSURE of CASH FLOW INFORMATION		
Cash Payments for Interest	1,014	3,034
Noncash Investing and Financing Transactions:		
Unrealized Loss on Investments	(91,126)	-0-
Donated Bond Redemption	11,500	-0-
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, 2008 or 2007.

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, 2008 and 2007, was \$184 and \$732, respectively. Accounts receivable past due 90 days or more and still accruing interest amounted to \$67,458 at December 31, 2008.

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.

Investments

Investments are recorded at fair value in the statements of financial position following Statement of Accounting Standards (SFAS) No. 124, *Accounting for Certain Investments Held by Not-For-Profit Organizations*. Gains and losses on investments are required to be reported in the statement of activities as increases or decreases in unrestricted net assets unless restrictions are stipulated by the donor or by law.

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 was 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.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
NOTES to FINANCIAL STATEMENTS
(Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

Grants (Continued) - During 2008, the Tourist Bureau became the recipient of a Tourism Promotion Assistance 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, and promotion of their destinations. Grant funding is provided on a reimbursement basis for qualified expenditures up to the total grant amount. Grant revenue is recognized as the qualifying expenses are incurred.

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.

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 \$489,376 and \$450,350 for the years ended December 31, 2008 and 2007, 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.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 NOTES to FINANCIAL STATEMENTS
 (Continued)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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, 2008 and 2007:

	2008	2007
Member Dues	84,090	60,549
Hotel Excise Taxes	284,879	296,136
Other Receivables	-0-	16,382
Miscellaneous	<u>788</u>	<u>514</u>
	369,757	373,581
Allowance for		
Doubtful Accounts	<u>(7,500)</u>	<u>(7,500)</u>
	362,257	366,081

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 NOTES to FINANCIAL STATEMENTS
 (Continued)

NOTE 4 - INVESTMENTS

Fair market values are determined by quoted market prices. The investments of the Tourist Bureau at December 31, 2008 and 2007 consist of:

	2008		2007	
	Cost	Market	Cost	Market
Exchange Traded Funds	234,294	197,476	-0-	-0-
Mutual Funds	<u>196,371</u>	<u>142,063</u>	<u>-0-</u>	<u>-0-</u>
	430,665	339,539	-0-	-0-

NOTE 5 - PROPERTY and EQUIPMENT

Property and equipment consist of the following at December 31, 2008 and 2007:

	2008	2007
Building and Improvements	1,261,075	1,247,219
Office Equipment and Furniture	714,813	688,546
Vehicles	<u>20,186</u>	<u>20,186</u>
	1,996,074	1,955,951
Accumulated Depreciation	<u>(1,116,354)</u>	<u>(1,005,809)</u>
	879,720	950,142

NOTE 6 - 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 proceeds were applied to building renovations and expansion. The Tourist Bureau received \$207,500 in connection with the issuance of the bonds. The bonds were scheduled to mature through 2010. During 2008, the Tourist Bureau paid off \$46,000 of the remaining balance, and \$11,500 was forgiven by the bond holders. The Tourist Bureau had bonds outstanding at December 31, 2008 and 2007, in the amounts of \$-0- and \$57,500, respectively.

During the years ended December 31, 2008 and 2007, bond interest expense amounting to \$225 and \$900, respectively, was waived/forgiven by certain bond holders. These amounts are included in contributions in the financial statements.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
 NOTES to FINANCIAL STATEMENTS
 (Continued)

NOTE 7 - 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 \$25,021 and \$16,443 at December 31, 2008 and 2007, respectively.

NOTE 8 - LINE of CREDIT

The Tourist Bureau has a \$500,000 unsecured line of credit. Interest is at the bank's prime rate. There were no outstanding borrowings on the line of credit at December 31, 2008 and 2007.

NOTE 9 - 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, 2008 and 2007, was \$40,330 and \$35,602, respectively.

NOTE 10 - 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, 2008 and 2007, Board designated funds consisted of the following:

	2008	2007
Cash and Cash Equivalents	78,593	530,813
Investments	<u>339,539</u>	<u>-0-</u>
	418,132	530,813

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
NOTES to FINANCIAL STATEMENTS
(Continued)

NOTE 11 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following at December 31, 2008 and 2007:

	2008	2007
Purpose Restrictions:		
Route 30 Corridor Holiday Décor	250	-0-
Scholarships	3,296	3,194
Mid Atlantic Tourism & Public Relations	-0-	8,982
County Transportation Grant	<u>5,000</u>	<u>5,000</u>
	8,546	17,176

NOTE 12 - 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, 2008 and 2007, no transactions were consummated under this agreement.

For the years ended December 31, 2008 and 2007, the Tourist Bureau had receivables due from Dutch Country Roads Regional Tourism Marketing Corporation in the amounts of \$-0- and \$43,734, respectively. Such receivables represent amounts advanced to fund operations in advance of anticipated DCED grant receipts.

NOTE 13 - INVESTMENT INCOME

The investment income for the years ended December 31, 2008 and 2007, respectively, consisted of:

	2008 Designated	2007 Designated
Interest and Dividends, net of Fees	17,293	-0-
Realized Loss on Sale of Securities	(36,843)	-0-
Unrealized Loss	<u>(91,126)</u>	<u>-0-</u>
	(110,676)	-0-

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
NOTES to FINANCIAL STATEMENTS
(Continued)

NOTE 14 - RECLASSIFICATION

Several categories of liabilities and expenses listed in the financial statements for December 31, 2007, have been reclassified to be in conformity with the presentation adopted for December 31, 2008. This reclassification has no effect on the change in net assets.

NOTE 15 - UNCERTAIN TAX POSITIONS

In accordance with FSP Fin 48-3, the Tourist Bureau has elected to defer the effective date of FASB Interpretation 48, *Accounting for Uncertainty in Income Taxes* (Fin 48) until required by the standard.

The Tourist Bureau has not established its accounting policies with respect to evaluating uncertain tax positions.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
SCHEDULES of MAP and VACATION GUIDE
Years Ended December 31, 2008 and 2007

	2008	2007
MAP and VACATION GUIDE SUPPORT and REVENUE	\$ 634,807	\$ 681,793
MAP and VACATION GUIDE EXPENSES		
Wages	13,091	10,535
Payroll Taxes	972	135
Insurance Benefits	441	288
Retirement	728	57
Workers' Compensation	74	21
Production Costs	51,827	74,610
Printing	304,680	312,920
Cleaning Supplies	-0-	4
Delivery Costs	-0-	410
Shipping	13,018	15,501
Telephone	360	10,504
Postage Meter	176	-0-
Grounds Maintenance	487	521
Building Maintenance	68	158
Utilities	169	189
Real Estate Taxes	80	83
Property Insurance	37	39
Depreciation - Building	203	208
Depreciation	269	32,318
	386,680	458,501
TOTAL MAP and VACATION GUIDE EXPENSES	386,680	458,501
EXCESS of MAP and VACATION		
GUIDE SUPPORT and REVENUE over EXPENSES	\$ 248,127	\$ 223,292

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
SCHEDULES of MARKETING DEPARTMENT
Years Ended December 31, 2008 and 2007

	2008	2007
MARKETING DEPARTMENT SUPPORT and REVENUE		
Getaways Online	\$ 18,810	\$ 23,225
Hotel Room Rental/Excise Taxes	2,193,126	2,303,640
Sponsorships - Advertising	11,500	5,000
Webervations	2,600	2,360
Gas Card Promotion	5,670	-0-
Corp Mtg Advertisement Income	-0-	1,500
Partner Co-Op Advertising	<u>127,876</u>	<u>75,000</u>
TOTAL MARKETING DEPARTMENT SUPPORT and REVENUE	2,359,582	2,410,725
MARKETING DEPARTMENT EXPENSES		
Wages	109,949	97,983
Payroll Taxes	6,848	7,067
Insurance Benefits	(75)	9,612
Retirement	5,267	4,942
Workers' Compensation	264	551
Ad Agency Fee	12,803	-0-
Research	-0-	695
Paper Supplies	1,774	4,704
Cleaning Supplies	-0-	28
800 Number	704	640
Postage	43,290	54,527
Advertising	142,725	1,314,782
Media - Print	28,347	-0-
Media - Radio	186,050	-0-
Media - TV	1,192,198	-0-
Media Promotions	-0-	124,917
Gas Card Promotions	5,850	-0-
On-Line Advertising	46,282	-0-
Webervations	2,600	2,640
Rack Brochure	41,431	34,027
Member Advertising COOP	128,550	-0-
Telephone	3,925	5,252
Grounds Maintenance	5,311	3,723
Building Maintenance	<u>\$ 740</u>	<u>\$ 1,130</u>

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
SCHEDULES of MARKETING DEPARTMENT
(Continued)
Years Ended December 31, 2008 and 2007

	2008	2007
MARKETING DEPARTMENT EXPENSES (Continued)		
Utilities	\$ 1,846	\$ 1,351
Real Estate Taxes	869	595
Property Insurance	409	280
Depreciation - Building	2,210	1,488
Depreciation	27,934	16,159
Postage Meter	1,923	-0-
GLHMA Telephone	<u>9,759</u>	<u>13,905</u>
TOTAL MARKETING DEPARTMENT EXPENSES	<u>2,009,783</u>	<u>1,700,998</u>
EXCESS of MARKETING DEPARTMENT SUPPORT and REVENUE over EXPENSES	<u>\$ 349,799</u>	<u>\$ 709,727</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, 2008 and 2007

	2008	2007
MEMBER and VISITOR SERVICES SUPPORT and REVENUE		
Display Box Rentals	\$ 99,403	\$ 95,882
Lodging Board	4,435	4,757
Retail Sales	2,628	5,689
Retail Sales - Bus Tours	65,795	70,202
Retail Sales - Non-Taxable	759	1,022
Kiosk Commissions	5,824	6,261
Vending Machines	2,090	2,424
Meetings and Seminars	21,918	6,455
Route 30 Corridor	4,632	-0-
Hospitality Days	4,225	5,000
	<u>211,709</u>	<u>197,692</u>
TOTAL MEMBER and VISITOR SERVICES SUPPORT and REVENUE		
MEMBER and VISITOR SERVICES EXPENSES		
Wages	179,217	191,291
Payroll Taxes	16,957	18,332
Insurance Benefits	15,630	8,776
Retirement	8,271	7,097
Workers' Compensation	954	1,537
Visitor Services Expense Account	39	483
Holiday Building Decorating	576	536
Theatre Equipment Repairs	815	-0-
Credit Card Fees	2,547	2,945
Exhibit Maintenance	2,486	3,107
Lodging Board Maintenance	1,068	603
Retail Sales	1,907	2,366
Staff FAM Tours	116	15
Bus Tours	55,429	61,921
Downtown Visitors Center	2,157	-0-
Vending Machines	594	201
Employee Uniforms	-0-	2,124
Member Tickets	248	393
Musak	906	682
Postage Meter	1,599	-0-
Trade Shows	724	1,301
Printing	\$ 1,973	\$ 6,659

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
SCHEDULES of MEMBER and VISITOR SERVICES
(Continued)
Years Ended December 31, 2008 and 2007

	2008	2007
MEMBER and VISITOR SERVICES EXPENSES (Continued)		
Member Relations	\$ 5,850	\$ 9,323
Annual Meeting	30,040	8,735
Legislative Dinner	1,356	110
Board Retreat	5,082	4,916
Route 30 Corridor	4,382	-0-
New Member Kits	-0-	1,020
Member Training	1,396	1,149
Hospitality Days	8,333	7,891
National Tourism Week	8,057	5,900
Telephone	3,264	2,626
Reservation Center	14,868	-0-
RC Passkey	10,500	-0-
Grounds Maintenance	48,181	47,683
Building Maintenance	6,715	14,477
Cleaning Supplies	-0-	355
Utilities	16,746	17,298
Real Estate Taxes	7,882	7,624
Property Insurance	3,700	3,581
Depreciation - Building	20,054	19,052
Depreciation	2,439	8,079
	<u>493,058</u>	<u>470,188</u>
 TOTAL MEMBER and VISITOR SERVICES EXPENSES		
	<u>493,058</u>	<u>470,188</u>
 DEFICIENCY of MEMBER and VISITOR SERVICES		
SUPPORT and REVENUE over EXPENSES		
	<u>\$ (281,349)</u>	<u>\$ (272,496)</u>

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, 2008 and 2007

	2008	2007
SELF-LIQUIDATING PROGRAMS SUPPORT and REVENUE		
Co-Op - AAA Campbook	\$ 3,136	\$ 3,137
Co-Op - AAA Tourbook	51,212	102,335
Co-Op - PA Visitors Guide	52,505	52,334
Co-Op - Campground Travel Guides	<u>14,106</u>	<u>18,988</u>
TOTAL SELF-LIQUIDATING PROGRAMS SUPPORT and REVENUE	120,959	176,794
SELF-LIQUIDATING PROGRAMS EXPENSES		
AAA Campbook Ad	3,137	3,137
AAA Tourbook Ad	51,213	102,335
PA Visitors Guide Ad	52,505	56,981
Campground Travel Advertising	<u>12,640</u>	<u>18,903</u>
TOTAL SELF-LIQUIDATING PROGRAMS EXPENSES	<u>119,495</u>	<u>181,356</u>
DEFICIENCY of SELF-LIQUIDATING PROGRAMS SUPPORT and REVENUE over EXPENSES	<u>\$ 1,464</u>	<u>\$ (4,562)</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, 2008 and 2007

	2008	2007
GROUP TOUR and TRAVEL SUPPORT and REVENUE		
Group Tour Planners Guide	\$ 88,400	\$ 88,460
Trade Show Income	34,151	15,229
Member Meetings and Training	1,000	-0-
Member Relations	-0-	7,000
Event & Meeting Services	1,400	2,107
FAM Tours	2,150	(113)
Special Event Advertising	14,783	350
Special Event Ticket Sales	-0-	68
	141,884	113,101
TOTAL GROUP TOUR and TRAVEL SUPPORT and REVENUE		
GROUP TOUR and TRAVEL EXPENSES		
Wages	262,870	254,021
Payroll Taxes	22,010	20,849
Insurance Benefits	42,854	25,612
Retirement	11,072	10,049
Workers' Compensation	563	1,522
Trade Show Gifts	16,634	9,165
Seminars and Workshops	7,272	1,397
Meeting Planners Guide	5,479	2,740
Sales Development & Training	11,358	11,079
Tour Operator/Partner Coops	5,338	4,298
FAM Tours	5,733	5,787
Sales Tools and Reference Materials	616	657
Trade Show Travel and Expenses	58,630	60,494
Group Tour Advertising	16,112	10,437
Group Tour Book Mailing Services	1,958	1,842
Group Tour Sponsorship	10,512	11,004
Group Expense Account	1,335	505
Group Tour Book Creative & Printing	48,643	62,415
Sponsorship	\$ 22,733	\$ -0-

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, 2008 and 2007

	2008	2007
GROUP TOUR and TRAVEL EXPENSES (Expenses)		
Trade Show Fees	\$ 70,426	\$ 55,976
Meet Us in Lancaster	2,796	2,151
Meeting and Convention Advertising	51,672	10,303
Corporate Meeting Sales Expense	22,233	16,078
Restaurant Week Expenses	-0-	9,540
Sales Mission	7,243	-0-
Telephone	8,525	2,626
Grounds Maintenance	11,535	12,265
Building Maintenance	1,608	3,724
Cleaning Supplies	-0-	91
Utilities	4,009	4,450
Event, Meeting, and Convention Services	101,192	19,489
Real Estate Taxes	1,887	1,961
Property Insurance	886	921
Depreciation - Building	4,801	4,901
Depreciation	6,371	8,079
Sponsorship	-0-	3,141
Postage Meter	4,176	-0-
	<u>851,082</u>	<u>649,569</u>
TOTAL GROUP TOUR and TRAVEL EXPENSES		
DEFICIENCY of GROUP TOUR and		
TRAVEL SUPPORT and REVENUE over EXPENSES	<u>\$ (709,198)</u>	<u>\$ (536,468)</u>

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
SCHEDULES of COMMUNICATIONS
Years Ended December 31, 2008 and 2007

	2008	2007
COMMUNICATIONS SUPPORT and REVENUE	\$ -0-	\$ 6,755
COMMUNICATIONS EXPENSES		
Wages	170,653	163,444
Payroll Taxes	13,865	13,469
Insurance Benefits	26,408	13,435
Retirement	6,054	9,166
Workers' Compensation	411	1,112
Mid-Atlantic Tourism Public Relations Alliance	-0-	6,139
Photographs and Slides	7,245	98
Professional Organizations Dues	24,588	26,046
Press and Community Relations	6,316	18,489
Research - Communications	35,724	-0-
Clipping Service	17,182	11,213
Web Site Maintenance	22,737	17,146
Technical Research	7,477	10,170
Online Advertising	-0-	600
Postage	2,708	-0-
Miscellaneous	-0-	98
Printing	1,220	568
Subscriptions	477	2,113
Gifts and Novelties	191	1,801
Telephone	5,529	-0-
Grounds Maintenance	7,482	7,963
Building Maintenance	1,043	2,418
Cleaning Supplies	-0-	59
Utilities	2,600	2,889
Real Estate Taxes	1,224	1,273
Property Insurance	575	598
Depreciation - Building	3,114	3,182
Depreciation	4,132	-0-
Conferences	1,319	1,734
Downtown Tourism	-0-	36,028
Legislative Weekend	-0-	308
Legislative Relations	2,500	151
Sponsorships	150	540
	<u>372,924</u>	<u>352,250</u>
TOTAL COMMUNICATIONS EXPENSES		
DEFICIENCY of COMMUNICATIONS		
SUPPORT and REVENUE over EXPENSES	\$ (372,924)	\$ (345,495)

See auditors' report.

Pennsylvania Dutch Tourist Bureau
T/A Pennsylvania Dutch Convention and Visitors Bureau #36
SCHEDULES of ADMINISTRATIVE EXPENSES
Years Ended December 31, 2008 and 2007

	2008	2007
Wages	\$ 161,251	\$ 123,284
Payroll Taxes	13,715	10,157
Insurance Benefits	30,784	21,681
Retirement	8,938	4,291
Workers' Compensation	3,418	1,588
Other Employee Benefits	3,878	8,638
Administration Expense Account	4,734	7,740
Conventions/Seminars	40,934	28,992
Telephone	4,860	5,252
Cleaning Supplies	-0-	45
Grounds Maintenance	6,576	5,949
Building Maintenance	3,452	4,029
Utilities	2,285	2,157
Real Estate Taxes	1,076	952
Property Insurance	505	534
Depreciation - Building	2,737	2,375
Depreciation	36,281	16,159
Director and Officer Insurance	4,655	4,809
Professional Fees	80,904	59,264
Bank Fees	2,745	1
Interest	1,239	3,934
Equipment Maintenance	21,833	17,986
Postage Meter	2,359	18,821
Office Supplies	10,808	9,060
Public Relations	7,676	5,026
Chamber Dinner	1,395	1,500
Computer Supplies	7,815	2,306
Technical Support	14,707	13,398
Scholarships	8,000	8,000
Miscellaneous	2,476	2,448
Bad Debt (Recovery)	(2,660)	59,974
	\$ 489,376	\$ 450,350
TOTAL ADMINISTRATIVE EXPENSES		

See auditors' report.