

DUBLIN CONVENTION & VISITORS BUREAU

FINANCIAL STATEMENTS

Years Ended June 30, 2008 and 2007



Mary Taylor, CPA
Auditor of State

Board of Trustees
Dublin Convention and Visitors Bureau
9 South High Street
Dublin, Ohio 43017

We have reviewed the *Independent Auditor's Report* of the Dublin Convention and Visitors Bureau, Franklin County, prepared by Dale Saylor and Associates, for the audit period July 1, 2006 through June 30, 2008. 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 Dublin Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 16, 2008

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DUBLIN CONVENTION & VISITORS BUREAU
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INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Dublin Convention & Visitors Bureau
Dublin, Ohio

We have audited the accompanying statements of financial position of the Dublin Convention & Visitors Bureau (a nonprofit 501(c)(6) organization) as of June 30, 2008 and 2007, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits 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 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 the 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 Dublin Convention & Visitors Bureau as of June 30, 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2008 on our consideration of the Dublin Convention & Visitors Bureau'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. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audits.

Dale Saylor & Associates
Dublin, Ohio
November 11, 2008

DUBLIN CONVENTION & VISITORS BUREAU
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
ASSETS		
Current assets		
Cash	\$ 34,919	\$ 57,069
Bed tax revenue receivable	60,240	57,361
Accounts receivable	<u>1,325</u>	<u>2,574</u>
Total current assets	96,484	117,004
Fixed assets		
Computers, equipment and furniture, net of accumulated depreciation of \$57,414 and \$49,332	18,245	26,327
Leased equipment, net of accumulated amortization of \$16,282 and \$12,125	4,503	8,660
Leasehold improvements, net of accumulated amortization of \$1,961 and \$1,121	<u>6,443</u>	<u>7,283</u>
Total fixed assets	29,191	42,270
Other assets		
Investments in certificates of deposit	67,969	64,800
Deposits	<u>28</u>	<u>28</u>
Total other assets	<u>67,997</u>	<u>64,828</u>
Total assets	\$ <u>193,672</u>	\$ <u>224,102</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 22,714	\$ 30,982
Other current liabilities	-	38
Current portion of equipment lease payable	<u>4,790</u>	<u>4,662</u>
Total current liabilities	27,504	35,682
Long term liabilities		
Equipment lease payable, net of current portion	<u>-</u>	<u>4,790</u>
Total long term liabilities	<u>-</u>	<u>4,790</u>
Total liabilities	27,504	40,472
Net assets		
Unrestricted	<u>166,168</u>	<u>183,630</u>
Total net assets	<u>166,168</u>	<u>183,630</u>
Total liabilities and net assets	\$ <u>193,672</u>	\$ <u>224,102</u>

See accompanying notes to financial statements.

DUBLIN CONVENTION & VISITORS BUREAU
STATEMENTS OF ACTIVITIES
Year Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Changes in net assets:		
Revenues:		
Bed tax revenue	\$ 606,590	\$ 609,842
DVIC sponsorships	7,990	8,375
Media rebates	-	10,622
Website booking commission	11,119	2,013
Interest income	<u>3,176</u>	<u>3,108</u>
Total revenues	628,875	633,960
Expenses:		
Compensation	269,960	244,442
Payroll taxes and benefits	49,016	51,529
Advertising	99,209	97,768
Mileage, meals and parking	12,327	12,758
Printing and publications	12,204	7,775
Promotional and related items	51,818	76,579
Rent	50,832	46,008
Utilities and maintenance	7,400	7,658
Trade shows and conferences	41,617	33,500
Dues and subscriptions	9,337	8,393
Telephone	5,185	6,487
Computer expense	2,757	3,110
Service contract	5,725	6,081
Professional services	870	5,937
Insurance	3,082	3,035
Postage and supplies	11,919	16,360
Bad debt	-	250
Depreciation	<u>13,079</u>	<u>13,149</u>
Total expenses	646,337	640,819
Increase (decrease) in net assets	(17,462)	(6,859)
Net assets at beginning of year	<u>183,630</u>	<u>190,489</u>
Net assets at end of year	\$ <u>166,168</u>	\$ <u>183,630</u>

See accompanying notes to financial statements.

DUBLIN CONVENTION & VISITORS BUREAU
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from bed tax	\$ 603,711	\$ 604,289
Cash received from DVIC sponsorships	9,640	5,875
Other income	10,718	14,365
Interest received	3,176	3,108
Cash paid to suppliers and employees	(641,564)	(640,675)
Net cash provided (used) by operating activities	<u>(14,319)</u>	<u>(13,038)</u>
Cash flows from investing activities:		
Investment in certificates of deposit	-	(10,000)
Interest reinvested in certificates of deposit	<u>(3,169)</u>	<u>(3,047)</u>
Net cash provided (used) in investing activities	<u>(3,169)</u>	<u>(13,047)</u>
Cash flows from financing activities:		
Principle payment on capital lease obligations	<u>(4,662)</u>	<u>(4,140)</u>
Net cash provided (used) by financing activities	<u>(4,662)</u>	<u>(4,140)</u>
Net increase (decrease) in cash	(22,150)	(30,225)
Cash at beginning of year	<u>57,069</u>	<u>87,294</u>
Cash at end of year	\$ <u><u>34,919</u></u>	\$ <u><u>57,069</u></u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ (17,462)	\$ (6,859)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	13,079	13,149
(Increase) decrease in receivables	(1,630)	(6,323)
Increase (decrease) in current liabilities	<u>(8,306)</u>	<u>(13,005)</u>
Net cash provided (used) by operating activities	\$ <u><u>(14,319)</u></u>	\$ <u><u>(13,038)</u></u>

See accompanying notes to financial statements.

DUBLIN CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

The Dublin Convention & Visitors Bureau (“Bureau”) was formed in 1988 as the result of legislation imposing a hotel bed tax in the city of Dublin, Ohio. The Bureau, as required by Ohio statute, receives 25% of the Dublin bed tax collected. The funds are used to promote Dublin, Ohio as a destination for travelers, with emphasis placed on encouraging overnight stays at the area hotels. Provided the funds are used in a business-like manner to promote Dublin tourism, there are no restrictions on their use.

Basis of Accounting

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

Use of 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.

Financial Statement Presentation

The 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. As of the date of the report, the Bureau has no temporarily or permanently restricted net assets.

Trade Receivables

The Bureau accounts for their receivables on an accrual basis. They use a direct write-off method for their accounts receivable. The Bureau keeps a low balance of receivables, thus the allowance for doubtful accounts is not crucial to their receivables presentation.

The receivables balances past due 90 days as of fiscal year end 2008 and 2007, respectively, are \$850 and \$2,500.

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DUBLIN CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2008 and 2007

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Depreciation

Computers, office equipment, furniture and fixtures are carried at cost less accumulated depreciation and are being depreciated over five years using the straight-line method. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and the related allowances for depreciation are eliminated from the accounts and any resulting gain or loss is reflected in revenues and gains. Leasehold improvements are amortized using the straight-line method over ten years.

Capitalization Policy

The capitalization policy at the Bureau is to capitalize any asset with a dollar value over \$500. The basis of valuation is the cost of purchase (or fair value if otherwise obtained). A leased copier originally costing \$20,785 is the only property or equipment pledged, subject to a lien, restricted with title reversion, or with donor-imposed limitations.

Advertising

The Bureau follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$99,209 and \$97,768 for the years ended June 30, 2008 and 2007, respectively.

Income Taxes

The Bureau qualifies as a tax-exempt organization under Internal Revenue Code Section 501(c)(6) as determined by an Internal Revenue Service letter dated December 8, 1988. Accordingly, these financial statements do not include a provision for income taxes.

NOTE 2 – LEASE OBLIGATIONS

Building Lease

Effective December 1, 2000, the Bureau entered into a five-year lease with Grabill & Company, LLC, for office space located at 9 South High Street, Dublin, Ohio. The lease expired on October 31, 2005, and the Bureau exercised the option to renew the contract for an additional five years, although the Bureau decided to rent a smaller space. This amended lease began on November 1, 2005. Under the terms of the lease, the monthly lease payment is approximately \$4,200, consisting of a minimum monthly base rent of \$3,263 plus the Bureau's pro-rata share of certain expenses incurred by Grabill & Company, LLC in connection with the operation of said premises. In October of 2007, Grabill & Company, LLC was purchased by Beacon Hill Properties, Inc. The Bureau's lease was not changed. The approximate future rental commitment on the lease is as follows:

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DUBLIN CONVENTION & VISITORS BUREAU
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2008 and 2007

NOTE 2 – LEASE OBLIGATIONS, continued

Years Ended	
<u>June 30,</u>	<u>Amount</u>
2009	\$ 51,894
2010	52,456
2011	<u>17,548</u>
Total	\$ <u>121,898</u>

Equipment Lease

The Bureau leased a copier system in August 2004 for a period of 60 months. The Bureau pays a monthly payment plus a monthly copy charge. Also included in service contract expense are monthly payments to Pitney Bowes for their postage meter contract. The total service contract expenses for fiscal year end 2008 and 2007, respectively, are \$5,725 and \$6,081. The approximate future rental commitment of the lease is as follows:

	<u>Amount</u>
Year Ended June 30, 2009	\$ <u>4,790</u>

NOTE 3 – SIMPLIFIED RETIREMENT PLAN

Effective October 1, 1999, the Bureau established a simplified retirement plan that covers all eligible employees. Since inception of the plan, the Bureau's match had been 1% of compensation from all eligible contributions. Effective January 1, 2001, the match increased to 3% of compensation from all eligible contributions. The Bureau's expenses under this agreement were \$5,182 and \$5,215 for the years ended June 30, 2008 and 2007, respectively.

NOTE 4 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Bureau's major source of revenue, bed tax revenue, is derived from the City of Dublin's Hotel/Motel Tax Fund. For each of the years ended June 30, 2008 and 2007 revenue from this source approximated 96% of total revenues.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING*
STANDARDS

The Board of Trustees
Dublin Convention & Visitors Bureau
Dublin, Ohio

We have audited the financial statements of the Dublin Convention & Visitors Bureau (a nonprofit 501(c)(6) organization) as of and for the years ended June 30, 2008 and 2007, and have issued our report thereon dated November 11, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Dublin Convention & Visitors Bureau's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Dublin Convention & Visitors Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the Bureau's financial statements that is more-than-inconsequential will not be prevented or detected by the Bureau's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Bureau's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS*, Continued

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Dublin Convention & Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we reported to the Bureau's management in a separate letter dated November 11, 2008.

This report is intended solely for the information and use of the Board of Trustees, management, others within the Bureau, and the State of Ohio Office of the Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

Dale Saylor & Associates

Dublin, Ohio

November 11, 2008



Mary Taylor, CPA
Auditor of State

DUBLIN CONVENTION AND VISITORS BUREAU
FRANKLIN 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
DECEMBER 31, 2008