

DUBLIN CONVENTION & VISITORS BUREAU

FINANCIAL STATEMENTS

Years Ended June 30, 2000 and 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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

We have reviewed the Independent Auditor's Report of the Dublin Convention & Visitors Bureau, Franklin County, prepared by Dale Saylor & Associates, for the audit period July 1, 1999 to June 30, 2000. 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 & Visitors Bureau is responsible for compliance with these laws and regulations.

JIM PETRO
Auditor of State

December 21, 2000

DUBLIN CONVENTION AND VISITORS BUREAU
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statements of financial position of the Dublin Convention and Visitors Bureau (a nonprofit organization) as of June 30, 2000 and 1999, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards 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 and Visitors Bureau as of June 30, 2000 and 1999, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2000 on our consideration of the Dublin Convention and Visitors Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

Dale Saylor & Associates

Dublin, Ohio
December 5, 2000

DUBLIN CONVENTION AND VISITORS BUREAU
 STATEMENTS OF FINANCIAL POSITION
 June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
ASSETS		
Cash	\$ 25,796	\$ 38,468
Bed tax revenue receivable	37,973	32,163
Accounts receivable, other	6,048	3,311
Computers and equipment, net of accumulated depreciation of \$4,900 and \$5,468	8,456	4,714
Prepaid rent and services	1,556	1,556
Deposits	<u>28</u>	<u>28</u>
Total assets	\$ <u>79,857</u>	\$ <u>80,240</u>
 LIABILITIES AND NET ASSETS		
Accounts payable	\$ <u>-</u>	\$ <u>966</u>
Total liabilities	-	966
Unrestricted net assets	<u>79,857</u>	<u>79,274</u>
Total liabilities and net assets	\$ <u>79,857</u>	\$ <u>80,240</u>

The accompanying notes are an integral part of the financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Changes in net assets:		
Revenues:		
Bed tax revenue	\$ 430,758	\$ 401,461
Interest income	1,082	981
Other income:		
Maps	-	1,000
Visitors guide	1,350	-
Meeting partners	<u>5,200</u>	<u>-</u>
Total revenues	<u>438,390</u>	<u>403,442</u>
Expenses:		
Program expenses:		
Advertising (note 1)	68,454	56,061
Sports marketing	82,331	70,838
Visitors guide	15,270	19,275
Memorial tournament	17,156	15,187
Solheim Cup	-	10,568
Art and design	15,980	9,968
Printing and publications	4,270	3,661
Promotions and related items	15,145	19,660
Stationary, postage and voicemail	7,352	6,296
Web site	4,996	5,296
Trade shows and related expenses	550	5,754
Occupancy services contract (note 2)	4,200	4,200
Conferences	4,524	3,101
Research	<u>5,010</u>	<u>10,854</u>
Total program expenses	<u>245,238</u>	<u>240,719</u>
Administrative expenses:		
Salaries, wages and benefits (note 4)	120,420	102,549
Payroll taxes	13,090	11,567
Rent (note 2)	14,725	14,955
Telephone	5,639	5,812
Supplies, postage and office expense	13,081	9,568
Equipment lease (note 2)	4,324	1,736
Computer expense	2,256	2,032
Meeting expenses	7,375	4,630
Accounting expense	4,214	4,063
Insurance	2,014	1,901
Depreciation (note 1)	2,454	2,023
Dues and memberships	<u>2,977</u>	<u>2,795</u>
Total administrative expenses	<u>192,569</u>	<u>163,631</u>
Total expenses	<u>437,807</u>	<u>404,350</u>
Increase (decrease) in net assets	583	(908)
Net assets at beginning of year	<u>79,274</u>	<u>80,182</u>
Net assets at end of year	<u>\$ 79,857</u>	<u>\$ 79,274</u>

The accompanying notes are an integral part of the financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2000 and 1999

	<u>2000</u>	<u>1999</u>
Cash flows from operating activities:		
Cash received from bed tax	\$ 424,948	\$ 395,192
Interest received	1,082	981
Other income	3,813	1,000
Cash paid to suppliers and employees	<u>(436,319)</u>	<u>(417,612)</u>
Net cash (used) by operating activities	(6,476)	(20,439)
Cash flows from investing activities:		
Purchase of phone system	(4,330)	-
Purchase of computer equipment	<u>(1,866)</u>	<u>(2,286)</u>
Net cash (used) in investing activities	<u>(6,196)</u>	<u>(2,286)</u>
Net (decrease) in cash	(12,672)	(22,725)
Cash at beginning of year	<u>38,468</u>	<u>61,193</u>
Cash at end of year	\$ <u>25,796</u>	\$ <u>38,468</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 583	\$ (908)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,454	2,023
(Increase) in receivables	(8,547)	(9,580)
(Decrease) in liabilities	<u>(966)</u>	<u>(11,974)</u>
Net cash (used) by operating activities	\$ <u>(6,476)</u>	\$ <u>(20,439)</u>

The accompanying notes are an integral part of the financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2000 and 1999

Note 1 – Summary of Significant Accounting Policies

Nature of Organization

The Dublin Convention and 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.

Depreciation

Computers and equipment 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.

Income Recognition

Bed taxes and other revenues are recognized on the accrual basis.

Income Taxes

The Bureau qualifies as a tax-exempt organization under Internal Revenue Code Section 501 (c) (6) as determined by the Internal Revenue Service in a letter dated December 8, 1988.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

For the statements of cash flows, all unrestricted investment instruments with original maturities of three months or less are cash equivalents. The Bureau has no cash equivalents at June 30, 2000 and 1999.

Advertising

The Bureau follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$68,454 and \$56,061 for the years ended June 30, 2000 and 1999.

Note 2 – Lease Obligations

On January 1, 1994, the Bureau entered into a three year lease, which expired December 31, 1996, with the Dublin Chamber of Commerce, for office space located at 129 South High Street, Dublin, Ohio. Effective January 1, 1997, the lease was extended for a three year period, which expired December 31, 1999, and has been continued informally through January 31, 2001. Under the terms of the original and the extended leases, the monthly lease payment is \$1,020. The future rental commitment of the lease for the year ended June 30, 2001 is \$7,140.

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DUBLIN CONVENTION AND VISITORS BUREAU
 NOTES TO FINANCIAL STATEMENTS
 June 30, 2000 and 1999

Note 2 – Lease Obligations, continued

Additionally, the Bureau entered into an administrative services agreement on January 1, 1994 with the Dublin Chamber of Commerce. The agreement included a provision to pay the Dublin Chamber of Commerce \$500 per month for equipment rental and receptionist services. The agreement was renegotiated effective January 1, 1996 and the services fee was revised to \$350 per month since the Bureau provides many of its own receptionist services. The agreement terminates simultaneously with the lease agreement between the Bureau and the Dublin Chamber of Commerce. The total expenses under this agreement were \$4,200 annually for the years ended June 30, 2000 and 1999.

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. Under the terms of the lease, the monthly lease payment is \$7,046, comprised of a minimum monthly base rent of \$5,525 plus the Bureau's estimated pro-rata share of certain expenses incurred by Grabill & Company, LLC in connection with the operation of said premises. The approximate future rental commitment of the lease is as follows:

Year Ended	
<u>June 30,</u>	<u>Amount</u>
2001	\$ 49,322
2002	84,552
2003	84,552
2004	84,552
2005	<u>84,552</u>
Total	\$ <u>387,530</u>

On December 15, 1996, the Bureau entered into a non-cancelable, four-year lease with Xerox Corporation, for the lease of a copier. The lease also contains a purchase option amount of \$700, which can be exercised at the end of the lease period. The monthly lease payment, effective as of April 1, 1999, is \$359, with the total lease expense for the years ended June 30, 2000 and 1999 being \$4,324 and \$1,736, respectively.

Note 3 – Related Party Transactions

The Bureau's lease and services contracts are with the Dublin Chamber of Commerce, which appoints one representative to the Bureau's Board of Trustees.

Note 4 – Simplified Retirement Plan

Effective October 1, 1999, the Bureau established a simplified retirement plan (SIMPLE IRA) that covers all eligible employees. Since inception of the plan, the Bureau's match has been 1% of compensation from all eligible contributions. Effective January 1, 2001, the match will increase to 3% of compensation from all eligible contributions. The total expenses under this agreement were \$798 and \$0 annually for the years ended June 30, 2000 and 1999.

DUBLIN CONVENTION AND VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2000 and 1999

Note 5 – Grant Award

On September 18, 2000, the City of Dublin, Ohio formally voted to award a grant to the Bureau of up to \$28,000 for actual relocation costs incurred in connection with the Bureau's move to 9 South High Street, Dublin, Ohio. The relocation costs include office furniture, a telephone operating system and the addition of a restroom in the Visitor Center area of the premises.

Additionally, the Bureau was also awarded a grant for \$80,000 annually for a period of five years from the City of Dublin Hotel/Motel Tax Fund to provide financial assistance with rent and staffing associated with the Bureau's relocation to 9 South High Street, Dublin, Ohio. The grant will be paid in equal monthly installments commencing on December 1, 2000 and continuing for sixty consecutive months.

Note 6 – Reclassifications

Certain reclassifications have been made to the June 30, 1999 financial statements to conform to the June 30, 2000 classifications.

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Certified Public Accountants

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

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

We have audited the financial statements of the Dublin Convention and Visitors Bureau (a nonprofit organization) as of and for the years ended June 30, 2000 and 1999, and have issued our report thereon dated December 5, 2000. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the Dublin Convention and Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Trustees, management 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

December 5, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

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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
JANUARY 9, 2001**