

DUBLIN CONVENTION & VISITORS BUREAU

FINANCIAL STATEMENTS

Years Ended June 30, 1999 and 1998

DALE SAYLOR & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS
DUBLIN, OHIO

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STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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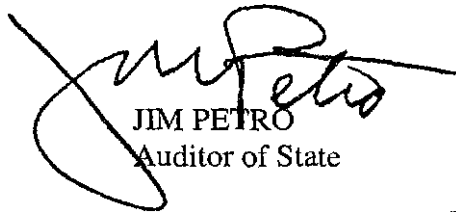
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To Board of Trustees
Dublin Convention and Visitors Bureau
Dublin, Ohio

We have reviewed the Independent Auditor's Report of the Dublin Convention and Visitors Bureau, Franklin County, prepared by Dale Saylor & Associates, for the audit period July 1, 1998 to June 30, 1999. 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.


JIM PETRO
Auditor of State

December 29, 1999

Dale Saylor & Associates

Certified Public Accountants

5640 Frantz Road

Dublin, Ohio 43017

(614) 766-4224 / FAX (614) 766-4301

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, 1999 and 1998, 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 audit.

We conducted our audit 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 audit 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 audit provides 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, 1999 and 1998, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 1999, 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.

Dale Saylor & Associates

Dublin, Ohio
November 30, 1999

DUBLIN CONVENTION AND VISITORS BUREAU
 STATEMENTS OF FINANCIAL POSITION
 June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$ 38,468	\$ 61,193
Bed tax revenue receivable	32,163	25,894
Accounts receivable, other	3,311	-
Computer equipment, net of accumulated depreciation of \$5,468 and \$5,361	4,714	4,451
Prepaid rent and services	1,556	1,556
Deposits	<u>28</u>	<u>28</u>
Total assets	\$ <u>80,240</u>	\$ <u>93,122</u>
 LIABILITIES AND NET ASSETS		
Accounts payable	\$ <u>966</u>	\$ <u>12,940</u>
Total liabilities	966	12,940
Unrestricted net assets	<u>79,274</u>	<u>80,182</u>
Total liabilities and net assets	\$ <u>80,240</u>	\$ <u>93,122</u>

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

DUBLIN CONVENTION AND VISITORS BUREAU
STATEMENTS OF ACTIVITIES
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Changes in net assets:		
Revenues:		
Bed tax revenue	\$ 401,461	\$ 264,734
Interest income	981	2,102
Grant	-	23,000
Other income – maps	<u>1,000</u>	<u>-</u>
Total revenues	<u>403,442</u>	<u>289,836</u>
Expenses:		
Program expenses:		
Advertising (note 1)	56,061	42,366
Sports marketing	70,838	25,720
Visitors guide	19,275	7,114
Memorial tournament	15,187	11,388
Solheim Cup	10,568	-
Art and design	9,968	5,933
Printing and publications	3,661	4,485
Promotions and related items	19,660	13,865
Stationary, postage and voicemail	6,296	5,726
Web site	5,296	4,160
Trade shows and related expenses	5,754	1,606
Occupancy services contract (note 2)	4,200	4,200
Conferences	3,101	2,565
Research	10,854	6,360
Soccer stadium	<u>-</u>	<u>6,779</u>
Total program expenses	<u>240,719</u>	<u>142,267</u>
Administrative expenses:		
Salaries, wages and benefits	102,549	83,536
Payroll taxes	11,567	7,876
Rent (note 2)	14,955	16,027
Telephone	5,812	4,457
Supplies, postage and office expense	9,568	10,111
Equipment lease (note 2)	1,736	4,252
Computer expense	2,032	3,289
Meeting expenses	4,630	5,155
Accounting and legal expense	4,063	6,029
Insurance	1,901	1,895
Depreciation (note 1)	2,023	1,962
Dues and memberships	<u>2,795</u>	<u>2,568</u>
Total administrative expenses	<u>163,631</u>	<u>147,157</u>
Total expenses	<u>404,350</u>	<u>289,424</u>
Increase (decrease) in net assets	(908)	412
Net assets at beginning of year	<u>80,182</u>	<u>79,770</u>
Net assets at end of year	<u>\$ 79,274</u>	<u>\$ 80,182</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, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Cash received from bed tax	\$ 395,192	\$ 260,917
Interest received	981	2,102
Other income	1,000	23,000
Cash paid to suppliers and employees	<u>(417,612)</u>	<u>(298,436)</u>
Net cash (used) by operating activities	(20,439)	(12,417)
Cash flows from investing activities:		
Purchase of computer equipment	<u>(2,286)</u>	<u>-</u>
Net cash (used) in investing activities	(2,286)	-
Net (decrease) in cash	(22,725)	(12,417)
Cash at beginning of year	<u>61,193</u>	<u>73,610</u>
Cash at end of year	\$ <u>38,468</u>	\$ <u>61,193</u>
Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ (908)	\$ 412
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	2,023	1,962
(Increase) in receivables	(9,580)	(3,477)
(Decrease) in liabilities	<u>(11,974)</u>	<u>(11,314)</u>
Net cash (used) by operating activities	\$ <u>(20,439)</u>	\$ <u>(12,417)</u>

The accompanying notes are an integral part of the financial statements

DUBLIN CONVENTION AND VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 1999 and 1998

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

Computer equipment is carried at cost less accumulated depreciation and is 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.

Advertising

The Bureau follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$56,061 and \$42,366 for the years ended June 30, 1999 and 1998.

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. 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, 2000 is \$6,120.

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DUBLIN CONVENTION AND VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 1999 and 1998

Note 2 – Lease Obligation, 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 total expenses under this agreement were \$4,200 annually for the years ended June 30, 1999 and 1998.

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, 1999 and 1998 being \$1,736 and \$4,252, 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 which covers all eligible employees.

Note 5 – Reclassifications

Certain reclassifications have been made to the June 30, 1998 financial statements to conform to the June 30, 1999 classifications.

Dale Saylor & Associates

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, 1999 and 1998, and have issued our report thereon dated November 30, 1999. We conducted our audit 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 audit, 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 audit, 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 for the information of the Board of Trustees, management and the State of Ohio Office of the Auditor. However, this report is a matter of public record and its distribution is not limited.

Dale Sawyer Associates

Dublin, Ohio

November 30, 1999



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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.

By: Susan Babbitt

Date: JANUARY 13, 2000