

DUBLIN CONVENTION & VISITORS BUREAU
Franklin County, Ohio

AUDIT REPORT

For the Years ended June 30, 2014 and 2013



Dave Yost • Auditor of State

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

We have reviewed the *Independent Auditor's Report* of the Dublin Convention & Visitors Bureau, Franklin County, prepared by Charles E. Harris & Associates, Inc., for the audit period July 1, 2012 through June 30, 2014. 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.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

December 31, 2014

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DUBLIN CONVENTION & VISITORS BUREAU
FRANKLIN COUNTY
AUDIT REPORT
For the Years Ended June 30, 2014 and 2013

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying statement of financial position of the Dublin Convention & Visitors Bureau (a nonprofit organization) as of and for the years ended June 30, 2014 and 2013., and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Bureau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Bureau's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dublin Convention Bureau as of June 30, 2014 and 2013, and the changes in its net assets, and its cash flows for the years then ended in accordance with the accounting principles generally accepted in the United States of America.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2014 on our consideration of the 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bureau's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
November 30, 2014

DUBLIN CONVENTION AND VISITORS BUREAU

Statement of Financial Position

As of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
ASSETS		
Current Assets		
Cash	\$ 249,756	\$ 217,705
Bed Tax receivable	68,259	64,506
Accounts receivable	5,844	2,300
Total Current Assets	<u>323,859</u>	<u>284,511</u>
Fixed Assets		
Computers, equipment and furniture	75,659	75,659
Leased equipment	20,785	20,785
Leasehold Improvements	8,404	8,404
Accumulated Depreciation	<u>(103,447)</u>	<u>(102,607)</u>
Net Fixed Assets	<u>1,401</u>	<u>2,241</u>
Other Assets		
Deposits	<u>28</u>	<u>28</u>
Total Other Assets	<u>28</u>	<u>28</u>
TOTAL ASSETS	<u><u>\$ 325,288</u></u>	<u><u>\$ 286,780</u></u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts Payable	<u>\$ 3,065</u>	<u>\$ 2,091</u>
Total Current Liabilities	<u>3,065</u>	<u>2,091</u>
Net Assets		
Unrestricted Net Assets	<u>322,223</u>	<u>284,689</u>
Total Net Assets	<u>322,223</u>	<u>284,689</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 325,288</u></u>	<u><u>\$ 286,780</u></u>

See Accompanying Notes to the Financial Statements

DUBLIN CONVENTION AND VISITORS BUREAU
Statement of Activities and Changes in Net Assets
For the Years Ended June 30, 2014 and 2013

	2014	2013
REVENUE		
Bed tax revenue	\$ 658,343	\$ 628,501
Partnership Advocacy & Advertising	53,763	42,963
Interest income	398	196
TOTAL REVENUE	712,504	671,660
 EXPENSES		
Salary & wages	281,824	264,040
Payroll taxes and employee benefits	80,982	60,051
Advertising	60,120	69,693
Mileage, meals and parking	9,269	9,761
Printing and publications	30,188	23,958
Promotional & related expenses	90,376	98,744
Rent	39,401	38,835
Utilities and maintenance	7,671	6,840
Trade shows and conferences	38,100	39,514
Dues and subscriptions	11,495	10,584
Telephone	4,123	3,995
Computer expense	7,451	5,027
Service contract	2,791	3,404
Insurance	2,478	2,276
Postage and supplies	7,564	9,132
Professional services	297	1,063
Depreciation	840	840
Bad debts	-	700
TOTAL EXPENSES	674,970	648,457
 CHANGE IN NET ASSETS	37,534	23,203
 NET ASSETS, BEGINNING OF YEAR	284,689	261,486
 NET ASSETS, END OF YEAR	\$ 322,223	\$ 284,689

See Accompanying Notes to the Financial Statements

DUBLIN CONVENTION AND VISITORS BUREAU
Statement of Cash Flows
For the Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash Flows from Operating Activities:		
Cash received from bed tax	\$ 654,590	\$ 620,976
Partnership advocacy & advertising fees	50,719	43,330
Interest income	398	196
Cash paid to suppliers and employees	<u>(673,656)</u>	<u>(651,858)</u>
Net Cash Provided by Operating Activities	<u>32,051</u>	<u>12,644</u>
Cash at Beginning of Year	<u>217,705</u>	<u>205,061</u>
Cash at End of Year	<u><u>\$ 249,756</u></u>	<u><u>\$ 217,705</u></u>
Reconciliation of change in net assets to net cash:		
Provided (used) by operating activities:		
Change in net assets	\$ 37,534	\$ 23,203
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	840	840
(Increase) in receivables	(7,297)	(6,458)
Increase (decrease) in accounts payable	<u>974</u>	<u>(4,941)</u>
Total Adjustments	<u>(5,483)</u>	<u>(10,559)</u>
Net cash provided by operating activities	<u><u>\$ 32,051</u></u>	<u><u>\$ 12,644</u></u>

DUBLIN CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

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 Corporation follows the recommendations of the Financial Accounting Standards Board ASC 958, *Not-For-Profit Entities*. Under ASC 958, 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.

Cash and Cash Equivalents

The Bureau considers cash on hand, demand deposits held by banks, and short-term investments with an initial maturity of three months or less to be cash and cash equivalents.

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.

DUBLIN CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

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 marketing and advertising to expense as incurred. Advertising expense was \$60,120 and \$69,693 for the years ended June 30, 2014 and 2013, 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

In February 23, 2010 the Bureau amended its existing lease agreement, which expired October 31, 2010, to rent office space at 9 South High Street, Dublin, Ohio. The amendment, effective July 1, 2010, provided for monthly lease payments of \$2,321.50 and extended to October 31, 2015 with a provision for an additional extension of 5 years through October 31, 2020 at a monthly payment amount to be negotiated.

DUBLIN CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2014 and 2013

NOTE 2 – LEASE OBLIGATIONS, continued

The approximate future rental commitment on the lease is as follows:

Year Ended June 30,	Amount
2015	\$ 27,750
2016	9,286
Total	<u>\$37,036</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 which is included in service contract expense. The total service contract expenses for fiscal year end 2014 and 2013, respectively, are \$2,791 and \$3,404. The copier lease expired in June 2009.

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 \$4,954 and \$6,039 for the years ended June 30, 2014 and 2013, 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 the years ended June 30, 2014 and 2013 revenue from this source approximated 92% and 94% of total revenues, respectively.

NOTE 5 – SUBSEQUENT EVENTS

Subsequent events were evaluated through November 30, 2014, which is the date the financial statements were available to be issued.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

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

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Dublin Convention & Visitors Bureau (a nonprofit organization) as of and for the years ended June 30, 2014 and 2013, and have issued our report thereon dated November 30, 2014.

Internal Controls Over Financial Reporting

As part of our financial statement audit, we considered the Bureau's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Bureau's internal control. Accordingly, have not opined on it.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Bureau's financial statements. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control over financial reporting, that we consider a material weaknesses. However, unidentified material weaknesses may exist.

Dublin Convention & Visitors Bureau
Franklin County
Independent Auditor's Report on Internal Control Over
Financial Reporting and on Compliance and on Compliance and
Other Matters Required by *Government Auditing Standards*

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Bureau's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.
November 30, 2014

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Dave Yost • 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
JANUARY 8, 2015**