

DUBLIN CONVENTION & VISITORS BUREAU
Franklin County, Ohio

AUDIT REPORT

For the Years ended June 30, 2010 and 2009

CHARLES E. HARRIS & ASSOCIATES, INC.
Certified Public Accountants and Government Consultants



Dave Yost • Auditor of State

January 18, 2011

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 10, 2011. Thus, I am certifying this audit report for release under the signature of my predecessor.

A handwritten signature in black ink that reads "Dave Yost".

DAVE YOST
Auditor of State

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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 Charles E. Harris & Associates, Inc., for the audit period July 1, 2008 through June 30, 2010. 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

January 6, 2011

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DUBLIN CONVENTION & VISITORS BUREAU
FRANKLIN COUNTY
AUDIT REPORT
For the Years Ended June 30, 2010 and 2009

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying statement of financial position of the Dublin Convention & Visitors Bureau (a nonprofit organization) as of June 30, 2010 and 2009, 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 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 and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. 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 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 presently fairly, in all material respects, the financial position of the Dublin Convention & Visitors Bureau as of June 30, 2010 and 2009, and the changes in its net assets and 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 December 3, 2010, 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, grant agreements and other matters. The purpose of that 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 should be considered in assessing the results of our audit.

Charles E. Harris & Associates, Inc.
December 3, 2010

DUBLIN CONVENTION AND VISITORS BUREAU

Statement of Financial Position

As of June 30, 2010 and 2009

	2010	2009
ASSETS		
Current Assets		
Cash	\$ 86,265	\$ 74,588
Bed Tax receivable	43,435	39,637
Accounts receivable	650	450
Deferred charges	7,888	6,771
Total Current Assets	<u>138,238</u>	<u>121,446</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>(95,836)</u>	<u>(87,902)</u>
Net Fixed Assets	<u>9,012</u>	<u>16,946</u>
Other Assets		
Investments in certificates of deposit	30,506	29,367
Deposits	<u>28</u>	<u>28</u>
Total Other Assets	<u>30,534</u>	<u>29,395</u>
TOTAL ASSETS	<u>\$ 177,784</u>	<u>\$ 167,787</u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 985	\$ 5,129
Total Current Liabilities	<u>985</u>	<u>5,129</u>
Net Assets		
Unrestricted Net Assets	<u>176,799</u>	<u>162,658</u>
Total Net Assets	<u>176,799</u>	<u>162,658</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 177,784</u>	<u>\$ 167,787</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, 2010 and 2009

	2010	2009
REVENUE		
Bed tax revenue	\$ 488,546	\$ 537,027
DVIC sponsorships	-	4,225
Advertising	17,250	23,150
Website booking commissions	2,652	1,664
Interest income	2,621	1,317
TOTAL REVENUE	511,069	567,383
EXPENSES		
Salary & wages	238,626	257,137
Payroll taxes and employee benefits	51,407	48,712
Advertising	44,193	70,586
Mileage, meals and parking	7,766	8,128
Printing and publications	15,573	17,920
Promotional & related expenses	13,866	24,461
Rent	52,683	57,837
Utilities and maintenance	6,837	6,485
Trade shows and conferences	20,857	24,205
Dues and subscriptions	8,471	7,237
Telephone	3,973	4,163
Computer expense	9,493	4,193
Service contract	4,283	2,777
Insurance	2,171	3,098
Postage and supplies	7,945	12,325
Professional services	400	9,384
Depreciation	7,934	12,245
Bad debts	450	-
TOTAL EXPENSES	496,928	570,893
Increase (Decrease) In Net Assets	14,141	(3,510)
Beginning Net Assets	162,658	166,168
ENDING NET ASSETS	\$ 176,799	\$ 162,658

See Accompanying Notes to the Financial Statements

DUBLIN CONVENTION AND VISITORS BUREAU
Statement of Cash Flows
For the Years Ended June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities:		
Cash received from bed tax	\$ 484,748	\$ 557,630
Advertising	17,050	24,025
Other income	2,652	5,889
Interest income	2,621	1,317
Cash paid to suppliers and employees	<u>(494,255)</u>	<u>(583,004)</u>
Net Cash Provided (Used) by Operating Activities	<u>12,816</u>	<u>5,857</u>
 Cash Flows from Investing Activities:		
Interest reinvested in certificates of deposit	(1,139)	(904)
Certificate of deposit converted to money market	-	39,506
Net Cash Provided (Used) by Investing Activities	<u>(1,139)</u>	<u>38,602</u>
 Cash Flows from Capital and Related Financing Activities:		
Principal payments on capital lease obligations	-	(4,790)
Net Cash Provided (Used) in Capital Activities	<u>-</u>	<u>(4,790)</u>
 Net Increase (Decrease) in Cash	11,677	39,669
 Cash at Beginning of Year	<u>74,588</u>	<u>34,919</u>
 Cash at End of Year	<u>\$ 86,265</u>	<u>\$ 74,588</u>
 Reconciliation of change in net assets to net cash		
Provided (used) by operating activities:		
Change in net assets	\$ 14,141	\$ (3,510)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	7,934	12,245
(Increase) decrease in receivables	(3,998)	21,478
(Increase) decrease in deferred charges	(1,117)	(6,771)
Increase (decrease) in current liabilities	<u>(4,144)</u>	<u>(17,585)</u>
Total Adjustments	<u>(1,325)</u>	<u>9,367</u>
 Net cash provided (used) by operating activities	<u>\$ 12,816</u>	<u>\$ 5,857</u>

See Accompanying Notes to the Financial Statements

DUBLIN CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

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.

DUBLIN CONVENTION & VISITORS BUREAU
NOTES TO FINANCIAL STATEMENTS
June 30, 2010 and 2009

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 \$44,193 and \$70,586 for the years ended June 30, 2010 and 2009, 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, 2010 and 2009

NOTE 2 – LEASE OBLIGATIONS, continued

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

Year Ended June 30,	Amount
2011	\$ 27,750
2012	27,750
2013	27,750
2014	27,750
2015	27,750
Remaining	9,250
Total	<u>\$148,000</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. 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 2010 and 2009, respectively, are \$4,283 and \$2,777. 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 \$5,444 and \$4,979 for the years ended June 30, 2010 and 2009, 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, 2010 and 2009 revenue from this source approximated 95% of total revenues.

NOTE 5 – SUBSEQUENT EVENTS

Subsequent events were evaluated through November 30, 2010, which is the date the financial statements were available to be issued.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT ACCOUNTANTS' 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 the financial statements of the Dublin Convention & Visitors Bureau (a nonprofit 501(c)(6) organization), as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated December 3, 2010. 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 Controls 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 opining on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Bureau's internal control over financial reporting.

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 more than a reasonable possibility that a material misstatement of the Bureau's financial statements will not be prevented or detected and timely corrected.

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

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 grants agreements, noncompliance with which could directly and materially affect 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*.

We intend this report solely for the information and use of management, the Board of Trustees and others within the Bureau. We intend it for no one other than these specified parties.

Charles E. Harris and Associates, Inc.

December 3, 2010

SCHEDULE OF PRIOR AUDIT FINDINGS

The prior audit report, for the years ended June 30, 2007 and 2008, reported no material citations or recommendations.

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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
JANUARY 18, 2011