

DUBLIN CONVENTION & VISITORS BUREAU

FINANCIAL STATEMENTS

Years Ended June 30, 2004 and 2003





**Auditor of State  
Betty Montgomery**

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 Dale Saylor & Associates, for the audit period July 1, 2002 to June 30, 2004. 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.

*Betty Montgomery*

BETTY MONTGOMERY  
Auditor of State

December 22, 2004

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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 501 (c) (6) organization) as of June 30, 2004 and 2003, 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 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 consolidated 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, 2004 and 2003, 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 December 3, 2004 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 3, 2004

DUBLIN CONVENTION AND VISITORS BUREAU  
STATEMENTS OF FINANCIAL POSITION  
June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Current assets		
Cash	\$ 106,503	\$ 74,315
Bed tax revenue receivable	40,842	46,424
Accounts receivable	4,372	304
Grants receivable	78,912	78,912
Total current assets	230,629	199,955
Fixed assets		
Computers, equipment and furniture, net of accumulated depreciation of \$52,960 and \$38,394	25,254	39,699
Leasehold improvements, net of accumulated amortization of \$20,380 and \$14,266	40,760	46,874
Total fixed assets	66,014	86,573
Other assets		
Grants receivable	32,188	107,821
Deposits	28	28
Total other assets	32,216	107,849
Total assets	\$ 328,859	\$ 394,377
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Deferred revenue	\$ 6,667	\$ 6,667
Accrued payroll taxes	710	-
Total current liabilities	7,377	6,667
Net assets		
Unrestricted	210,382	200,978
Temporarily restricted	111,100	186,732
Total net assets	321,482	387,710
Total liabilities and net assets	\$ 328,859	\$ 394,377

See accompanying notes to financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2004

Changes in net assets:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Bed tax revenue	\$ 475,023		\$ 475,023
DVIC revenue	4,250		4,250
Other income:			
Sports partners	6,850		6,850
Ohio Advertising Match Program	1,015		1,015
Visitors Guide	11,970		11,970
Interest Income	283		283
Miscellaneous	2,214		2,214
Net assets released from restrictions:			
Grant revenue	80,000	\$ (80,000)	-
Grant revenue- amortization of discount		4,368	4,368
Total revenues	<u>581,605</u>	<u>(75,632)</u>	<u>505,973</u>
Expenses:			
Program expenses:			
Compensation	146,625		146,625
Advertising	41,721		41,721
Memorial tournament	18,256		18,256
Mileage, meals and parking	6,102		6,102
Art and design	9,833		9,833
Printing and publications	23,188		23,188
Production	1,287		1,287
Promotions and related items	12,819		12,819
Skelly the Leprechaun	950		950
Premiums	2,909		2,909
Web site	11,989		11,989
Trade shows and related expenses	6,966		6,966
Conferences	7,202		7,202
Dues and subscriptions	4,651		4,651
Postage and supplies	1,215		1,215
Research	485		485
Ambassador expense	1,572		1,572
Total program expenses	<u>297,770</u>		<u>297,770</u>

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See accompanying notes to financial statements.



DUBLIN CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES, Continued  
Year ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Administrative expenses:			
Compensation	95,319		95,319
Payroll taxes and benefits	44,534		44,534
Rent, utilities and maintenance	85,813		85,813
Telephone	3,516		3,516
Postage and supplies	10,242		10,242
Service contract	2,276		2,276
Computer expense	3,220		3,220
Professional services	252		252
Insurance	3,062		3,062
Mileage, meals and parking	2,577		2,577
Depreciation	21,011		21,011
Miscellaneous expense	2,609		2,609
Total administrative expenses	<u>274,431</u>		<u>274,431</u>
Total expenses	<u>572,201</u>		<u>572,201</u>
Increase in net assets	9,404	(75,632)	(66,228)
Net assets at beginning of year	<u>200,978</u>	<u>186,732</u>	<u>387,710</u>
Net assets at end of year	<u>\$ 210,382</u>	<u>\$ 111,100</u>	<u>\$ 321,482</u>

See accompanying notes to financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES  
Year ended June 30, 2003

Changes in net assets:	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Bed tax revenue	\$ 484,379		\$ 484,379
DVIC revenue	10,045		10,045
Other income:			
Sports partners	9,800		9,800
Meeting partners	22,250		22,250
Ohio Advertising Match Program	13,961		13,961
Interest Income	192		192
Miscellaneous	926		926
Net assets released from restrictions:			
Grant revenue	80,000	\$ (80,000)	-
Grant revenue- amortization of discount		<u>6,600</u>	<u>6,600</u>
Total revenues	<u>621,553</u>	<u>(73,400)</u>	<u>548,153</u>
Expenses:			
Program expenses:			
Compensation	131,413		131,413
Advertising	45,396		45,396
Memorial tournament	18,130		18,130
Mileage, meals and parking	5,700		5,700
Art and design	5,527		5,527
Printing and publications	13,125		13,125
Production	11,186		11,186
Promotions and related items	10,934		10,934
Skelly the Leprechaun	1,053		1,053
Premiums	1,813		1,813
Web site	14,220		14,220
Trade shows and related expenses	8,805		8,805
Conferences	5,993		5,993
Dues and subscriptions	5,219		5,219
Postage and supplies	880		880
Research	4,000		4,000
DVIC	2,179		2,179
Ambassador expense	3,834		3,834
Total program expenses	<u>289,407</u>		<u>289,407</u>

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See accompanying notes to financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU  
STATEMENT OF ACTIVITIES, Continued  
Year ended June 30, 2003

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Administrative expenses:			
Compensation	96,240		96,240
Payroll taxes and benefits	39,752		39,752
Rent, utilities and maintenance	61,221		61,221
Telephone	4,972		4,972
Postage and supplies	10,809		10,809
Service contract	2,748		2,748
Computer expense	10,863		10,863
Professional services	9,032		9,032
Insurance	3,604		3,604
Mileage, meals and parking	1,640		1,640
Interest expense	147		147
Bad debt	6,295		6,295
Depreciation	20,784		20,784
Miscellaneous expense	2,835		2,835
Total administrative expenses	<u>270,942</u>		<u>270,942</u>
Total expenses	<u>560,349</u>		<u>560,349</u>
Increase in net assets	61,204	(73,400)	(12,196)
Net assets at beginning of year	<u>139,774</u>	<u>260,132</u>	<u>399,906</u>
Net assets at end of year	<u>\$ 200,978</u>	<u>\$ 186,732</u>	<u>\$ 387,710</u>

See accompanying notes to financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU  
 STATEMENTS OF CASH FLOWS  
 Years ended June 30, 2004 and 2003

	<u>2004</u>	<u>2003</u>
Cash flows from operating activities:		
Cash received from bed tax	\$ 480,605	\$ 485,888
Cash received from grants	80,000	80,000
Cash received from DVIC efforts	4,250	10,045
Interest received	283	192
Other income	17,981	47,164
Cash paid to suppliers and employees	<u>(550,275)</u>	<u>(539,898)</u>
Net cash provided (used) by operating activities	32,844	83,391
 Cash flows from investing activities:		
Rebates and insurance proceeds	2,747	-
Purchase of computers, equipment and furniture	<u>(3,403)</u>	<u>(5,170)</u>
Net cash provided (used) by investing activities	<u>(656)</u>	<u>(5,170)</u>
 Cash flows from financing activities:		
Payments on line of credit	<u>-</u>	<u>(6,500)</u>
Net cash provided (used) by financing activities	<u>-</u>	<u>(6,500)</u>
 Net increase (decrease) in cash	32,188	71,721
 Cash at beginning of year	<u>74,315</u>	<u>2,594</u>
 Cash at end of year	<u>\$ 106,503</u>	<u>\$ 74,315</u>
 Reconciliation of change in net assets to net cash provided (used) by operating activities:		
Change in net assets	\$ 9,404	\$ 61,204
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	21,011	20,784
(Increase) decrease in receivables	1,513	1,736
Increase (decrease) in current liabilities	710	(333)
Loss on equipment	<u>206</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>\$ 32,844</u>	<u>\$ 83,391</u>

See accompanying notes to financial statements.

DUBLIN CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

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.

In March 2001, the Bureau opened the Dublin Visitor and Information Center (“DVIC”) and made application to form a separate nonprofit organization to oversee the Visitor Center, thus making it eligible for grants and requests for other funding/sponsorships. In December 2003, the DVIC was denied nonprofit status and was then dissolved as a separate entity and absorbed into the DCVB. Major revenues from the DVIC currently consist of corporate sponsorships, and there are no restrictions on the funds received from DVIC corporate sponsors. For the years ended June 30, 2004 and 2003, DVIC revenues approximated 1% and 2% of total revenues, respectively.

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.

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. Policy for determining when receivables are past due or delinquent is based on the Bureau's discretion of the collectibility of the account.

The receivables balances past due 90 days as of fiscal year end 2004 and 2003, respectively, are: \$3,984 and \$209.

DUBLIN CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

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 capitalizing any asset with a dollar value of over \$ 500. The basis of valuation is cost of purchase (or fair value if otherwise obtained). There is no property or equipment pledged, subject to a lien, restricted with title reversion, or with donor-imposed limitations at this time.

Advertising

The Bureau follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$41,721 and \$45,396 for the years ended June 30, 2004 and 2003.

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. The Bureau made an application for Dublin Visitor and Information Center ("DVIC") to qualify as a tax-exempt organization under Internal Revenue Code Section 501 (c) (3). The DVIC's request was denied in December 2003, and a motion was made to dissolve the DVIC as a separate entity and absorb it in the Bureau.

NOTE 2 CLASSIFICATION OF ASSETS AND LIABILITIES

Current assets are those assets which consist of cash (checking and savings), bed tax receivable within a month of the statement of financial position date, current accounts receivable, and grants receivable within a year. Other assets are grants receivable in more than a year, and a deposit.

All liabilities are current; deferred revenue is revenue received one month in advance, while accrued payroll tax was paid within two months of the statement of financial position date.

DUBLIN CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

NOTE 3 GRANT AWARD- PROMISES TO GIVE

On December 18, 2000 the City of Dublin, Ohio formally voted to award the Bureau 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 is to be paid in equal monthly installments commencing on December 1, 2000 and continuing for sixty consecutive months.

	<u>2004</u>	<u>2003</u>
Receivable in less than one year	\$ 80,000	\$ 80,000
Receivable in one to five years	33,333	113,333
Total grant receivable	<u>113,333</u>	<u>193,333</u>
Less: unamortized discount	(2,233)	(6,600)
	<u>\$ 111,100</u>	<u>\$ 186,733</u>

The City of Dublin grant award that is due in more than one year is reflected in the present value of estimated monthly future cash flows using a discount rate of 3.0%.

NOTE 4 RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are available for the following purposes:

	<u>2004</u>	<u>2003</u>
Bureau rent and staffing	<u>\$ 111,100</u>	<u>\$ 186,733</u>

NOTE 5 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. Under the terms of the lease, the monthly lease payment is approximately \$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:

Years Ended	<u>Amount</u>
<u>June 30,</u>	
2005	84,552
2006	35,230
Total	<u>\$ 119,782</u>

DUBLIN CONVENTION AND VISITORS BUREAU  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2004 and 2003

NOTE 5 LEASE OBLIGATIONS, continued

Service Contract Expense

The Bureau exercised a purchase option for their copier in December 2000 and now owns the copier. The Bureau then entered into a one-year, renewable maintenance contract with a start date of January 2001. The base monthly charge was \$70, 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 2004 and 2003, respectively, are \$2,276 and \$2,748.

NOTE 6 LINE OF CREDIT

The line of credit from US Bank was paid off as of fiscal year end 2003 and was not renewed.

NOTE 7 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 total expenses under this agreement were \$4,675 and \$3,716 for the years ended June 30, 2004 and 2003, respectively.

NOTE 8 CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Bureau's two major sources of revenue, bed tax revenue and grant revenue, are both derived from the City of Dublin's Hotel/Motel Tax Fund. For the years ended June 30, 2004 and 2003 revenues from this source approximated 95% and 91% of total revenues, respectively.

NOTE 9 PRIOR PERIOD ADJUSTMENT

The unamortized discount of grants receivable as of June 30, 2002 has been adjusted on the consolidated statement of activities for the year ended June 30, 2003. The temporarily restricted and the total net asset at the beginning of the year have been increased \$9,431 to \$260,132 and \$399,906, respectively. This represents the discounted present value of grants receivable as of June 30, 2002 that should have been amortized to reflect additional revenue from the passage of time.



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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 501 (c) (6) organization) as of and for the years ended June 30, 2004 and 2003, and have issued our report thereon dated December 3, 2004. 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.

Compliance

As part of obtaining reasonable assurance about whether the Dublin Convention and Visitors Bureau's consolidated 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. The management representation letter discloses that the Bureau's management is responsible for establishing and maintaining effective internal control over financial reporting, which supplemented our above stated tests. 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, others within the organization and the office of the Auditor of the State of Ohio, and should not be used by anyone other than these specified parties.

*Dale Saylor & Associates*

Dublin, Ohio  
December 3, 2004



**Auditor of State  
Betty Montgomery**

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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  
DECEMBER 30, 2004**