



**DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.
MONTGOMERY COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.
MONTGOMERY COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 2000	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 1999	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Dayton/Montgomery County Convention and Visitors Bureau, Inc.
Montgomery County
1 Chamber Plaza, Suite A
Dayton, Ohio 45402-2400

To the Board of Trustees:

We have audited the accompanying financial statements of the Dayton/Montgomery County Convention and Visitors Bureau, Inc., (the Bureau), as of and for the years ended December 31, 2000 and 1999. 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 audit.

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. 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 audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Bureau prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Dayton/Montgomery County Convention and Visitors Bureau, Inc. as of December 31, 2000 and 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2001, 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 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 audit.

Dayton/Montgomery County Convention and Visitors Bureau, Inc.
Montgomery County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of management, the Board of Trustees, and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 15, 2001

**DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General
Cash Receipts:	
County Hotel/Motel Tax	\$1,520,964
Information Booths	15,640
Earnings on Investments	23,106
Miscellaneous	28,236
 Total Cash Receipts	 1,587,946
Cash Disbursements:	
Administration:	
Salaries & Benefits	656,195
Training	14,947
Travel Reimbursement	94,836
Operations:	
Rent	64,838
Utilities	31,844
Office	52,776
Purchased Services	60,441
Equipment Lease	7,423
Capital Outlay	50,878
Miscellaneous	18,573
Marketing:	
Advertisement	102,470
Printing	152,639
Promotions	44,034
Meetings	154,573
Outside service	40,697
Dues & memberships	32,770
 Total Cash Disbursements	 1,579,934
 Total Receipts Over/(Under) Disbursements	 8,012
 Fund Cash Balances, January 1	 610,274
 Fund Cash Balances, December 31	 \$618,286

The notes to the financial statements are an integral part of this statement.

**DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General
Cash Receipts:	
County Hotel/Motel Tax	\$1,424,785
Information Booths	14,100
Earnings on Investments	20,646
Miscellaneous	30,785
 Total Cash Receipts	 1,490,316
Cash Disbursements:	
Administration:	
Salaries & Benefits	680,438
Training	8,192
Travel Reimbursement	74,943
Operations:	
Rent	61,403
Utilities	34,677
Office	44,117
Purchased Services	50,468
Equipment Lease	8,996
Capital Outlay	93,014
Miscellaneous	14,790
Marketing:	
Advertisement	71,148
Printing	96,032
Promotions	29,203
Meetings	154,121
Outside service	63,322
Dues & memberships	21,457
 Total Cash Disbursements	 1,506,321
 Total Receipts Over/(Under) Disbursements	 (16,005)
 Fund Cash Balances, January 1	 626,279
 Fund Cash Balances, December 31	 \$610,274

The notes to the financial statements are an integral part of this statement.

**DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Dayton/Montgomery County Convention and Visitors Bureau (the Bureau) is a nonprofit corporation whose primary purpose is to promote the City of Dayton and Montgomery County as a desirable destination for conventions, meetings, conferences, trade shows, and travel and tourism. Promotion is done through the extension of services, advice, and assistance to related organizations, businesses, and venues, as well as collaborative marketing effects which highlight the attributes of the City of Dayton and Montgomery County locally, regionally, nationally, and internationally.

The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Repurchase agreements are valued at cost.

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

D. Fund Accounting

The Bureau uses fund accounting to segregate cash and investments that are restricted as to use. The Bureau classifies its fund as the following type:

1. General Fund

The General Fund is the general operating fund of the Bureau. It is used to account for all Bureau financial resources.

E. Budgetary Process

The Bureau is not a "subdivision" or a "taxing authority" as defined by Ohio Rev. Code Section 5705.01. Thus, requirements of the Ohio Revised Code are not applicable to the Bureau regarding the budgetary process.

**DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation in certain circumstances, such as upon leaving employment. Unpaid vacation is not reflected as a liability under the basis of accounting used by the Bureau.

H. Marketing and Advertising Expense

The Bureau regularly incurs various marketing and advertising expenses to promote the Dayton/Montgomery County area, these costs are expensed when incurred.

I. Income Taxes

The Bureau is exempt from federal taxes under Section 501 (c) (6) of the Internal Revenue Code. Therefore, no provision for income taxes is included in the accompanying financial statements.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Bureau maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$ (26,585)	\$ (13,672)
Repurchase Agreements	644,871	623,946
Total deposits and investments	<u>\$ 618,286</u>	<u>\$ 610,274</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: The Bureau's invests in overnight repurchase agreements. The Bureau's investments are categorized to give an indication of the level of risk assumed by the Bureau at fiscal year end. At fiscal year end, the Bureau's investments were categorized as category 3. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the Bureau's name.

**DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. PENSION PLAN

In 1995, the Bureau began participation in a defined contribution 401 (a) plan established by Merrill Lynch. The plan provides benefits to substantially all employees who have completed one year of service and attained age 21. Under the plan, the Bureau contributes 10% of each eligible employee's compensation for the year up to \$65,400 and 15.7% of each eligible employee's compensation above \$65,400. Employees become 20% vested in the Bureau's contributions and related earnings after two years of service and become fully vested after six years of service. Employees may also elect to make after-tax contributions up to 10% of their total earnings.

4. RISK MANAGEMENT

The Bureau has obtained commercial comprehensive property and general liability insurance.

5. CONCENTRATION OF CREDIT RISK

The majority of the Bureau's revenue is obtained from a 3% lodging tax maintained by the Board of County Commissioner of Montgomery County ("the Board"). Each month, the Bureau receives the lodging tax proceeds less a 30% deduction to assist the Board in maintaining Courthouse Square and Memorial Hall and a pro pro-rated deduction of a \$100,000 annual payment related to a previous renovation of the Dayton Convention and Exhibition Center. Administrative fees are deducted prior to the deduction split.

The Bureau maintains all cash and cash equivalents in accounts with Bank One, NA. The Bureau has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with its cash and cash equivalents.

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Dayton/Montgomery County Convention and Visitors Bureau, Inc.
Montgomery County
1 Chamber Plaza, Suite A
Dayton, Ohio 45402-2400

To the Board of Trustees:

We have audited the accompanying financial statements of the Dayton/Montgomery County Convention and Visitors Bureau, Inc., (the Bureau), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated August 15, 2001. 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 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 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 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated August 15, 2001.

Dayton/Montgomery County Convention and Visitors Bureau, Inc.
Montgomery County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the Bureau's management and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

August 15, 2001



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

DAYTON/MONTGOMERY COUNTY CONVENTION AND VISITORS BUREAU, INC.

MONTGOMERY 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
SEPTEMBER 18, 2001**