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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Dayton/Montgomery County Convention and Visitors Bureau
Montgomery County
1 Chamber Plaza, Suite A
Dayton, Ohio 45402

We have performed the procedures enumerated below, to which the management of the Dayton/Montgomery County Convention and Visitors Bureau (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Montgomery County, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended December 31, 2016 and 2015. The Bureau is responsible for disbursing lodging taxes for allowable purposes. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the Bureau. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Cash

1. We tested the mathematical accuracy of the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Reconciliation Detail Report to the December 31, 2014 balances in the Balance Sheet. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Reconciliation Detail Report to the December 31, 2015 balances in the Balance Sheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the Balance Sheet. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances for the Business Premium Money Market Account and the Chase Bank Accounts with the Bureau's financial institutions. We found no exceptions. We observed the year-end bank balances on the financial institution's website for the remaining accounts. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

6. We tested the two reconciling credits (such as deposits in transit) from the December 31, 2016 bank reconciliation:
 - a. We traced each credit to the subsequent January or February bank statement. We found no exceptions.
 - b. We agreed the credit amounts to the Transaction Detail Report. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We tested interbank account transfers occurring in December of 2016 and 2015 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.

Cash Receipts

1. We confirmed with the Independent Auditors at Montgomery County the lodging taxes the County paid to the Bureau during the years ending December 31, 2016 and 2015. The Auditors confirmed the following amounts:

Year Ended	Amount
December 31, 2016	\$1,888,193
December 31, 2015	\$1,950,607

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's Profit and Loss Reports. We found no exceptions.

Cash Disbursements

1. We inquired of management regarding sources describing allowable purposes or restrictions related to the Bureau's disbursements of lodging taxes. We listed these sources and summarized significant related restrictions below:

Source of Restrictions

- a. The Bureau's Articles of Incorporation
- b. The Bureau's 501(c)(6) Tax Exemption
- c. Ohio Rev. Code Section 5739.09(A)(2)
- d. The Bureau's By-Laws
- e. The Bureau's Administrative Policies.
- f. The agreement dated October 1, 1994 between the Bureau and Montgomery County

The Bureau's tax exemption prohibits it from disbursements supporting a candidate's election.

Ohio Rev. Code Section 5739.09(A)(2) restricts the Bureau to spending lodging tax "specifically for promotion, advertising, and marketing of the region in which the county is located."

Auditor of State Bulletin 2003-005 deems any disbursement of public funds (e.g. lodging taxes) for alcohol to be improper.

The Bureau's Code of Regulations, Articles of Incorporation and the Agreement dated October 1, 1994 between the Bureau and Montgomery County permits the Bureau to spend lodging taxes only for the maintenance and staffing of the Bureau's operations for the purpose of a) to promote the City of Dayton and Montgomery County as a desirable destination for conventions, meetings, conferences and trade shows; b) promote and facilitate visitor travel and tourism to the City of

Dayton and Montgomery County; c) extend services, advice and assistance to organizations, businesses, and venues involved in the foregoing activities; and d) to enhance and maintain the image, goodwill, and high esteem of the City of Dayton and Montgomery County.

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2016 and 2015 in addition to all disbursements exceeding \$10,000 and compared the purpose for these disbursements as documented on vendor invoices or other supporting documentation to the sources of restrictions listed in *Cash Disbursements Step 1* above. We found no instances where the purpose described on the invoice or other supporting documentation described a violation the restrictions listed above.

We were not engaged to, and did not examine the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2016 and 2015, the objective of which would have been to opine on lodging tax receipts and disbursements. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the Bureau and is not intended to be, and should not be used by anyone other than the specified party.



Dave Yost
Auditor of State
Columbus, Ohio

April 13, 2017

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DAYTON/MONTGOMERY COUNTY CONVENTION

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
MAY 4, 2017**