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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Middletown Convention and Visitors Bureau
Butler County
One Donham Plaza
Middletown, Ohio 45042

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Middletown Convention and Visitors Bureau (the Bureau), on the receipts, disbursements and balances recorded in the Bureau's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Bureau. The Bureau is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Bureau. The sufficiency of the procedures is solely the responsibility of the parties specified in this report.

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.

This report only describes exceptions exceeding \$10.

Cash and Investments

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the balance sheet to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the balance sheet. The amounts agreed.
4. We observed the December 31, 2017 year-end bank balances on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliations without exception.
5. We inspected investments held at December 31, 2017 and December 31, 2016 to determine that they:
 - a. Were of a type authorized by the CVB. We found no exceptions

Cash Receipts

1. We confirmed with the City of Middletown the lodging taxes it paid to the Bureau during the years ending December 31, 2017 and 2016. The City of Middletown confirmed the following amounts:

Year Ended	Amount
December 31, 2017	\$240,000.00
December 31, 2016	\$ 0.00

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's transaction detail by account report. We found no exceptions. However, we noted that the City of Middletown should have paid to the Middletown CVB \$120,000 in each year of the engagement period. The City paid lodging tax to the Bureau for both 2016 and 2017 in 2017.

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

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

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

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2017 and 2016, in addition to all disbursements exceeding \$5,000, 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 in the ledger for each invoice described a violation the restrictions listed above.

We noted that the Executive Director began employment in November 2016, and was paid a regular monthly salary from November 2016 through April 2017. We found no instances where the Director was not properly paid.

In May 2017, the Board executed a separation agreement. The Executive Director's contract ran through January 2018; he was paid for nine months (May 2017 through January 2018) in May 2017, and his employment was terminated. We found no instances of violation of restrictions in this transaction.

The Bureau did not maintain documentation for any disbursements. Some supporting documentation was subsequently obtained from vendors. There were 109 disbursements total; 54 disbursements were selected for review, and seven disbursements did not have any supporting documentation ultimately provided. We performed alternate procedures to test these transactions.

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*. We were not engaged to, and did not examine or review the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2017 and 2016, the objective of which would have been to opine on lodging tax receipts and disbursements or provide a conclusion. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is to provide assistance in the evaluation of the Bureau's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

October 23, 2018

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MIDDLETOWN CONVENTION AND VISITORS BUREAU

BUTLER 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
NOVEMBER 15, 2018**