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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Butler County Convention and Visitors Bureau
8756 Union Centre Blvd.
West Chester, Ohio 45069

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of Butler County Convention & Visitor 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

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We attempted to agree the January 1, 2016 beginning balances recorded in the general ledger to the December 31, 2015 balances in the prior year agreed-upon procedures working papers. We could not perform this procedure since procedures over cash were not performed in the prior agreed-upon procedures engagement. However, we did agree the January 1, 2016 beginning balance recorded in the general ledger to the December 31, 2015 ending balance recorded in the ledger. We noted these amounts agreed with no exceptions. We also agreed the January 1, 2017 beginning fund balance recorded in the general ledger to the December 31, 2016 balance in the ledger. 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 general ledger. At December 31, 2016, we noted a variance of \$19,616 between the amounts recorded for the checking account. The variance of \$19,616 is due to 11 checks totaling \$19,616 posted at year end to the general ledger not appearing on the uncleared transaction listing used for the December reconciliation. No other exceptions were noted.
4. We confirmed the December 31, 2017 bank account balances with the Bureau's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:

- a. We traced each debit to the subsequent January 2018 bank statement. 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. There were no exceptions.

Cash Receipts

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

| Year Ended | Amount |
|-------------------|-------------|
| December 31, 2017 | \$1,609,297 |
| December 31, 2016 | \$1,394,235 |

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's general ledger. 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. Butler County Resolution 03-8-1314
- d. Ohio Rev. Code Section 5739.09(A)(2)
- e. Auditor of State Bulletin 2003-005

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.

Butler County Resolution 03-8-1314 permits the Bureau to spend lodging taxes only as prescribed in the Ohio Revised Code.

2. We haphazardly selected 40 disbursements of lodging taxes from the years ended December 31, 2017 and 2016, in addition to all disbursements exceeding \$9,000, 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 one exception: On July 27, 2016, the Bureau issued check number 6308 for \$11,554 of which \$4 was used to purchase alcohol. Neither Ordinance 99-007 nor Ohio Rev. Code Section 5739.09(A)(2) permit using lodging taxes for this purpose. The \$4 was repaid under audit.

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 style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

March 26, 2018

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BUTLER COUNTY 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
MAY 10, 2018**