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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Hamilton Visitors Bureau
Butler County
One High Street
Hamilton, Ohio 45011

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Hamilton 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 bank account balances on the Bureau's financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation without exception.
5. We traced interbank account transfers occurring in December of 2016 to the accounting records and bank statements to determine if they were properly recorded. There were no interbank account transfers occurring in December of 2017. We found no exceptions.
6. 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 Hamilton the lodging taxes it paid to the Bureau during the years ending December 31, 2017 and 2016. The City of Hamilton confirmed the following amounts:

Year Ended	Amount
December 31, 2017	\$94,956
December 31, 2016	\$99,383

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's general ledger. We found the following exceptions: The May 1, 2015 and May 1, 2017 agreements with the Butler County Visitors Bureau require the Bureau to send all quarterly lodging taxes to the Butler County Visitors Bureau. However, all quarterly lodging tax receipts from the City of Hamilton are paid directly to the Butler County Visitors Bureau. All monies should be paid from the City of Hamilton to the Hamilton Visitors Bureau, and then the Hamilton Visitors Bureau should send the quarterly amounts to the Butler County Visitors Bureau. The lodging tax revenue should not go directly to the Butler County Visitors Bureau. Also, the lodging tax revenue was not recorded in the Bureau's general ledger. This activity should be reported as revenue to the Hamilton Visitors Bureau.

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)(3) Tax Exemption
- c. Agreement with the Butler County Visitors Bureau

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.

The May 1, 2015 and May 1, 2017 agreements with the Butler County Visitors Bureau require the Bureau to send all quarterly lodging taxes to the Butler County Visitors Bureau.

2. We selected all disbursements from the years ending December 31, 2017 and 2016 representing uses of lodging taxes, 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 of the restrictions listed above. However, we noted the Bureau did not report the expenditures to the Butler County Visitors Bureau on their financial statements. This activity should be reported as Contractual Services expenditures.

3. We reviewed the May 1, 2015 and May 1, 2017 agreements between the Hamilton Visitors Bureau and the Butler County Visitors Bureau. The agreement states that Butler County Visitors Bureau receives all the lodging tax for the Hamilton Visitors Bureau and is required under the agreement to spend \$10,000 of the amount received on behalf of the Hamilton Visitors Bureau to operate the Hamilton Welcome Center. The agreement is vague and unclear as to what the Butler County Visitors Bureau is obligated to do with the funds in excess of the \$10,000. We recommend the Hamilton Visitors Bureau Board, Treasurer, and attorney review the agreement to ensure that both parties understand what types of disbursements are allowable for the Butler County Visitors Bureau to make on behalf of the Hamilton Visitors Bureau using the lodging tax revenue.

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.



Dave Yost
Auditor of State

Columbus, Ohio

October 11, 2018

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HAMILTON 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 8, 2018