

MIDDLETOWN CONVENTION AND VISITORS BUREAU, INC.

Regular Audit

Years Ended December 31, 2007 and 2006



Mary Taylor, CPA
Auditor of State

Board of Directors
Middletown Convention and Visitors Bureau, Inc.
P.O. Box 1245
Middletown, Ohio 45042

We have reviewed the *Independent Auditor's Report* of the Middletown Convention and Visitors Bureau, Inc., Butler County, prepared by Cassidy Schiller & Associates Inc., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Middletown Convention and Visitors Bureau, Inc. is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

February 25, 2009

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MIDDLETOWN CONVENTION AND VISITORS BUREAU, INC.

REGULAR AUDIT

YEARS ENDED DECEMBER 31, 2007 AND 2006

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INDEPENDENT AUDITOR'S REPORT



To the Board of Directors
Middletown Convention and Visitors Bureau, Inc.

We have audited the Statement of Cash Receipts and Disbursements and Changes in Cash Balances of the Middletown Convention and Visitors Bureau, Inc., Butler County, Ohio (the Organization), for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Organization'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 the 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 described more fully in Note 1, the Organization has prepared these financial statements on the cash receipts and disbursements basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash receipts and disbursements and cash balances arising from the cash transactions of the Organization, as of December 31, 2007 and 2006 for the years then ended in conformity with the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2008 on our consideration of the Organization's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

A handwritten signature in black ink, consisting of the letters 'CSA' in a stylized, cursive font.

November 14, 2008

CERTIFIED PUBLIC ACCOUNTANTS

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**MIDDLETOWN CONVENTION AND VISITORS BUREAU, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS AND
CHANGES IN CASH BALANCES
YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Cash receipts:		
Motel tax	\$ 120,000	\$ 120,000
Interest	<u>3,023</u>	<u>3,174</u>
Total cash receipts	123,023	123,174
 Cash disbursements:		
Community projects	60,000	38,100
Administrative	45,000	39,500
Accounting	1,821	3,331
Insurance	1,425	1,425
Bookkeeping	917	2,200
Advertising	496	13,679
Telephone	328	704
Office supplies	52	2,181
Bank charges	31	13
Travel and meetings	-	991
Postage	-	4,959
Total cash disbursements	<u>110,070</u>	<u>107,083</u>
 Total cash receipts over cash disbursements	12,953	16,091
 Beginning cash balance, January 1	<u>106,797</u>	<u>90,706</u>
 Ending cash balance, December 31	<u>\$ 119,750</u>	<u>\$ 106,797</u>

MIDDLETOWN CONVENTION AND VISITORS BUREAU, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

1. Summary of significant accounting policies

Description of the entity

The Middletown Convention and Visitors Bureau, Inc. (the Organization), is a not-for-profit corporation formed under the laws of the State of Ohio. The purpose of the Organization is to promote and publicize the City of Middletown, Ohio, to attract tourists into the City for their consumption of goods and services provided by the City's hospitality industry and the general business community.

Basis of accounting

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements. Noncash transactions are not recognized in the financial statements.

Cash deposits

During the fiscal years 2007 and 2006, the Organization's funds were in an interest bearing checking account.

Income taxes

The Organization is exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code.

2. Equity in pooled cash and investments

The Organization maintains a pool of deposits used by all funds. The carrying amount of cash and deposits at December 31 follows:

	<u>2007</u>	<u>2006</u>
Operating account	\$ 31,947	\$ 21,902
Savings account	<u>87,803</u>	<u>84,895</u>
Total	<u>\$ 119,750</u>	<u>\$ 106,797</u>

MIDDLETOWN CONVENTION AND VISITORS BUREAU, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

3. Cash receipts

The Organization's primary source of cash receipts is from the City of Middletown Motel/Hotel Bed Tax. The Organization entered into an agreement with the City of Middletown in October 1993 to provide convention and visitors promotions for the City. The term of the agreement is October 1st to September 30th and automatically renews itself for one year provided that neither party has given written notice to the other of its desire to terminate the agreement.

The City agrees to pay the Organization the first \$120,000 collected through its Motel/Hotel Bed Tax imposed under the provisions of Ordinance 091-63.

The Organization received \$120,000 each year for the years ended December 31, 2007 and 2006.

4. Contractual agreement

In 2006, the Organization contracted with the Mid-Miami Valley Chamber of Commerce to provide bookkeeping services. In 2007, the Organization contracted with the Butler County Convention & Visitors Bureau for these services.

The Organization had a contractual agreement with its Executive Director. For \$3,292 per month the director provided certain services outlined in the agreement. The agreement was in effect for 2006. In 2007, the Organization contracted with the Butler County Convention & Visitors Bureau for these services.

5. Concentration of receipts

The Organization receives almost all of its support from the City of Middletown Motel/Hotel Bed Tax.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**



To the Board of Directors
Middletown Convention and Visitors Bureau, Inc.

We have audited the financial statements of Middletown Convention and Visitors Bureau, Inc. as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated November 14, 2008, wherein we noted that the Organization prepared its financial statements using the cash receipts and disbursements basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Middletown Convention and Visitors Bureau, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Middletown Convention and Visitors Bureau, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Middletown Convention and Visitors Bureau, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Middletown Convention and Visitors Bureau, Inc.'s ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Middletown Convention and Visitors Bureau, Inc.'s financial statements that is more than inconsequential will not be prevented or detected by the Middletown Convention and Visitors Bureau, Inc.'s internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Middletown Convention and Visitors Bureau, Inc.'s internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Middletown Convention and Visitors Bureau, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial

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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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and the Board of Directors and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, consisting of the letters 'CSA' in a cursive, stylized font.

November 14, 2008

MIDDLETOWN CONVENTION AND VISITORS BUREAU, INC.

SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2007 AND 2006

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid</u>
No findings were noted in the prior year audit.			



Mary Taylor, CPA
Auditor of State

MIDDLETOWN CONVENTION AND VISITORS BUREAU, INC.

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
MARCH 10, 2009**