



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Auglaize and Mercer Counties Convention and Visitors Bureau
Auglaize County
900 Edgewater Drive
St. Marys, Ohio 45885

We have performed the procedures enumerated below, to which the management of the Auglaize and Mercer Counties Convention and Visitors Bureau (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Auglaize and Mercer counties, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended December 31, 2015 and 2014. 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 and Investments

1. We tested the mathematical accuracy of the December 31, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balances recorded in the Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances to the December 31, 2013 balances in the Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances to the December 31, 2014 balances in the Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the Profit and Loss Reports. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balances with the Bureau's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2015 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 bank reconciliation:
 - a. We traced each check to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the checks were dated prior to December 31. We noted no exceptions.

Cash and Investments (Continued)

6. We tested investments held at December 31, 2015 and December 31, 2014 to determine that they:
 - a. Were of a type authorized by the CVB. We found no exceptions.

Cash Receipts

1. We confirmed with Auglaize County and Mercer County the lodging taxes it paid to the Bureau during the years ending December 31, 2015 and 2014. The Counties confirmed the following amounts:

Year Ended	Amount
December 31, 2015	\$158,220.52
December 31, 2014	\$150,449.68

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's Profit and Loss Report. 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. Mercer County Resolution 1168 (1993), 585 (1996), and 14-829
- d. Auglaize County Resolution 93-751, 96-286, 03-441, and 14-359
- e. Ohio Rev. Code Section 5739.09(A)(2)

The Bureau's Articles of Incorporation prohibits it from participating in, or lending its influence of facilities, either directly or indirectly to the nomination, election or appointment of any candidate for political office.

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 Auglaize and Mercer Counties Resolutions require the Bureau to spend lodging tax for promoting the hospitality industry so that the hotel and motel industry of the Counties generally may share as equitably as possible in the benefits derived from the promotion of area wide accommodations, meeting facilities, restaurants, places of interest, attractions, as well as other community assets.

Cash Disbursements (Continued)

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2015 and 2014 in addition to all disbursements exceeding \$1,000, 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, 2015 and 2014, 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

August 4, 2016

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AUGLAIZE / MERCER CONVENTION AND VISITORS BUREAU

AUGLAIZE 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
AUGUST 18, 2016**