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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Sandusky County Convention and Visitors Bureau
Sandusky County
Fremont, Ohio 43420-1198

We have performed the procedures enumerated below, to which the management of the Sandusky County Convention and Visitors Bureau, Sandusky County, Ohio, (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Sandusky County, the City of Fremont, and Sandusky Township, 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.

This report only describes exceptions exceeding \$10.

Cash

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 on the Balance Sheet to the December 31, 2013 balances in the prior year Balance Sheet. We noted a variance of \$604.62 due to an adjustment to the January 1, 2014 fund balance for depreciation of capital assets. We also agreed the January 1, 2015 beginning fund balances recorded on the Balance Sheet to the December 31, 2014 balances on the Balance Sheet. We noted an adjustment of \$7,495.56 to the January 1, 2015 fund balance for depreciation of capital assets and a second adjustment of \$69 to correct reconciling discrepancies. We recommend the Bureau record these transactions as receipts or disbursements rather than adjustments to fund balance.
3. We traced the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 cash balances reported on the Balance Sheets. We noted the bank balances were \$69 higher than the accounting system balance as of December 31, 2015 and the bank balances were \$2,374.96 higher than the accounting system balance at December 31, 2014. We recommend the Bureau ensure their reconciled balances agree to cash reported in their accounting system and account for all discrepancies.
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 debit to the subsequent January bank statements. 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. We noted no exceptions.
6. We selected all reconciling credits from the December 31, 2015 bank reconciliation: We noted the credit was a result of two payments totaling \$262.64 that had cleared the bank, but were not removed from the outstanding check list. We recommend the Bureau ensure all items are accurately marked as cleared when completing the bank reconciliation process. The accounting system has been corrected for this error.

Cash Receipts

1. We confirmed with Sandusky County, City of Fremont, and Sandusky Township the lodging taxes it paid to the Bureau during the years ending December 31, 2015 and 2014. The County, City, and Township confirmed the following amounts:

Year Ended	Amount
December 31, 2015	\$318,067.54
December 31, 2014	\$343,687.15

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.

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. Sandusky County Resolution 1989-0541 dated July 6, 1989
- d. Ohio Rev. Code Section 5739.09(A)(2) City of Fremont Ordinance 2002-3247 dated May 16, 2002

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.

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 5, 2016

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SANDUSKY COUNTY CONVENTION AND VISITORS BUREAU

SANDUSKY 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 23, 2016**