



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Fayette County Travel, Tourism and Convention Bureau
Fayette County
Washington Courthouse, Ohio 43160

We have performed the procedures enumerated below, to which the management of the Fayette County Travel, Tourism and Convention Bureau (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Fayette County, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended June 30, 2014 and 2013. 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 Receipts

1. We confirmed with Fayette County the lodging taxes it paid to the Bureau during the years ending June 30, 2014 and 2013. The County confirmed the following amounts:

Year Ended	Amount
June 30, 2014	\$205,364
June 30, 2013	\$188,863

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's UAN Deposit Detail 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. Ohio Rev. Code Section 5739.09(A)(2)

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 June 30, 2014 and 2013 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 the following instances where the purpose described on the invoice or other supporting documentation described a violation the restrictions listed above.

Credit Card Fees

The Fayette County Travel, Tourism and Convention Bureau entered into a two year contract agreement in 2013 with Lunar Cow to produce a travel guide. This contract allows for Lunar Cow to create the brochures and sell ad space. The organizations that purchased the ads from Lunar Cow made payment for the ads directly to the Bureau. These amounts were used to offset the cost of the brochures. Lunar Cow advised the Bureau that they would sell more ads if they would offer payment via credit card. The Bureau obtained a credit card machine for ad payments.

During our audit period, Roger Blackburn, Executive Director, began to use the credit card machine to accept payments of membership dues for the Fayette County Chamber of Commerce. He would accept the payments from the members and reimburse the Chamber of Commerce.

During our testing of expenditures, Mr. Blackburn stated the credit card machine was not used, but fees appeared on the Bureau's bank statements showed varying amounts. Upon further review we determined these fees were the fees for the use of the credit card machine for the Chamber of Commerce payments. These fees and expenses totaling \$448 for using the credit card machine were not reimbursed to the Bureau during our audit period.

The Bureau should only incur costs and make payments related to Bureau business. The Director should keep the Bureau expenditures separate from the Chamber. All expenditures paid by the Bureau should be for the purpose of the Bureau.

On April 24, 2015, the Fayette County Chamber of Commerce repaid the Bureau \$448 for these fees.

Finding For Recovery

The Fayette County Travel, Tourism and Convention Bureau provide Tourism Assistance Grants to community organizations to enhance tourism and recreation in Fayette County.

On March 13, 2013, The Fayette County Travel, Tourism and Convention Bureau awarded a \$1,000 Tourism Assistance Grant for expenses, to the Madison Mills Baseball Association. The current Madison Mills Baseball Association commissioner submitted receipts to support reimbursement for the grant. However, the Bureau issued check number 4119 to the Madison Mills Baseball Association c/o Kim Butcher. Kim Butcher is no longer affiliated with the Madison Mills Baseball Association.

On May 27, 2014, Ms. Butcher cashed the check and did not remit the funds to the Madison Mills Baseball Association. On August 13, 2014, Roger Blackburn, Bureau Executive Director and Kim Butcher made an agreement for the repayment of the grant money in monthly installments. As of April 28, 2015, Ms. Butcher repaid \$50.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies which has been converted or misappropriated is hereby issued against Kim Butcher in the amount of \$950 and in favor of the Fayette County Travel, Tourism and Convention Bureau in the amount of \$950.

We were not engaged to, and did not examine the Bureau's lodging tax receipts and disbursements for the years ended June 30, 2014 and 2013, 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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

May 19, 2015

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FAYETTE COUNTY TRAVEL, TOURISM AND CONVENTION BUREAU

FAYETTE 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
JUNE 18, 2015**