



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Darke County Visitors Bureau
Darke County
Greenville, Ohio

We have performed the procedures enumerated below, to which the management of the Darke County Visitors Bureau (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Darke County, the City of Greenville, and the Village of Versailles, 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

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 Balance Sheet to the December 31, 2013 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2015 beginning fund balances recorded in the General Ledger to the December 31, 2014 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, 2015 and 2014 fund cash balances reported in the General Ledger. The Bureau's financial statements are reported as of a December 31 fiscal year end; however they performed the cash reconciliations as of January 6, 2016 and January 5, 2015 for the years ended 2015 and 2014, respectively. We performed additional procedures to account for transactions that occurred on the respective reconciliation dates and after year end to agree the actual reconciled cash balances to the underlying accounting records. Cash reconciliations should be performed as of the last date of the fiscal year.
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 all reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 bank reconciliation:

- a. We traced each debit to the subsequent January bank statement. 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.

Cash Receipts

1. We confirmed with Darke County, the City of Greenville, and the Village of Versailles the lodging taxes it paid to the Bureau during the years ending December 31, 2015 and 2014.

Darke County confirmed the following amounts:

Year Ended	Amount
December 31, 2015	\$100,275.85
December 31, 2014	\$93,227.57

The City of Greenville confirmed the following amounts:

Year Ended	Amount
December 31, 2015	\$18,500.00
December 31, 2014	\$18,500.00

The Village of Versailles confirmed the following amounts:

Year Ended	Amount
December 31, 2015	\$8,598.06
December 31, 2014	\$8,091.32

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's General Ledger. 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. Village of Versailles Agreement with the Bureau dated October 14, 2002
- d. Darke County Agreement with the Bureau dated August 16, 1995
- e. 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 December 31, 2015 and 2014 in addition to all disbursements exceeding \$2,000, 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 three instances, as noted in the exception below, where the purpose described on the invoice or other supporting documentation described a violation the restrictions listed above.

The Bureau issued three credit card payments totaling \$323 that included alcohol purchases. The Bureau is funded by both contributions from the private sector and funds received from Darke County (public funds). Purchases of alcohol with public funds have been determined not to be for a "proper public purpose" as described in Auditor of State Bulletin 2003-005. The Bureau received an adequate amount of private sector contributions to purchase the alcohol noted above; however, the Bureau did not maintain a separate internal accounting of revenues, expenditures, and balances for private funds versus public funds. Failure to segregate the accounting for private funds and public funds could lead to findings for recovery for alcohol-related purchases in the future. The Bureau should segregate private funds from public funds if the Bureau deems it acceptable to purchase alcohol with private funds.

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

September 7, 2016

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DARKE COUNTY VISITORS BUREAU

DARKE 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
SEPTEMBER 20, 2016**