



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Van Wert Convention and Visitors Bureau
Van Wert County
136 East Main Street
Van Wert, Ohio 45891

We have performed the procedures enumerated below, to which the management of the Van Wert Convention and Visitors Bureau (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from City of Van Wert, 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 Check Register to the December 31, 2013 balances in the documentation 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 Check Register to the December 31, 2014 balances in the Check Register. 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 Check Register. The cash fund balance as of December 31, 2015 did not agree to the bank reconciliation with a variance of \$50.50. This variance was the result of a 2016 expenditure being misposted with a 2015 date. The Bureau should monitor the postings of the transactions to ensure the proper dates are input for processing.
4. We confirmed the December 31, 2015 bank account balance with the Bureau's financial institution. 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 one debit to the subsequent January bank statement, and noted the remaining four were not cleared as of the report date. The Bureau should review the transactions to determine if the amount is valid, and contact the vendors to resolve the situation and reissue the payment if necessary.
 - 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 (such as deposits in transit) from the December 31, 2015 bank reconciliation:
 - a. The one reconciling credit of \$75.00 was not cleared. The item was a reimbursement check, #4245 written to the Director Larry Lee on November 21, 2013, which was coded as a receipt in error and uncleared in the Quickbooks accounting software. The Bureau should review the transaction and software to complete clearing of this outstanding item.
 - b. We agreed the credit amounts to the Check Register. The credit was recorded as a November 2013 receipt for the same amount recorded in the reconciliation.

Cash Receipts

1. We summarized lodging taxes the City of Van Wert's Expense Audit Trail reported as payments to the Bureau during the years ending December 31, 2015 and 2014. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2015	\$37,178
December 31, 2014	\$34,017

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's Check Register. 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:

Auditor of State Bulletin 2003-005 deems any disbursement of public funds (e.g. lodging taxes) for alcohol to be improper.

Source of Restrictions

- a. The Bureau's Articles of Incorporation
- b. The Bureau's 501(c)(6) Tax Exemption
- c. City of Van Wert Agreement (Resolution #6454-91 & Ordinance #6797-97)

The Bureau's tax exemption prohibits it from disbursements supporting a candidate's election.

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 three instances where proper documentation to support the transaction was not maintained. We also found one instance where a travel reimbursement / bonus in the amount of \$1,000 in both 2014 and 2015 was written to the Director, however it did not contain the proper approval from the Board, nor was it properly ran through as a payroll transaction. The Bureau should maintain approval of all compensation and / or supporting documentation for all transactions.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State
Columbus, Ohio

September 12, 2016

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VAN WERT COUNTY CONVENTION AND VISITORS BUREAU

VAN WERT 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 27, 2016**