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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Auglaize and Mercer Counties Convention and Visitor Bureau (the Bureau), on the receipts, disbursements and balances recorded in the Bureau's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Bureau. The Bureau is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Bureau. The sufficiency of the procedures is solely the responsibility of the parties specified in this report.

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 and Investments

1. We recalculated the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances to the December 31, 2015 balances in the prior Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the applicable Profit and Loss Budget Performance Report. The amounts agreed for 2017. At December 31, 2016, we identified a \$95 variance between the bank reconciliation and the Profit and Loss Budget Performance Report due to a \$95 electronic funds transfer (EFT) transaction that occurred on December 16, 2016, but was not recorded in the Bureau's accounting system until January 12, 2017. The Bureau should record all EFT transactions in the accounting system on the day that the transaction occurs so that expenditures are recorded in the proper period and the accounting system can be properly reconciled to the bank balances.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation without exception.

Cash and Investments (Continued)

5. We selected all five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We found that one transaction reported on the outstanding checklist at December 31, 2017 in the amount of \$550 had been voided during 2017 and was not a true reconciling item. The Bureau should monitor the outstanding check list to verify that only true outstanding checks are included on the outstanding check list.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.
6. We inspected investments held at December 31, 2017 and December 31, 2016 to determine that they:
 - a. Were of a type authorized by the Bureau. 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, 2017 and 2016. The Counties confirmed the following amounts:

Year Ended	Amount
December 31, 2017	\$200,116.47
December 31, 2016	\$201,892.92

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's Profit and Loss Budget Performance Reports. 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."

Cash Disbursements (Continued)

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.

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2017 and 2016 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.

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*. We were not engaged to, and did not examine or review the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2017 and 2016, the objective of which would have been to opine on lodging tax receipts and disbursements or provide a conclusion. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is to provide assistance in the evaluation of the Bureau's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Dave Yost
Auditor of State
Columbus, Ohio

April 13, 2018

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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
MAY 10, 2018**