



**MARION AREA CONVENTION AND VISITORS BUREAU
MARION COUNTY**

AGREED-UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Marion Area Convention and Visitors Bureau
Marion County
1713 Marion Mt. Gilead Rd., Suite 110
Marion, Ohio 43302

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Marion Area Convention and Visitors 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 noted the December 31, 2017 reconciliation did not include the business membership account or the Bureau's certificates of deposit. We also noted the December 31, 2016 reconciliation did not include the Bureau's certificates of deposit.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Balance Sheet to the December 31, 2015 balances in the Balance Sheet. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Balance Sheet to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the Balance Sheet. We noted the December 31, 2017 reconciliation did not include the business membership account or the Bureau's certificates of deposit. We also noted the December 31, 2016 reconciliation did not include the Bureau's certificates of deposit.

Cash and Investments (Continued)

4. We confirmed the December 31, 2017 account balances with three of the Bureau's financial institutions. We found no exceptions. We also observed the year-end bank balances on one of the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation. We noted the December 31, 2017 reconciliation did not include the business membership account or the Bureau's certificates of deposit.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We noted that check number 1 dated June 15, 2016 in the amount of \$544 had not cleared the bank as of February 28, 2018.
 - 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 traced interbank account transfers occurring in December of 2017 and 2016 to the bank statements to determine if they were properly recorded. We found no exceptions.
7. 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 Marion County the lodging taxes it paid to the Bureau during the years ending December 31, 2017 and 2016. Marion County confirmed the following amounts:

Year Ended	Amount
December 31, 2017	\$169,704
December 31, 2016	\$171,833

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

Source of Restrictions

- a. The Bureau's Articles of Incorporation
- b. The Bureau's 501(c)(6) Tax Exemption
- c. Agreement with Marion County
- d. 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."

Cash Disbursements (Continued)

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

Agreement between Marion Area Convention and Visitors Bureau and the County of Marion, Ohio permits the Bureau to spend lodging taxes only for the purpose of marketing, promotion and publicizing Marion County as a destination and ideal meeting area.

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 noted warrant numbers 9965 dated 02/28/17, 10027 dated 05/11/17, and 100479 dated 11/15/17 and electronic fund transfers dated 01/15/16, 03/15/16, and 12/12/16 were, entirely or in part, for the purchase of meals and gifts. The Bureau neither had a proper public purpose policy that covered these purchases nor were these purchases pre-approved by the Board of Trustees. However, because we did not inspect all disbursements, our report provides no assurance regarding whether or not similar purchases were made. The Bureau should ensure all purchases meet the allowable expenditures described above and should also establish a proper public purpose policy to address such expenditures.

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

September 26, 2018

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MARION AREA CONVENTION AND VISITORS BUREAU

MARION 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
OCTOBER 16, 2018**