



**KNOX COUNTY CONVENTION AND VISITORS BUREAU
KNOX COUNTY**

AGREED UPON PROCEDURES

FOR THE YEARS ENDED DECEMBER 31, 2018-2019

OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Knox County Convention and Visitors Bureau
PO Box 921
Mount Vernon, Ohio 43050

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Knox County Convention & 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, 2019 and 2018 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, 2019 and 2018 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, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balances recorded in the General Ledger to the December 31, 2017 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2019 beginning fund balances recorded in the General Ledger to the December 31, 2018 balances in the General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the General Ledger. We noted the December 31, 2018 fund cash balance was higher than the reconciliation by \$785.91 due to the reconciliation including an \$819.99 voided check and a \$34.08 interest deposited.
4. We confirmed the December 31, 2019 bank account balances with the Bureau's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced each debit to the subsequent January and February bank statements. We noted that four of the five outstanding checks selected could not be traced to the January or February bank statements.
 - 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, 2019 and December 31, 2018 to determine that they were of a type authorized by the CVB. We found no exceptions.

Cash Receipts

1. We confirmed with the City of Mount Vernon the lodging taxes it paid to the Bureau during the years ending December 31, 2019 and 2018. The City confirmed the following amounts:

Year Ended	Amount
December 31, 2019	\$24,788
December 31, 2018	\$24,560

2. We confirmed with the Knox County Auditor the lodging taxes it paid to the Bureau during the years ending December 31, 2019 and 2018. The County confirmed the following amounts:

Year Ended	Amount
December 31, 2019	\$196,149
December 31, 2018	\$198,386

3. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's General Ledger. There was a difference of \$1,937.90 in 2019 and \$(317.41) in 2018. Taxes paid by the City Auditor in late December were received and recorded by the Bureau in the following month and are not considered exceptions.

We compared the amounts from step 2 to amounts recorded as lodging tax receipts on the Bureau's General Ledger. There was a difference of \$8,850.10 in 2019 and \$(8,016.73) in 2018. Taxes paid by the County Auditor in late December were received and recorded by the Bureau in the following month and are not considered 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 By-Laws/ Code of Regulations
- c. The Bureau's 501(c)(6) Tax Exemption
- d. Knox County Resolution 768-2015 and 895-2010
- e. Ohio Auditor of State Bulletin 2003-005
- f. Ohio Rev. Code Section 5739.09(J)
- g. Contract with the City of Mount Vernon

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

Ohio Rev. Code Section 5739.09(J) 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.

The Knox County resolution 768-2015 and 895-2010 permits the Bureau to spend lodging taxes for the promotion and publicizing of the County in order to bring the patronage and business of tourist and cultural, educational, religious, professional and sports organizations into the County, for the benefit of the citizens of the County and the business community thereof.

Cash Disbursements (Continued)

The contract with the City of Mount Vernon permits the Bureau to spend the lodging taxes to promote tourism and stimulate the economic development in the community.

The Bureau's By-Laws/ Code of Regulations permits the Bureau to spend the lodging taxes only for the promotion of Knox County, Ohio as a tourist destination.

We selected 10 disbursements of lodging taxes from the General Ledger for the year ended December 31, 2019 and 10 disbursements from 2018 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 the following exceptions:

- a) We noted several transactions paid with check 4118 for 2019 and check 3928 for 2019 that were for purchases that could be deemed not for proper public purpose such as: sales tax totaling \$10 for 2019 and \$100 for 2018 and late charges totaling \$25 for 2018.
- b) We also noted transactions in 2019 and 2018 totaling \$109 and \$129 respectively in which the Bureau did not maintain any supporting documentation to document what was purchased.

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, 2019 and 2018, 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, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 8, 2020

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OHIO AUDITOR OF STATE KEITH FABER



KNOX COUNTY CONVENTION AND VISITORS BUREAU

KNOX COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 10/20/2020

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