

MARION AREA CONVENTION AND VISITORS BUREAU, INC.

MARION COUNTY

**JANUARY 1, 2010 TO DECEMBER 31, 2011
AGREED UPON PROCEDURES**



Dave Yost • Auditor of State

Board of Directors
Marion Area Convention and Visitors Bureau
1713 Marion Mount Gilead Road 110
Marion, Ohio 43302

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Marion Area Convention and Visitors Bureau, Marion County, prepared by Holbrook & Manter, for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Marion Area Convention and Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

September 28, 2012

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INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Marion Area Convention & Visitors Bureau, Inc.
1713 Marion Mount Gilead Road 110
Marion, Ohio 43302

We have performed the procedures enumerated below, to which the management of the Marion Area Convention & Visitors Bureau, Inc. (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Marion County, Ohio, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended December 31, 2011 and 2010. The Bureau is responsible for disbursing lodging taxes for allowable purposes. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements 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 Receipts

1. We confirmed with Marion County, Ohio the lodging taxes paid to the Bureau during the years ended December 31, 2011 and 2010. Marion County, Ohio confirmed the following amounts:

<u>Year Ended</u>	<u>Amount</u>
December 31, 2011	\$156,821
December 31, 2010	\$153,883

2. We compared the amounts from cash receipts step 1 to amounts recorded as lodging tax receipts in the Bureau's general ledger.
 - During the 2009 and 2008 procedures, it was confirmed that one local establishment did not remit any lodging tax money to the County during 2009, resulting, in part, to a decrease of lodging tax receipts from 2008 to 2009. The County confirmed that they were aware of the lack of payments and pursued legal litigation against this establishment for the lodging taxes due. A lump sum payment was received for the delinquent payments in July 2010. The amount was properly confirmed with the County. No other exceptions were noted within the current year activity.

Cash Receipts (continued)

3. We selected ten advertising customers from the Marion County Visitor's Guide to determine that the revenue received in years ended December 31, 2011 and 2010 was properly recorded in the receipt register and deposited timely into the Bureau's bank account.
 - No exceptions noted in testing of Marion County Visitor's Guide advertisement revenue.

Cash Disbursements

1. We inquired of management regarding the sources describing allowable purposes or restrictions related to the Bureau's disbursement of lodging taxes. We listed the sources and summarized significant related restrictions below:

Sources of Restriction:

- The Bureau's Articles of Incorporation
- The Bureau's 501(c)(6) Tax Exemption
- The Agreement Between Marion Area Convention & Visitors Bureau, Inc. and County of Marion, Ohio
- Ohio Revised Code Section 5739.09(A)(2)
- Auditor of State Bulletin 2003-005

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

The agreement, renewed on November 12, 2009 between the Bureau and Marion County, Ohio, restricts the use of lodging tax funds for the purpose of marketing, promotion and publicizing Marion County as a destination and ideal meeting area. This marketing shall be for the purpose to bring into the County the patronage and business of tourism to include leisure, meetings, conventions and seminars, as well as helping existing organizations and attractions; cultural, educational, historical, religious, professional and sports organizations, in their effort to bring people into the County for the benefit of the citizens, business community and attractions of the County.

Ohio Revised 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".

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

2. We selected all non-recurring disbursements exceeding \$1,000 paid for from lodging tax receipts from the years ended December 31, 2011 and 2010. An additional 42 disbursements were selected haphazardly and we compared the purpose for these disbursements as documented on vendor invoices or other supporting documentation to the source of restrictions listed in cash disbursements step 1 above.
 - We found no instances where the purpose of the expenditure described on the invoice or other supporting documentation was in violation of the restrictions listed above.

Cash Disbursements (continued)

3. We selected a sample of recurring monthly disbursements (i.e. payroll, rent and credit card disbursements) and compared the purpose for these disbursements as documented on vendor invoices or other supporting documentation to the source of restrictions listed in cash disbursements step 1 (Page 2).
 - We found no instances where the purpose of the expenditure described on the invoice or other supporting documentation was in violation of the restrictions listed above.

Cash Management

1. We confirmed the December 31, 2011 and 2010 bank account balances with the Bureau's financial institutions.
2. We compared the financial institution confirmation amounts from Cash Management step 1 to amounts recorded in the Bureau's December 31, 2011 and 2010 bank reconciliations.
 - One exception was noted where the Bureau miscoded a deposit to a Certificate of Deposit account through an adjusting journal entry at December 31, 2009. A difference of \$685 was noted from the financial institution's confirmed balance to the balance recorded by the Bureau for the years ended December 31, 2011 and 2010. In examining the Bureau's records, the Bureau incorrectly backdated and duplicated an adjusting entry on December 31, 2009, subsequent to the 2009 and 2008 Agreed-Upon Procedures.

Official's Response: The Bureau will continually monitor entries posted to mitigate duplicate entries. The noted entry above has been corrected in 2012.

We were not engaged to, and did not examine the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2011 and 2010, 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 else.

Shulbrook & Manton

Certified Public Accountants

June 25, 2012

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Dave Yost • Auditor of State

MARION AREA CONVENTION AND VISITORS BUREAU INC.

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 11, 2012**