



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Fayette County Travel, Tourism, and Convention Bureau
Fayette County
101 E. East Street
Washington Court House, Ohio 43160

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Fayette County Travel, Tourism and Convention Bureau (the Bureau) and the Auditor of State, on the receipts, disbursements and balances recorded in the Bureau's cash basis accounting records for the years ended December 31, 2018 and 2017 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, 2018 and 2017 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

1. We recalculated the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the General Ledger Report to the December 31, 2016 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, 2018 beginning fund balances recorded in the General Ledger Report to the December 31, 2017 balances in the General Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2018 bank account balances with the Bureau's financial institutions. We found no exceptions. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2018 bank reconciliation:

- a. We traced each debit to the subsequent January bank statement. We found two outstanding checks from 2013 and 2015 that have not cleared the bank and are still listed as outstanding on the checklist. The district should address stale outdated checks and take the necessary steps to remove from 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, 2018 and December 31, 2017 to determine that they:
- a. Were of a type authorized by the CVB. We found no exceptions

Cash Receipts

- 1. We summarized lodging taxes Fayette County's Expense Audit Trail reported as payments to the Bureau during the years ending December 31, 2018 and 2017. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2018	\$302,861
December 31, 2017	\$317,363

- 2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's General Ledger Report. 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. 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."

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, 2018 and 2017 in addition to all disbursements exceeding \$5,000 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 identified the following conditions related to credit card usage by the Bureau:

- The Bureau did not maintain itemized receipts for eight expenditures totaling \$132, in 2018 and three expenditures totaling \$30, in 2017. We were able to apply alternative procedures and it appears that these expenditures were for a proper public purpose.
- The Bureau did not maintain supporting documentation for one expenditure totaling \$32, in 2017. We were able to perform alternative procedures to determine that the expenditure was for proper public purpose.
- The Bureau did not have a policy that provided guidance regarding gratuity type of expenses were allowable.

Failure to maintain supporting documentation and monitoring of credit card activity increases the risk of unauthorized and/or otherwise improper expenditures that do not further the public purpose of the Bureau and are likely to result in audit findings or other sanctions.

The Bureau has a credit policy on file and contains procedures to monitor and maintain supporting documentation for credit card expenditures. The Bureau should take the necessary steps to follow the credit card policy on file. The Bureau should also include gratuity guidelines in its policy.

The Bureau should ensure all documentation is properly completed and recorded on the system accurately.

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, 2018 and 2017, 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, 2018 and 2017, 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

April 16, 2019

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FAYETTE COUNTY TRAVEL TOURISM AND CONVENTION BUREAU

FAYETTE 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 9, 2019**