

**UNION COUNTY CONVENTION
AND VISITORS BUREAU**

AGREED UPON PROCEDURES

DECEMBER 31, 2017 and 2016

OHIO AUDITOR OF STATE KEITH FABER



January 15, 2019

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 14, 2019. Reports completed prior to that date contain the signature of my predecessor.

Ohio Auditor of State

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Dave Yost • Auditor of State

Members of the Board
Union County Convention and Visitors Bureau
227 East Fifth Street
Marysville, Ohio 43040

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Union County Convention and Visitors Bureau, Union County, prepared by Maloney + Novotny LLC, for the period January 1, 2016 through December 31, 2017. Based upon this review, we have accepted this report 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 Union County 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

January 2, 2019

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Independent Accountants' Report on Applying Agreed-Upon Procedures

Members of the Board
Union County Convention and Visitors Bureau
Union County, Ohio
227 East Fifth Street
Marysville, Ohio 43040

We have performed the procedures enumerated below, to which were agreed by the Board of Trustees and the management of the Union County Convention and Visitors 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, 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 mathematical accuracy of the December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We compared the January 1, 2016 beginning cash balance recorded in the general ledger to the December 31, 2015 balance in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We compared the January 1, 2017 beginning cash balance recorded in the general ledger to the December 31, 2016 balance in the general ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of December 31, 2017 and 2016 cash balances reported in the general ledger. At December 31, 2017, we noted a variance of \$3,026.09 between the checking account bank reconciliation and the general ledger. At December 31, 2016, we noted a variance of \$4,282.32 between the checking account bank reconciliation and the general ledger. These differences are due to additional transactions posted in the general ledger subsequent to the reconciliation.
4. We observed the year end bank balances on the financial institution's website. The balances agreed.

Cash and Investments (continued)

5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2017 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We selected five reconciling credits (such as deposits in transit) haphazardly from the December 31, 2017 and December 31, 2016 bank reconciliation:
 - a. We traced each credit to the subsequent January bank statement. The five credits selected for testing at December 31, 2017 had not cleared subsequent bank statements. These credits were from September, October and November 2017 and totaled \$733.68.
 - b. We agreed the credit amounts to the receipts register. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.

Cash Receipts

1. We confirmed with the City of Marysville the lodging taxes it paid to the Bureau during the years ended December 31, 2017 and 2016. The City confirmed the following amounts:

| Year Ended | Amount |
|-------------------|---------------|
| December 31, 2017 | \$ 91,657.84 |
| December 31, 2016 | \$ 70,000.00 |

We confirmed with the Union County Auditor the lodging taxes it paid to the Bureau during the years ended December 31, 2017 and 2016. The County confirmed the following amounts:

| Year Ended | Amount |
|-------------------|---------------|
| December 31, 2017 | \$189,202.96 |
| December 31, 2016 | \$173,500.00 |

2. We compared the amounts from Step 1 to amounts recorded as lodging tax receipts on the Bureau's general ledger. There were differences of \$200 and \$5,000 for 2017 and 2016, respectively. The \$5,000 was for a special project and recorded in a separate revenue account in the general ledger.

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 \$7,500 for 2016. The \$7,500 was for a special project and recorded in a separate revenue account in the general ledger.

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:

Sources of Restrictions:

- a. The Bureau's Articles of Incorporation
- b. The Bureau's By-Laws
- c. The Bureau's 501(c)(6) Tax Exemption
- d. City of Marysville Ordinance 1755 Section 1
- e. Contractual agreement dated April 30, 2017 between Union County and the Bureau
- f. Auditor of State of Ohio Bulletin 2003-005
- g. Ohio Revised Code Section 5739.09(A)(2)
- h. Contractual agreement between Union County and the Bureau

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

The City of Marysville's ordinance 1755 permits the Bureau to spend lodging taxes for advertising, publicizing or otherwise distributing information for the purpose of attracting visitors and encouraging tourist expansion of Union County.

The Contract Agreement with Union County permits the Bureau to spend lodging taxes to provide a comprehensive public relations and marketing program to inform the traveling public of the tourist attractions and facilities within Union County, attract meetings, organizations, bus tours and visitors to Union County and its facilities, and perform activities necessary to promote tourism, convention and other related activities for the general benefit of the County's citizens and businesses.

The Bureau's By-Laws permit the Bureau to spend the lodging taxes for the promotion of Union County, Ohio, as a tourist destination.

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2017 and 2016 in addition to all disbursements exceeding \$4,000 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 violated the restrictions listed above.

The Bureau has responded to the issues discussed in this report. You may obtain a copy of their response from Karen Eylon, Executive Director at 937-642-6279.

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.

A handwritten signature in cursive script that reads "Meloney + Novotny LLC".

Delaware, Ohio
November 2, 2018

OHIO AUDITOR OF STATE KEITH FABER



UNION COUNTY CONVENTION AND VISITORS BUREAU

UNION 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
JANUARY 15, 2019**