***Use for 2022-2023 or 2023 AUPs[[1]](#endnote-1)***

***(Convention & Visitor Bureau AUP – Per AT-C 105 & 215 & GAGAS January 2024[[2]](#endnote-2))[[3]](#endnote-3)***

**INDEPENDENT ACCOUNTANT’S REPORT ON APPLYING AGREED-UPON PROCEDURES**

[Name of] Convention and Visitors Bureau

[Name of] County

[Address]

[City], Ohio [Zip Code]

We have performed the procedures enumerated below on the [Name of] Convention & Visitor Bureau’s (the Bureau) receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2023 and 2022 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, 2023 and 2022 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Bureau.

The Board of Trustees and the management of the Bureau have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2023 and 2022, and certain compliance requirements related to these transactions and balances. **[Additionally, the Auditor of State has agreed to and acknowledged that the procedures performed are appropriate to meet their purposes.]*[[4]](#endnote-4) [<<IPAs must insert this. AOS staff should never insert this].*** No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding $10.

The procedures and the associated findings are as follows:

**Cash [and Investments] *[if applicable]* *[[5]](#endnote-5)* *[[6]](#endnote-6)***

1. We recalculated the December 31, 2023 and December 31, 2022 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2022 beginning fund balances for [each fund]***[[7]](#endnote-7)*** recorded in the [Fund Ledger Report]***[[8]](#endnote-8)*** to the December 31, 2021 balances in the prior year [audited statements] ***OR*** [documentation in the prior year Agreed-Upon Procedures working papers]. We found no exceptions. We also agreed the January 1, 2023 beginning fund balances for each fund recorded in the [Fund Ledger Report] to the December 31, 2022 balances in the [Fund Ledger Report]. We found no exceptions.
3. We agreed the 2023 and 2022 bank reconciliation [adjusted UAN Balances and Adjusted Bank Balances] as of December 31, 2023 and 2022 to the total fund cash balances reported in the [Fund Status Report]. The amounts agreed.
4. We confirmed the December 31, 2023 bankaccount balance(s) with [the Bureau’s financial institution(s), Ohio Pooled Collateral System, Confirmation.com] ***<<<modify as needed]***. [We found no exceptions.] ***OR*** [We observed the year-end bank balance(s) on the financial institution’s website. The balance(s) agreed.] We also agreed the confirmed balances to the amounts appearing in the December 31, 2023 bank reconciliation without exception.
5. We selected 5 reconciling debits (such as outstanding checks) from the December 31, 2023 bank reconciliation: ***[Delete this step if there were no reconciling debits]***
	1. We traced each debit to the subsequent January and February ***[List only the months they cleared]*** [bank statement(s)] ***OR***[financial institutions website transaction listing]. We found no exceptions.
	2. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected 5 reconciling credits (such as deposits in transit) from the December 31, 2023 bank reconciliation: ***[Delete this step if there were no reconciling credits]***
	1. We traced each credit to the subsequent January or February ***[List only the months they cleared]*** [bank statement(s)] ***OR***[financial institutions website transaction listing]. We found no exceptions.
	2. We agreed the credit amounts to the [Receipts Register] and determined they were dated prior to December 31. We found no exceptions.
7. We inspected the [Fund Status Report] to determine whether the Finding(s) For Adjustment identified in the prior [audit report] ***OR***[agreed-upon procedures report]*,* due from the X fund, payable to the Y fund,was properly posted to the ledgers and reflected in the fund balances in Procedure 2. We found no exceptions. ***[Delete step if not applicable. If the adjustment was not properly posted, you should reissue the FFA in this AUP.]***
8. We traced interbank account transfers occurring in December of 2023 and 2022 to the accounting records and [bank statements] ***OR*** [reconciliation] to determine if they were properly recorded. We found no exceptions. ***[If there is only one bank account, or if no transfers were noted near year-end, delete this step.]***
9. We inspected investments held at December 31, 2023 and December 31, 2022 to determine that they were of a type authorized by the CVB. We found no exceptions ***[Delete step if no investments (or CDs)]***

**Cash Receipts**

1. We summarized lodging taxes the [Name of County, Municipality and/or Township]’s [cash disbursement journal] ***[<<< use exact name of accounting report]*** reported as payments to the Bureau during the years ending December 31, 2023 and 2022. The total reported disbursements were as follows:***[[9]](#endnote-9)***

|  |  |
| --- | --- |
| **Year Ended** | **Amount** |
| December 31, 2023 | $XX,XXX |
| December 31, 2022 | $ZZ,ZZZ |

 ***[ALTERNATIVE STEP 1:]***

We confirmed with [Name of County, Municipality and/or Township] the lodging taxes it paid to the Bureau during the years ending December 31, 2023 and 2022. The [Name of County, Municipality and/or Township] confirmed the following amounts:

|  |  |
| --- | --- |
| **Year Ended** | **Amount** |
| December 31, 2023 | $XX,XXX |
| December 31, 2022 | $ZZ,ZZZ |

1. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau’s [cash receipts journal] ***[<<< use exact name of accounting report]***. We found no exceptions.***[[10]](#endnote-10)***

**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**

* 1. The Bureau’s Articles of Incorporation
	2. The Bureau’s 501(c)(6)***[[11]](#endnote-11)*** Tax Exemption
	3. City of [name] [Resolution 99-007] ***[<<<modify as needed]***
	4. Ohio Rev. Code § 5739.092 ***[<<<Note: This only applies to lodging taxes a county pays to a CVB. Otherwise delete.]***

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

Ohio Rev. Code § 5739.092 restricts the Bureau to spending lodging tax “specifically for promotion, advertising, and marketing of the region in which the county is located.”  ***[<<<Note: This only applies to lodging taxes a county pays to a CVB. Otherwise delete.]***

Auditor of State Bulletin 2003-005 concludes that disbursement of public funds (e.g. lodging taxes) for alcohol are generally improper. However, Auditor of State Bulletin 2014-003 explains when sales of alcohol at public events are permissible.

[Ordinance 99-007 permits the Bureau to spend lodging taxes only for [insert purpose].] ***[<<modify as needed.]***

***[Insert other significant restrictions as needed.]***

We selected 10 disbursements of lodging taxes from the [Payment Register Detail Report] for the year ended December 31, 2023 and 10 disbursements from 2022 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 described a violation the restrictions listed above.] ***OR*** [We found 1 exception: The Bureau issued Check No. 456 for $1,876 to pay for [insert frivolous purpose]. Neither Ordinance 99-007 nor Ohio Rev. Code § 5739.09(J) permit using lodging taxes for this purpose. Accordingly, we are hereby issuing a finding for recovery . . .(etc.).]

***[Insert the following paragraph if the Bureau declines to provide us written representations but has provided suitable written agreement* of the procedures and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement*: AOS auditors should also see additional guidance in the representation letter.]***

Attestation standards established by the American Institute of Certified Public Accountants require that we request certain required written representations from the Bureau. We requested that the Bureau provide such representations but the Trustees and/or fiscal officer refused to do so.

We were engaged by the Bureau to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States’ *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement of the Bureau’s lodging tax receipts and disbursements for the years ended December 31, 2023 and 2022, 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.

We are required to be independent of the Bureau and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States’ *Government Auditing Standards* related to our agreed upon procedures engagement.

Blank Signature

Signature Name

Signature Title

City, State

[Date]

1. This report shell should be used for entities with a testing period of 2022-2023 or 2023. For period 2021-2022 and prior, AOS Staff please obtain the previous report shell from the Old Practice Aids. IPAs, please obtain the previous report shell by contacting the IPAcorrespondence@ohioauditor.gov inbox. This shell is written for a 2 year engagement, please modify as needed for single year AUP engagements. [↑](#endnote-ref-1)
2. Updated January 2024 – Changes are not marked. The following should be completed prior to finalizing the report:

	* All the red references should be updated as appropriate and changed to black; and
	* All blue font items are guidance and need removed. [↑](#endnote-ref-2)
3. Please read the document, [AUP Additional Guidance](http://www.ohioauditor.gov/references/agreeduponprocedures.html) for additional information. [↑](#endnote-ref-3)
4. **IPA AUP engagements:** AOS is a specified party. The use of the procedures in this shell and AOS’ written approval of any modifications / additions to these procedures will serve as AOS' written agreement and acknowledgement that the procedures performed are appropriate to meet our intended purposes as a specified party. [↑](#endnote-ref-4)
5. The cash and investment procedures should be completed for both public and private monies, since these monies are generally maintained in the same accounts. All other steps apply ONLY to the public funds. Note: If the private monies are combined with the public monies they lose their “private” identity. [↑](#endnote-ref-5)
6. If the Bureau uses a fiscal agent to process transactions, please replace the cash & investment section with the cash & Investment procedures in the Solid Waste District AUP shell. [↑](#endnote-ref-6)
7. Replace language with “Each Opinion Unit” if the prior engagement was a financial audit and if any prior findings for adjustments were adjusted to the client account records. [↑](#endnote-ref-7)
8. If the entity using the UAN system had no activity on 1/1/2022, then run the Fund Ledger Report as of the first date they had activity during the year. [↑](#endnote-ref-8)
9. Performing this step normally requires reviewing disbursement records at the county, municipality and / or township. [↑](#endnote-ref-9)
10. It is possible a Bureau would not record a receipt for a disbursement made very near year end until the beginning of the following year. We would not deem this as an exception if the Bureau recorded the receipt early in the following year. [↑](#endnote-ref-10)
11. 501(c)(6) classification is reserved for specific organizations, including ***chamber of commerce organizations*** (which would include CVB) (and professional football leagues!) They are characterized by a common business interest, which the organization typically promotes. Organizations under this category are exempt from most federal income taxes.

501(c)(6) organizations may engage in limited political activities that inform, educate, and promote their given interest. They may ***not*** engage in direct expenditures advocating a vote for a political candidate or cause. Therefore, we should report any disbursements for political candidates as possible violations of the CVB’s exempt purpose.

We are also aware some CVB are exempt under 501(c)(3) as *public charities*. Similar to 501(c)(6) organizations, “(c)(3)” organizations are prohibited from conducting political campaign activities to influence elections to public office [↑](#endnote-ref-11)