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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ottawa County Visitors Bureau
Ottawa County
770 S.E. Catawba Road
Port Clinton, Ohio 43452

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Ottawa County Visitors Bureau, Ottawa County, Ohio (the Bureau), 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 December 31, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balances recorded in the General Ledger Report to documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the General Ledger Report to the December 31, 2016 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, 2017 and December 31, 2016 fund cash balances reported in the Balance Sheet Report. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation without exception.
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 and February bank statements. We found no exceptions.

- b. We traced the amounts and dates to the Reconciliation Detail Report, to determine the debits were dated prior to December 31. There were no exceptions.
6. We selected the reconciling credit (such as a deposit in transit) from the December 31, 2017 bank reconciliation:
 - a. We traced the credit to the subsequent January General Journal entry. We found no exceptions.
 - b. We agreed the credit amount to the Deposit Detail Report. The credit was recorded as a December adjustment for the same amount recorded in the reconciliation.
7. We traced interbank account transfers occurring in December of 2017 and 2016 to the accounting records and reconciliation. We found no exceptions.
8. We inspected investments held at December 31, 2017 and December 31, 2016 to determine that they were of a type authorized by the Bureau. We found no exceptions

Cash Receipts

1. We summarized lodging taxes the Ottawa County's Detail Expense Transactions Report reported as payments to the Bureau during the years ended December 31, 2017 and 2016. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2017	\$1,061,970
December 31, 2016	\$946,651

2. We compared the amounts from *Cash Receipts 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)(3) Tax Exemption
- c. The agreements dated January 31, 2012 and February 14, 2017 between the Bureau and Ottawa County
- d. Ohio Rev. Code Section 5739.09(A)(2)

The Bureau's tax exemption prohibits it from disbursements supporting a candidate's election as well as state sales taxes.

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.

The agreements dated January 31, 2012 and February 14, 2017 permit the Bureau to spend lodging taxes only to assist the Bureau in the encouragement and promotion, through advertisement and other educational and informational means, of travel to and visitation in Ottawa County by persons non-resident of the County, for pleasure, business, and other purposes.

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2017 and 2016 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 found three instances totaling \$34 during 2017 in which the bureau paid sales tax. The Bureau's 501(c)(3) designation exempts it from paying state sales tax. The Bureau should review invoices prior to payment to ensure sales tax is not paid. We found no other instances where the purpose described on the invoice or other supporting documentation described a violation with the restrictions listed above.

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.



Dave Yost
Auditor of State

Columbus, Ohio

May 16, 2018

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OTTAWA COUNTY VISITORS BUREAU

OTTAWA 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
JUNE 7, 2018