



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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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 year ended September 30, 2019 and the period of January 1, 2018 through September 30, 2018 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 year ended September 30, 2019 and the period ended September 30, 2018 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 September 30, 2019 and September 30, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 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 October 1, 2018 beginning fund balances recorded in the General Ledger Report to the September 30, 2018 balances in the General Ledger Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the September 30, 2019 and September 30, 2018 fund cash balances reported in the Balance Sheet Report. The amounts agreed.
4. We confirmed the September 30, 2019 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 September 30, 2019 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the September 30, 2019 bank reconciliation:
  - a. We traced each debit to the subsequent October bank statement. We found no exceptions.
  - b. We traced the amounts and dates to the Reconciliation Detail Report, to determine the debits were dated prior to September 30. There were no exceptions.

6. We selected the reconciling credit (such as deposits in transit) from the September 30, 2019 bank reconciliation:
  - a. We traced the credit to the subsequent October bank statement. We found no exceptions.
  - b. We agreed the credit amount to the General Ledger Report. The credit was recorded as a September receipt for the same amount recorded in the reconciliation.
7. We traced interbank account transfers occurring in September of 2019 and 2018 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at September 30, 2019 and September 30, 2018 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 ending September 30, 2019 and 2018. The total reported disbursements were as follows:

Year or Period Ended	Amount
September 30, 2019	\$994,929
September 30, 2018	\$451,576

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 agreement dated February 14, 2017, between the Bureau and Ottawa County
- d. Ohio Rev. Code Section 5739.09(J)

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(J) 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 agreement dated February 14, 2017 permits 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 the entire County by non-resident persons of the County, for pleasure, business, and other purposes

We selected ten disbursements of lodging taxes from the General Ledger for the year ended September 30, 2019 and ten disbursements from the year ended September 30, 2018 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 two instances totaling \$721 during 2019 and three instances totaling \$862 during 2018 in which the Bureau paid state sales tax. The Bureau's 501(c)(3) designation exempts it from state sales tax. The Bureau should review invoices prior to payment to ensure state sales tax is not paid. No other instances were noted 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 September 30, 2019 and 2018, 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 its cash-basis accounting records for the years ended September 30, 2019 and 2018, 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

July 7, 2020

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# OHIO AUDITOR OF STATE KEITH FABER



**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  
JULY 21, 2020**