



Dave Yost • Auditor of State



MORGAN COUNTY CONVENTION AND VISITORS BUREAU  
MORGAN COUNTY

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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors  
Morgan County Convention and Visitors Bureau  
Morgan County  
21 West Main Street  
McConnelsville, Ohio 43756

We have performed the procedures enumerated below, to which the management of the Morgan County Convention and Visitors Bureau, Morgan County, Ohio (the Bureau), agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Morgan County, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended June 30, 2014 and 2013. The Bureau is responsible for disbursing lodging taxes for allowable purposes. 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*. The sufficiency of the procedures is solely the responsibility of the Bureau. 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.

### Cash Receipts

1. We confirmed with Morgan County the lodging taxes it paid to the Bureau during the years ending June 30, 2014 and 2013. The County confirmed the following amounts:

Year Ended	Amount
June 30, 2014	\$33,589
June 30, 2013	\$15,413

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's Deposit Detail 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 § 5739.09(A)(2).

### **Cash Disbursements (Continued)**

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

Ohio Rev. Code § 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 June 30, 2014 and 2013, in addition to all disbursements exceeding \$1,000, 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 described a violation the restrictions listed above.

### **Special Procedures**

Ohio Rev. Code § 102.03(D) prohibits a public official or employee who engages in private outside employment or business activity from using public time, facilities, personnel, or resources in conducting a private business or while engaging in private outside employment including conducting demonstrations for clients using public equipment or using her public position or authority in any other way to secure a benefit for his outside employer or private business.

We followed up on a complaint that the prior Director, Deana Clark, during fiscal years 2014 and 2013 operated her personal business, Ohio Valley Opry, using the Bureau telephone number and address as her personal business number and address. We viewed the prior Director's business website and found the Bureau and prior director's business shared the same phone number and address.

We examined one phone bill to determine whether non-Bureau charges were included. We found the Bureau pays for bundled service for phone and Internet. Long distance charges were included in with the bundle and would have no effect on the bill; however, per review of the Deposit Detail Report, we did not find where the prior Director's personal business shared the cost of the shared line.

We examined two rent payments to determine if the prior Director's business shared in the cost of the rent payments. We found the first payment was for three months of rent paid to Mary Hammond Enterprises, Inc., for \$600. The second payment was also for three months of rent paid to the Village of McConnelsville for \$1,200. Per inquiry of management, the building in which the Bureau rents space is owned by the Village of McConnelsville, and Mary Hammond Enterprises, Inc., also rented space in the building through February 2014. During the time period the Bureau shared the space with Mary Hammond Enterprises, Inc., Mary Hammond Enterprises, Inc., would pay the full \$400 per month, and the Bureau would reimburse it for its half of the rent. After February 2014, the Bureau began paying \$400 directly to the Village of McConnelsville for its monthly rent. Per review of the Deposit Detail Report, we did not find where the prior Director's personal business shared the cost of the shared rental space. Per inquiry of the management, the board was aware the prior Director used the Bureau office to sell merchandise for her personal business.

These items will be referred to the Ohio Ethics Commission.

We were not engaged to, and did not examine the Bureau's lodging tax receipts and disbursements for the years ended June 30, 2014 and 2013, the objective of which would have been to opine on lodging tax receipts and disbursements. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the Bureau and is not intended to be, and should not be used by anyone other than the specified party.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

**Dave Yost**  
Auditor of State

Columbus, Ohio

November 18, 2014

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# Dave Yost • Auditor of State

**MORGAN COUNTY CONVENTION AND VISITORS BUREAU**

**MORGAN 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  
DECEMBER 9, 2014**