



Dave Yost • Auditor of State



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Darke County Visitors Bureau
Darke County
421 S. Broadway St.
Greenville, Ohio 45331

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Darke County 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 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 to the December 31, 2015 balances 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 to the December 31, 2016 balances in the General Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2017 and 2016 fund cash balances reported in the Balance Sheet. The amounts agreed for 2017. In 2016, the December 31 year end bank reconciliation did not include a \$187 credit card expenditure recorded on January 1, 2017 in the General Ledger; however the December 31, 2016 Balance Sheet did include this amount. Cash reconciliations and financial statements should only include financial activity occurring due each respective fiscal year.
4. We confirmed the December 31, 2017 bank account balances with the Bureau's financial institutions. 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 all 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. An outstanding check in the amount of \$1,000 written to Lux Everlasting did not clear and was still outstanding as of July 31, 2018. The Bureau should implement a policy to void uncashed checks after 90 days to promote proper cash management.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.
6. We inspected investments held at December 31, 2017 and December 31, 2016 to determine that they:
- a. Were of a type authorized by the Bureau. We found no exceptions

Cash Receipts

1. We summarized lodging taxes to the Darke County, City of Greenville, and Village of Versailles' Detailed Vendor Reports reported as payments to the Bureau during the years ending December 31, 2017 and 2016. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2017	\$138,859.96
December 31, 2016	\$120,465.79

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's General Ledger. 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. Village of Versailles Agreement with the Bureau dated October 14, 2002
- d. Darke County Agreement with the Bureau dated August 16, 1995
- e. Ohio Rev. Code Section 5739.09(A)(2)

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 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 December 31, 2017 and 2016 in addition to all disbursements exceeding \$2,000, 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. Except as noted below, we found no instances where the purpose described on the invoice or other supporting documentation described a violation the restrictions listed above.

The Bureau purchased three gift cards in 2016 and one gift card in 2017 for a total of \$80. The Bureau did not keep proper documentation for the recipients of the gift cards. The Bureau should implement a policy that governs the purchase of gift cards. The Bureau also had one purchase at Kroger on June 17, 2016 for \$15.96, which was listed on the credit card statement but had no supporting receipt documentation. The Bureau should implement a credit card policy requiring the maintenance of all supporting documentation for all charges.

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 black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

Dave Yost
Auditor of State
Columbus, Ohio

August 20, 2018

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DARKE COUNTY VISITORS BUREAU

DARKE 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
SEPTEMBER 11, 2018**