

**BRANSON/LAKES AREA TOURISM
COMMUNITY ENHANCEMENT DISTRICT**

AGREED-UPON PROCEDURES ENGAGEMENT

FOR THE YEAR ENDED DECEMBER 31, 2015



INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Branson/Lakes Area Tourism
Community Enhancement District
Branson, Missouri

We have performed the procedures enumerated below, which were agreed to by Branson/Lakes Area Tourism Community Enhancement District (The District) of Branson, Missouri, solely to assist you with evaluating compliance with your contract for tourism marketing services (the Contract) with the Branson/Lakes Area Convention and Visitor's Bureau (the CVB), for the year ended December 31, 2015. The District's management is responsible for compliance with the tourism marketing services contract. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those 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.

Our procedures and findings are as follows:

1. Procedure – Verify consistency of calculation methods and measures used compared with prior years.
Finding – The CVB utilizes Smith Travel to obtain visitation and spending statistics; this is consistent with prior years. Procedure completed without exception.
2. Procedure – Obtain a CVB list of resources used to fulfill visitor inquiries.
Finding – Procedure completed without exception.
3. Procedure – Obtain listing of contracts between the CVB and advertisers in its Vacation Guide and on its websites. Representatively select 25 Vacation Guide and 10 website contracts. Ensure that each vendor advertisement appears in the Vacation Guide per the contract. Confirm that advertising policies and procedures exist. Report any differences.
Finding – Procedure completed without exception.

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4. Procedure – Obtain quarterly marketing reports.

- a) Note date of quarterly marketing reports on *Attachment A* to demonstrate timeliness.

Finding – Procedure completed without exception.

- b) Trace data reported in quarterly marketing reports for “results of measurable objectives” to research and other sources to confirm accuracy of reported:

1. Visitation trends
2. Visitor spending
3. Tax receipts
4. Website visits
5. Marketing Opportunity Fund recap sheet information.

Finding – Website visits were not reported in the first three quarterly marketing reports; rather other current website related events were emphasized.

Response – Website statistical information was presented at each monthly meeting, quarterly meetings emphasized current or new website activity.

5. Procedure – Obtain a copy of the Vacation Guide and confirm that the following legend is included in the publication: “*Made possible with funds provided by the Branson/Lakes Area Tourism District*”.

Finding – Procedure completed without exception.

6. Procedure – For media payments billed in months specified on *Attachment A*, verify CVB receipts of related tear sheets or publication/broadcast affidavits (or electronic equivalents).

Finding – Procedure completed without exception.

7. Procedure – Review all copyrights and logos to ensure they are registered in the District’s name. Provide dates related paperwork was submitted to the District on *Attachment A*.

Finding – The CVB does not have any current copyrights.

8. Procedure – Verify that the CVB accounting books and records are segregated from those of other Chamber entities by obtaining a copy of the CVB segregated income statement, trial balance and chart of accounts for the year ended December 31, 2015. Confirm with CVB management that these do not contain any Chamber-related activity or accounts.

Finding – Procedure completed without exception.

9. Procedure – Provide the CVB audit completion date on *Attachment A* and attach copy if available.

Finding – Procedure completed without exception.

10. Procedure – Report any restrictions to records access by either party in findings.

Finding – Procedure completed without exception.

11. Procedure – For the months selected on *Attachment A*, verify that District reimbursement deposits were made into a segregated, non-interest-bearing account pending disbursement to vendors.

We obtained each month's billing and traced each to deposit in accounts as follows:

March

- 1st billing: \$1,492,179.88 – traced deposit to non-interest bearing account 8828
- 2nd billing: \$86,117.66 – traced deposit to non-interest bearing account 8828
- 3rd billing: \$35,935.76 – traced deposit to interest bearing account 8254 – **see finding**
- 4th billing: \$1,719.07 – traced deposit to interest bearing account 8254 – **see finding**
- 5th billing: \$-100.00 – traced deposit to non-interest bearing account 8828

July

- 1st billing: \$73,070.46 – traced deposit to non-interest bearing account 8828
- 2nd billing: \$167,714.46 – traced deposit to non-interest bearing account 8828
- 3rd billing: \$29,950.30 – traced deposit to non-interest bearing account 8828
- 4th billing: \$30,315.14 – traced deposit to interest bearing account 8254 – **see finding**
- 5th billing: \$12,740.41 – traced deposit to interest bearing account 8254 – **see finding**

December

- 1st billing: \$141,841.97 – traced deposit to non-interest bearing account 8828
- 2nd billing: \$71,632.18 – traced deposit to non-interest bearing account 8828
- 3rd billing: \$40,419.41 – traced deposit to interest bearing account 8254 – **see finding**
- 4th billing: \$191,998.97 – traced deposit to non-interest bearing account 8828
- 5th billing: \$222,059.96 – traced deposit to non-interest bearing account 8828
- 6th billing: \$9,000.76 – traced deposit to non-interest bearing account 8828

Finding – The five billings indicated above were deposited into the CVB's interest bearing main checking account.

Response – The expenses related to these deposits were items that were already paid for by the CVB, such as postage, credit card fees and credit card purchases. Per discussion with Cathy Hubert, this procedure will be changed and reimbursements will be deposited into the non-interest bearing account and then transferred to the CVB's main checking account going forward. It was mentioned that these expenses have already occurred and were paid out of the CVB's account and thus can be deposited back into the interest bearing account.

12. Procedure – Obtain Missouri Division of Tourism grant letters and related documents to verify total grants available. Compare actual amounts received and transmitted to the District to amounts available. Report any differences.

Finding – Procedure completed without exception.

13. Procedure – Obtain financial reports from the District and the CVB.

- a) Obtain and review revenue sources reported on the CVB’s Enhancement Tax Group (“ET”) financial statements. Compare to revenue received from the CVB on the District’s financial statements and report on any differences.

Finding – Procedure completed without exception.

- b) Compare Accounts Receivable from the District on the CVB books to Accounts Payable to the CVB on District books and report any differences. Obtain reconciliations from the District when different and include them in report.

Finding – Procedure completed without exception.

- c) Obtain the CVB’s final ET Marketing Budget and trace to the final budget approved by the District. Compare to the District’s final budget. ET budget lines should equal the District’s budget lines. Report on any differences.

Finding – Procedure completed without exception.

- d) Compare ET consolidated financial statement trial balance actual totals to those in the annual audited financial statements. Report on any differences.

Finding – Procedure completed without exception.

- e) Compare ET consolidated financial statement trial balance actual totals to the District’s actual financial statements for the same period. Report on any differences.

Finding – Procedure completed without exception.

- f) Inspect all invoices to the District for the months specified on *Attachment A* and verify that the CVB payments were made pursuant to Sections 5.7 and 5.8, as follows:

- 1) Services were contracted for or provided before the reimbursement request to the District.

Finding – Marketing prepayments and membership dues and renewals were paid during 2015; however these services were for both 2015 and 2016.

- 2) No advance payments were made by the CVB except for Marketing Fund expenses, as previously approved by the District Treasurer. Verify that invoices were not reimbursements for required prepayments to subcontractors by review of subcontractor payment schedule and invoices.

Finding – Procedure completed without exception.

- 3) District denial of invoices was accompanied by written documentation (including electronic) within 15 days of receipt, stating the reasons for such denial and remedies available to cure, if any.

Finding – Procedure completed without exception.

- 4) Invoices were posted to the approval code classification and that classification is consistent with generally accepted accounting principles and the CVB budget line item descriptions.

Finding – Procedure completed without exception.

14. Obtain and read the insurance policy for the year to verify minimum coverage amounts. Provide date and term of current insurance coverage on *Attachment A*.

Finding – Procedure completed without exception.

15. Confirm existence of signed Conflict of Interest policies to verify that officers and employees act independently with vendors and are restricted from acting in their own personal interests or for their own gain by reason of their employment with the CVB.

Finding – Procedure completed without exception.

16. Obtain Marketing Plan

- a) Obtain Marketing Plan for the year and attach as a supplemental schedule.

Finding – Procedure completed without exception.

- b) Provide dates of District Marketing Council's approval of the original Marketing Plan and all amendments or adjustments on *Attachment A*.

Finding – Procedure completed without exception.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion, on the compliance with the tourism marketing services contract. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Branson/Lakes Area Tourism Community Enhancement District, and is not intended to be, and should not be, used by anyone other than those specified parties.

KPM CPAs, PC

SUPPLEMENTAL

Attachment A

Documentation for Selected Months: March, July and December

Quarterly Marketing Reports

First Quarter 2015	05-28-2015
Second Quarter 2015	08-25-2015
Third Quarter 2015	11-01-2015
Fourth Quarter 2015	02-10-2016

Date(s) of copyright/logo registration in District name and date(s) documentation delivered to District	N/A
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CVB audit completion date	06-15-2016
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Current Certificate of Liability Insurance	08-01-2015 – 08-01-2016
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District Marketing Council (DMC) approvals of 2015

Marketing Plan and each amendment or adjustment	11-14-2015
DMC Plan Adjustment Approval(s)	N/A