



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



One First National Plaza  
130 West Second Street, Suite 2040  
Dayton, Ohio 45402-1502  
(937) 285-6677 or (800) 443-9274  
WestRegion@ohioauditor.gov

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

Board of Trustees  
Lima/Allen County Convention and Visitors Bureau  
Allen County  
144 South Main Street, Suite 101  
Lima, Ohio 45801

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Lima/Allen County Convention & Visitor Bureau, Allen County (the Bureau), on the receipts, disbursements and balances recorded in the Bureaus cash basis accounting records for the years ended December 31, 2020 and 2019 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, 2020 and 2019 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, 2020 and December 31, 2019 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2019 beginning fund balances recorded in the General Ledger to the December 31, 2018 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2020 beginning fund balances recorded in the General Ledger to the December 31, 2019 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, 2020 and 2019 fund cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2020 bank account balances for accounts held at The Union Bank Co., Premier Bank, Fifth Third Bank, Citizens National Bank, Huntington National Bank, and State Bank with the Bureau's financial institutions. We found no exceptions. We observed the year-end bank balances for accounts held at Chase Bank on the financial institution's website. The balances agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2020 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) from the December 31, 2020 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

- b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2020 bank reconciliation:
  - a. We traced the credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the General Ledger and determined it was dated prior to December 31. We found no exceptions.
7. We traced interbank account transfers occurring in December of 2020 and 2019 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
8. We inspected investments held at December 31, 2020 and December 31, 2019 to determine that they were of a type authorized by the CVB. We found no exceptions.

### Cash Receipts

1. We summarized lodging taxes the City of Lima's Vendor Invoice Detail Select Report, City of Delphos's Display Invoices by Vendor Report, Allen County's YTD Detail Expenditure Report, American Township's Payment Listing Report, Bath Township's Vendor / Payee Payment Register, and Perry Township's Vendor / Payee Payment Register reported as payments to the Bureau during the years ending December 31, 2020 and 2019. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2020	\$582,896.56
December 31, 2019	\$786,183.17

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. Agreements with the City of Lima, City of Delphos, Allen County, American Township, Bath Township, and Perry Township.
- d. Ohio Rev. Code Section 5739.092(A)(2)
- e. The agreement between the Bureau and Allen County regarding the Veterans Memorial Civic and Convention Center operations and debt.

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

Ohio Rev. Code Section 5739.092(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 agreement with the Board of Commissioners of Allen County entered into on April 21, 2015, effective June 2015, requires the Bureau to remit payments to the Veterans Memorial Civic and Convention Center that are equal to 25 percent of the Bureau's prior calendar year's county lodging tax collections of 1.75 percent divided into twelve monthly installments. On April 30, 2020, a new agreement with the Board of Commissioners of Allen County was approved effective May 1, 2020. This new agreement requires the Bureau to stop all financial support to the Veterans Memorial Civic and Convention Center and instead shall submit a detailed budget of proposed revenues and expenses regarding the 1.75% tax to the Commissioners for their review and formal approval before December Tenth of the current year. In addition, on a semi-annual basis, during the months of February and August of each calendar year, the Visitors Bureau shall provide updates to the Commissioners, reviewing and describing activities, revenue, and expenses during the last reporting period.

The agreements with the American, Bath, and Perry Townships require the Bureau to spend lodging taxes for promoting the hospitality industry, area wide accommodations, meeting facilities, the Civic and Convention Center, restaurants, places of interest, attractions, as well as other community assets.

The Agreement with the City of Lima states that 50% of all calendar year hotel-motel tax receipts are to be paid to the CVB, however, that if the Mayor determines the average percentage payments to the CVB from Bath, Perry, and American Townships hotel-motel tax receipts is greater than 50% of their receipts for calendar year, the Mayor may increase this payment to the CVB not to exceed the average percentage the CVB receives from said Townships.

The Agreement with the City of Delphos states that 50% of the taxes collected be paid to the Convention and Visitor's Bureau within the County.

We selected 10 disbursements of lodging taxes from the Check Register Report for the year ended December 31, 2020 and 10 disbursements from 2019 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.

## Loans

1. We inquired of management, and inspected the General Ledger for evidence of loans received during 2020 or 2019. We attempted to agree the amount of Emergency Federal Financial Assistance – Disaster Prevention and Relief (Economic Injury Disaster Loan Emergency) CFDA #59.072 loan proceeds from the grantor documentation to amounts recorded in the General Ledger. The amounts did not agree. The Bureau maintained its accounting records on the cash basis and at the end of each month journal entries were recorded to convert the accounting records to generally accepted accounting principles (GAAP) basis. Journal entries were recorded for the loan proceeds, however, the loan proceeds were not recorded in the cash basis accounting records. The Bureau should implement a procedure(s) and/or control(s) to ensure that all activity is recorded in the cash basis accounting records.
2. For new loans received during 2020, we inspected the grantor documentation, which stated the Bureau must use the proceeds for working capital and normal operating expenses. We inspected the General Ledger and observed the Bureau has not used the proceeds of the loan during 2020.

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, 2020 and 2019, 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, 2020 and 2019, 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

June 17, 2021

# OHIO AUDITOR OF STATE KEITH FABER



**LIMA-ALLEN COUNTY CONVENTION AND VISITORS BUREAU**

**ALLEN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 7/6/2021**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)