



OHIO AUDITOR OF STATE
KEITH FABER



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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 (the Bureau), on the receipts, disbursements and balances recorded in the Bureau's cash basis accounting records for the years ended December 31, 2018 and 2017 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, 2018 and 2017 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, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the General Ledger to the December 31, 2016 balances in the documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the General Ledger to the December 31, 2017 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, 2018 and 2017 fund cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2018 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, 2018 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 bank reconciliations:
 - 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, to determine 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, 2018 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 Transaction Listing. The credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We inspected investments held at December 31, 2018 and December 31, 2017 to determine that they:
 - a. 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 Vendor Report, Allen County's YTD Detail Expenditure Report, and American Township, Bath Township, and Perry Township's Payment Listing reports reported as payments to the Bureau during the years ending December 31, 2018 and 2017. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2018	\$764,214.36
December 31, 2017	\$672,420.03

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts in 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 5739.09(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 5739.09(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.

The agreement with the Board of Commissioners of Allen County entered into on April 25, 2013, required the Bureau to remit 36.5 percent of the monthly lodging taxes to the Veterans Memorial Civic and Convention Center for operations and 10 percent of the annual lodging taxes to Allen County for debt payments for the Veterans Memorial Civic and Convention Center. On April 21, 2015, a new agreement was entered into with the Allen County Commissioners. This agreement

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.

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 100% of the hotel-motel tax receipts from the Wingate Hotel are to be paid to the Bureau, which then shall be transmitted from the Bureau to the Board of Commissioners of Allen County for its payments toward the debt incurred for the civic center expansion. In addition, 50% of all other remaining hotel-motel tax receipts shall be paid to the Bureau.

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.

2. We selected a sample (agreed upon) of forty disbursements of lodging taxes from the years ended December 31, 2018 and 2017, in addition to all disbursements exceeding \$10,000, 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.

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, 2018 and 2017, 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, 2018 and 2017, 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 24, 2019

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OHIO AUDITOR OF STATE KEITH FABER



LIMA-ALLEN COUNTY CONVENTION AND VISITORS BUREAU

ALLEN 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
AUGUST 29, 2019**