



Mary Taylor, CPA
Auditor of State

LORAIN COUNTY VISITORS BUREAU, INC.
LORAIN COUNTY

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Independent Accountants' Report on Applying Agreed-Upon Procedures..... | 1 |



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Trustees
Lorain County Visitors Bureau, Inc.
Lorain County
Amherst, Ohio

We have performed the procedures enumerated below, to which the management of the Lorain County Visitors Bureau, Inc. (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Lorain County, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the period April 1, 2008 through December 31, 2009. The Bureau is responsible for disbursing lodging taxes for allowable purposes. We followed the American Institute of Certified Public Accountants' attestation standards for agreed-upon procedures engagements 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 Lorain County the lodging taxes it paid to the Bureau during the period April 1, 2008 through December 31, 2009. The County confirmed that they paid the Bureau \$654,533 during this covered period.
2. We compared the amount from step 1. to amounts recorded as lodging tax receipts on the Bureaus cash receipts journal. 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 Section 5739.09(A)(2)

The Bureaus 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 sixty disbursements of lodging taxes from the period of April 1, 2008 through December 31, 2009 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 known violation of the restrictions listed above. However, we did note two instances where we were not able to determine if the purpose of expenditure was allowable as determined by the sources of restrictions listed in *Cash Disbursements Step 1.* above. The Bureau issued two checks, both of which were payments to the Bureau's credit card company for multiple purchases. Check No. 17637 of which \$90 was paid to a gas station could not be supported, as well as Check No. 17956 in which a total of \$17 paid to a restaurant could not be supported. Without detailed receipts to support the expenditures, we were unable to determine whether the expenditures were for a public proper purpose.

We were not engaged to, and did not examine the Bureaus lodging tax receipts and disbursements for the period of April 1, 2008 through December 31, 2009, 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 else.



Mary Taylor, CPA
Auditor of State

March 10, 2010



Mary Taylor, CPA
Auditor of State

LORAIN COUNTY VISITORS BUREAU INC

LORAIN 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
APRIL 6, 2010**