



Dave Yost • Auditor of State





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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, 2016 and 2015 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, 2016 and 2015 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.

### Cash

1. We recalculated the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We attempted to agree the January 1, 2015 beginning fund balances recorded in the General Ledger to the December 31, 2014 balances in the prior year Agreed-Upon Procedures working papers. We could not perform this procedure since procedures over cash and investments were not performed in the prior Agreed-Upon Procedures engagement. However, we did agree the January 1, 2015 beginning balance recorded in the General Ledger, to the 2014 ending balance recorded in the Ledger. We noted these amounts agreed with no exceptions. We also agreed the January 1, 2016 beginning fund balance recorded in the General Ledger to the December 31, 2015 balance in the Ledger. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and 2015 fund cash balances reported in the General Ledger. The amounts agreed.
4. We confirmed the December 31, 2016 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, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

### Cash (Continued)

- 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, 2016 and December 31, 2015 to determine that they:
  - a. Were of a type authorized by the Bureau. We found no exceptions

### Cash Receipts

1. We summarized lodging taxes the City of Lima's GL Transaction Report, City of Delphos's Monthly Invoice by Department Report, Allen County's YTD Detail Expenditure Report, and the American, Bath, and Perry township's Payment Listing Reports reported as payments to the Bureau during the years ending December 31, 2016 and 2015. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2016	\$638,847
December 31, 2015	\$728,162

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. However, we did find that that a July receipt from Perry Township in the amount of \$10,983.66 was improperly labeled as a receipt from the City of Lima. Overall, the totals agreed, however the Bureau's General Ledger is overstating the amount received from the City of Lima in 2015 and understating the amount received from Perry Township in 2015. This may result in the Bureau believing one entity has underpaid and another entity has overpaid lodging taxes. Periodically a reconciliation between recorded receipts and support provided by each entity should be performed to help prevent recording errors.

### 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.

### **Cash Disbursements (Continued)**

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 haphazardly selected forty disbursements of lodging taxes exceeding \$5,000 from the years ended December 31, 2016 and 2015 in addition to all disbursements exceeding \$20,000, 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, 2016 and 2015, 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 for the use of the Bureau to assist in evaluating its receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, 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 3, 2017



# Dave Yost • Auditor of State

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  
SEPTEMBER 7, 2017