



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Cuyahoga County
2079 East Ninth Street
Cleveland, Ohio 44115

The Convention and Visitors Bureau of Greater Cleveland, Inc.
DBA Destination Cleveland and Spirit of Cleveland, Inc.
334 Euclid Avenue
Cleveland, Ohio 44114

We have performed the procedures enumerated below, which were agreed to by the County Council and management of Cuyahoga County (the "County") and the Board of Directors and management of the Convention and Visitors Bureau of Greater Cleveland, Inc. DBA Destination Cleveland and Spirit of Cleveland, Inc. ("Destination Cleveland"), on certain transactions collected, remitted, and/or disbursed under Ohio Rev. Code §5739.09(H) and the 2014 *Agreement Governing the Use of Extended Capital Improvement Bed Tax between the County of Cuyahoga, Positively Cleveland, and the Mayor of the City of Cleveland* and the 2017 *Addendum to the 2014 Existing Agreement* for the years ended December 31, 2018, 2017, 2016 and 2015. The County and Destination Cleveland are responsible for recording transactions and balances and for complying with the agreements and statute. 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 Receipts

1. We summarized extended capital improvement bed tax proceeds collected by the County during the years ending December 31, 2018, 2017, 2016 and 2015. The total proceeds receipted into the County General Fund were as follows:

Year Ended	Amount
December 31, 2018	\$7,058,825
December 31, 2017	\$6,525,940
December 31, 2016	\$6,595,157
December 31, 2015	\$5,528,124

2. We summarized extended capital improvement bed tax proceeds remitted by the County to Destination Cleveland during the years ending December 31, 2018, 2017, 2016 and 2015. The totals remitted to Destination Cleveland were as follows:

Year Ended	Amount
December 31, 2018	\$7,058,825
December 31, 2017	\$6,525,940
December 31, 2016	\$6,595,157
December 31, 2015	\$5,528,124

3. We compared the amounts collected from step 1 to amounts remitted from step 2. We found no exceptions.
4. We compared the amounts from step 2 to amounts recorded as extended capital improvement bed tax by Destination Cleveland in their accounting records. We noted variances attributed solely to timing differences, due to Destination Cleveland's accrual policy regarding the recognition of revenue. We found no exceptions.

Cash Disbursements

1. We inquired of County and Destination Cleveland management regarding sources describing allowable purposes or restrictions related to Destination Cleveland's disbursements of extended capital improvement bed tax. We listed these sources and summarized significant related restrictions below:

Source of Restrictions

- a. Ohio Rev. Code §5739.09(H)(6)
- b. 2014 *Agreement Governing the Use of Extended Capital Improvement Bed Tax between the County of Cuyahoga, Positively Cleveland, and the Mayor of the City of Cleveland.*

"...the proceeds of the extended Capital Improvement Bed Tax shall be used for the direct and indirect costs of capital improvements, including the financing of capital improvements. Examples of such capital improvements include, but are not limited to, capital improvements through Positively Cleveland or other local organizations for the following: major political and/or other large conventions, Rock and Roll Hall of Fame Induction ceremonies and/or events, the support of tourism, and/or other major special events and/or other events".

2. We selected a sample (agreed upon) of forty disbursements of extended capital improvement bed tax from the years ended December 31, 2018, 2017, 2016 and 2015 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 of 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 County and Destination Cleveland's extended capital improvement bed tax transactions for the years ended December 31, 2018, 2017, 2016, and 2015, the objective of which would have been to opine on extended capital improvement bed tax transactions 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 certain transactions collected, remitted, and/or disbursed under Ohio Rev. Code §5739.09(H) and the 2014 *Agreement Governing the Use of Extended Capital Improvement Bed Tax between the County of Cuyahoga, Positively Cleveland, and the Mayor of the City of Cleveland* and the 2017 *Addendum to the 2014 Existing Agreement* for the years ended December 31, 2018, 2017, 2016 and 2015 and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

September 13, 2019

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CUYAHOGA COUNTY EXTENDED BED TAX

CUYAHOGA 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
OCTOBER 10, 2019