



Dave Yost • Auditor of State





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

Defiance Development and Visitors Bureau  
Defiance County  
325 Clinton Street  
Defiance, Ohio 43512

We have performed the procedures enumerated below, to which the management of Defiance Development and Visitors Bureau, Defiance County, Ohio (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from the City of Defiance and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended December 31, 2013 and 2012. The Bureau is responsible for disbursing lodging taxes for allowable purposes. 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*. 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 the City of Defiance the lodging taxes it paid to the Bureau during the years ending December 31, 2013 and 2012. The City of Defiance confirmed the following amounts:

Year Ended	Amount
December 31, 2013	\$131,448
December 31, 2012	\$131,927

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's Cash Register. 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)(3) Tax Exemption
- c. Defiance Development and Visitors Bureau Res. June 8, 2007 amended June 17, 2011

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

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 twenty five disbursements of lodging taxes from the years ended December 31, 2013 and 2012 in addition to all disbursements exceeding \$1,000, 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 eleven exceptions. The Bureau made three transfers from the Public Fund to the Fireworks Fund, four transfers to the Main Street Fund, and four transfers to the Building Fund in the total amounts of \$18,058, \$45,767 and \$16,000, respectively. The Fireworks, Main Street, and Building funds are private funds and are not restricted to the requirements listed above. We determined \$49,000 of these transfers expended in the private funds were made in accordance with the sources of restrictions listed in *Cash Disbursements Step 1* above. The remaining \$30,825 in monies transferred to the private funds were not spent and returned to the public fund in 2014. We recommend that all lodging tax money be spent out of the public fund and not be comingled with private funds.

We were not engaged to, and did not examine the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2013 and 2012, 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 other than the specified party.



**Dave Yost**  
Auditor of State

Columbus, Ohio

May 5, 2014



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**DEFIANCE DEVELOPMENT AND VISITORS BUREAU**

**DEFIANCE 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  
JUNE 24, 2014**