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SONOMA COUNTY TOURISM

Sonoma County Tourism Bureau, Inc.

***Agreed- Upon Procedures
Performed by Independent Accountant***

Year Ended June 30, 2024

Table of Contents

Page

Independent Accountant's Report on Applying Agreed-Upon Procedures	1
Agreed-Upon Procedures Schedule of Findings	3

Independent Accountant's Report on Applying Agreed-Upon Procedures

Board of Directors
Sonoma County Tourism Bureau, Inc.

We have performed the procedures enumerated below on compliance with applicable laws and the travel and entertainment expense reimbursement policy of Sonoma County Tourism Bureau, Inc. ("the Organization"), for the year ended June 30, 2024. The Organization is responsible for complying with the travel and entertainment expense reimbursement policy.

The Organization has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of testing compliance with applicable laws and the travel and expense reimbursement policy of Sonoma County Tourism Bureau, Inc. for the year ended June 30, 2024. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

We performed agreed-upon procedures as follows:

1. Obtain an understanding of the Organization's employee travel and entertainment expense reimbursement policies and procedures.
2. Select a sample of expenditures spanning July 1, 2023 to June 30, 2024 from a population consisting of all the Organization's employee held credit cards and expenditures reimbursed through payroll. From this sample, determine whether the expenditure would be subject to the policy. If subject to the policy, ensure the expense complies with the reimbursement policy. If the expenditure is not subject to the policy, determine whether it appears to have a valid business purpose and whether the price appears reasonable.
3. Determine whether the reimbursement expenses comply with applicable laws, specifically Chapter 33 Section 4 of the Sonoma County Municipal Code (authorized uses of business improvement funds) and Article XVI, section 6 of the California Constitution (prohibition against making a gift of public funds).

Below is a summary of results based on the documentation reviewed.

Procedure 1:

Kosmatka, Donnelly & Co., LLP (the "Firm") obtained an understanding of the policy by reviewing the Organization's travel and entertainment expense – policies and reporting procedures manual effective July 1, 2024.



Procedure 2:

The Firm selected a sample of expenditures from July 1, 2023 to June 30, 2024 and determined whether each expenditure was in compliance with the travel and entertainment expense reimbursement policy or, if this was not applicable, appeared to have a valid business purpose. The Firm selected all expenditures incurred by the CEO and CFO. The total number of expenditures tested was 331. Please see the attached schedule of findings for results of our procedures.

Procedure 3:

The Firm determined whether the expenses complied with applicable laws, specifically Chapter 33 Section 4 of the Sonoma County Municipal Code (authorized uses of business improvement funds) and Article XVI, section 6 of the California Constitution (prohibition against making a gift of public funds). The Firm noted no instances where expenditures did not comply with applicable laws.

We were engaged by the Organization to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with applicable laws and the travel and entertainment expense reimbursement of Sonoma County Tourism Bureau, Inc. for the year ended June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Sonoma County Tourism Bureau, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of management and directors of Sonoma County Tourism Bureau, Inc. and the County of Sonoma, and is not intended to be and should not be used by anyone other than these specified parties.

Kosmatka, Donnelly & Co., LLP

Santa Rosa, California
February 26, 2025

June 30, 2024

Finding #2024-01:

For the expense report dated January 2024, receipt No. 13, we noted that the expense pertains to a Business Class flight from New York, NY to Dallas/Fort Worth, TX. According to our policy, air travel within the U.S., as well as to/from Mexico and Canada, should be booked at economy/coach-class fares for flights under 4 hours, or economy plus for flights between 4 to 10 hours.

Management Response - Part of this flight was paid for with a travel credit so the reimbursed portion was missed. A check has since been provided to the Organization to reimburse for the business class portion.

Finding #2024-02:

For the expense report dated April 2024, receipt No. 3, we noted that this expense was for a rental car with a rate class of Q4, which corresponds to luxury sedans. However, standard practice dictates that a mid-size vehicle should be rented when available.

Management Response - This rental was for an intermediate SUV. There were two travelers attending the conference who needed transportation from Burbank to West Hollywood, so a SUV was rented.

Finding #2024-03:

In addition, we observed several instances where gratuities exceeded the standard 20% rate as outlined in the Travel and Entertainment Expense - Policies and Reporting Procedures.

Management Response - Our policy states approximately 20% gratuity. We allow for larger gratuities in the cases of exceptional service and when the employee receives discounted or comped items during their meal/entertainment.