

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**REPORT ON AUDITS OF
FINANCIAL STATEMENTS**

DECEMBER 31, 2018 AND 2017

OHIO AUDITOR OF STATE KEITH FABER



Board of Directors
Tuscarawas County Convention and Visitor's Bureau
124 East High Ave
New Philadelphia, Ohio 44663-2544

We have reviewed the *Independent Auditors' Report* of the Tuscarawas County Convention and Visitor's Bureau, prepared by Willoughby & Company, Inc., for the audit period January 1, 2018 through December 31, 2018. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Tuscarawas County Convention and Visitor's Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

April 24, 2019

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**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU
NEW PHILADELPHIA, OHIO**

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Tuscarawas County Convention and Visitors Bureau
New Philadelphia, Ohio

We have audited the accompanying financial statements of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

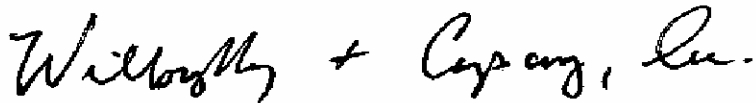
**Tuscarawas County Convention and Visitors Bureau
Independent Auditors' Report
Page 2**

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuscarawas County Convention and Visitors Bureau as of December 31, 2018 and 2017, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated April 17, 2019, on our consideration of Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Wiloughby & Company, Inc." in a cursive script.

**WILLOUGHBY & COMPANY, INC. - Certified Public Accountants
New Philadelphia, Ohio**

April 17, 2019

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS:		
Cash	\$ 97,832	\$ 130,343
Cash - reserve	26,065	25,985
Certificate of deposits	260,631	257,142
Accounts receivable	26,955	28,664
Prepaid expenses	17,080	22,370
Total current assets	428,563	464,504
 PROPERTY AND EQUIPMENT:		
Building and improvements	668,803	612,348
Construction loan interest	7,026	7,026
Video and display equipment	8,845	14,752
Office equipment	56,094	52,578
Computer equipment	5,968	5,968
	746,736	692,672
Less: accumulated depreciation	312,031	295,477
Net property and equipment	434,705	397,195
 Total assets	\$ 863,268	\$ 861,699

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018 AND 2017**

LIABILITIES AND NET ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 23,077	\$ 0
Notes payable, current portion	13,953	13,373
Deferred revenue	10,900	15,150
Accrued payroll taxes	<u>2,526</u>	<u>3,056</u>
Total current liabilities	50,456	31,579
LONG-TERM LIABILITIES:		
Notes payable, net of current portion	<u>264,161</u>	<u>278,464</u>
Total long-term liabilities	264,161	278,464
Total liabilities	314,617	310,043
NET ASSETS:		
Without donor restrictions	522,586	525,671
With donor restrictions	<u>26,065</u>	<u>25,985</u>
Total net assets	548,651	551,656
Total liabilities and net assets	<u>\$ 863,268</u>	<u>\$ 861,699</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Hotel and motel excise tax	\$ 481,029	\$ 0	\$ 481,029
Grants and donations	16,500	0	16,500
Reimbursements	6,817	0	6,817
Publication/Visitors' guide income	19,500	0	19,500
Group tour planner	748	0	748
Ohio Has It Income	0	0	0
Interest income	3,700	80	3,780
Rental income	8,183	0	8,183
Co-op advertising income	4,953	0	4,953
Miscellaneous	970	0	970
Revenue in Kind	<u>0</u>	<u>0</u>	<u>0</u>
Total support and revenue	542,400	80	542,480
EXPENSES:			
Program expenses	432,093	0	432,093
Administrative expenses	<u>113,392</u>	<u>0</u>	<u>113,392</u>
Total expenses	<u>545,485</u>	<u>0</u>	<u>545,485</u>
Changes in net assets	(3,085)	80	(3,005)
NET ASSETS, beginning of year	<u>525,671</u>	<u>25,985</u>	<u>551,656</u>
	522,586	26,065	548,651
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u><u>\$ 522,586</u></u>	<u><u>\$ 26,065</u></u>	<u><u>\$ 548,651</u></u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT:			
Hotel and motel excise tax	\$ 532,700	\$ 0	\$ 532,700
Grants and donations	0	0	0
Reimbursements	7,952	0	7,952
Publications/Visitors' guide income	6,217	0	6,217
Group tour planner	0	0	0
Ohio Has It Income	170	0	170
Interest income	3,496	23	3,519
Rental income	5,565	0	5,565
Co-op advertising income	3,424	0	3,424
Miscellaneous	1,230	0	1,230
Revenue in Kind	0	0	0
	<hr/>	<hr/>	<hr/>
Total support and revenue	560,754	23	560,777
EXPENSES:			
Program expenses	405,562	0	405,562
Administrative expenses	114,050	0	114,050
	<hr/>	<hr/>	<hr/>
Total expenses	519,612	0	519,612
	<hr/>	<hr/>	<hr/>
Changes in net assets	41,142	23	41,165
NET ASSETS, beginning of year	<hr/> 484,529	<hr/> 25,962	<hr/> 510,491
	525,671	25,985	551,656
	<hr/>	<hr/>	<hr/>
Transfers	0	0	0
	<hr/>	<hr/>	<hr/>
NET ASSETS, end of year	<u>\$ 525,671</u>	<u>\$ 25,985</u>	<u>\$ 551,656</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 172,891	\$ 43,223	\$ 216,114
Payroll taxes	13,442	3,361	16,803
Employee benefits	25,011	6,253	31,264
Pension expense	3,794	949	4,743
Advertising	55,372	23,731	79,103
Travel show and tours	40,258	0	40,258
Visitors' guide expense	8,751	0	8,751
Group Tour planner	2,347	0	2,347
Conferences and meetings	15,603	0	15,603
Dues and memberships	13,428	0	13,428
Public relations	2,699	1,799	4,498
Postage	3,040	338	3,378
Copying and printing	3,186	797	3,983
Office supplies	881	2,055	2,936
Vehicle expenses	10,238	1,138	11,376
Co-op advertising	0	0	0
Continuing education	4,032	1,180	5,212
Telephone	6,826	1,706	8,532
Legal and accounting	2,137	8,546	10,683
Insurance	1,438	616	2,054
Repairs & maintenance	5,803	2,487	8,290
Interest	8,532	3,657	12,189
Taxes - real estate	8	4	12
Grants and aid	1,250	0	1,250
TVH - Tusc. Valley Heritage	5,568	0	5,568
Rent - Parking Lot	0	600	600
Utilities	5,955	2,552	8,507
Computer expenses	3,880	1,662	5,542
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	416,370	106,654	523,024
Depreciation	15,723	6,738	22,461
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 432,093</u>	<u>\$ 113,392</u>	<u>\$ 545,485</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 158,381	\$ 39,595	\$ 197,976
Payroll taxes	12,785	3,196	15,981
Employee benefits	20,340	5,085	25,425
Pension expense	3,224	806	4,030
Advertising	67,413	28,891	96,304
Travel show and tours	34,968	0	34,968
Visitors' guide expense	48	0	48
Group Tour planner	2,899	0	2,899
Conferences and meetings	13,197	0	13,197
Dues and memberships	12,552	0	12,552
Public relations	3,280	2,187	5,467
Postage	3,629	403	4,032
Copying and printing	3,634	908	4,542
Office supplies	1,174	2,740	3,914
Vehicle expenses	7,777	864	8,641
Co-op advertising	4,031	0	4,031
Continuing education	4,535	1,327	5,862
Telephone	6,331	1,583	7,914
Legal and accounting	2,142	8,569	10,711
Insurance	3,713	1,591	5,304
Repairs & maintenance	4,005	1,716	5,721
Interest	9,286	3,980	13,266
Taxes - real estate	8	4	12
Grants and aid	0	0	0
TVH - Tusc. Valley Heritage	2,516	0	2,516
Rent - Parking Lot	0	450	450
Utilities	5,418	2,322	7,740
Computer expenses	2,563	1,099	3,662
	<hr/>	<hr/>	<hr/>
Total expenses before depreciation	389,849	107,316	497,165
	<hr/>	<hr/>	<hr/>
Depreciation	15,713	6,734	22,447
	<hr/>	<hr/>	<hr/>
Total expenses	<u>\$ 405,562</u>	<u>\$ 114,050</u>	<u>\$ 519,612</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from service recipients	\$ 531,256	\$ 547,603
Other operating cash receipts	8,456	6,053
Cash paid to employees and suppliers	(486,551)	(484,499)
Interest paid	<u>(12,189)</u>	<u>(13,266)</u>
Net cash provided by operating activities	<u>40,972</u>	<u>55,891</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(59,971)	0
Cash amounts deposited and reserved for loan requirements	(80)	(23)
Reinvested earnings from certificate of deposits	(3,489)	(3,442)
Interest income on accounts	<u>3,780</u>	<u>3,519</u>
Net cash provided (used) by investing activities	<u>(59,760)</u>	<u>54</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on note payable	<u>(13,723)</u>	<u>(13,153)</u>
Net cash used by financing activities	<u>(13,723)</u>	<u>(13,153)</u>
Increase (decrease) in cash	(32,511)	42,792
CASH, beginning of year	<u>130,343</u>	<u>87,551</u>
CASH, end of year	<u>\$ 97,832</u>	<u>\$ 130,343</u>
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Changes in net assets	\$ (3,005)	\$ 41,165
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	22,461	22,447
Interest income on accounts	(3,780)	(3,519)
(Increase) decrease in operating assets:		
Accounts receivable	1,709	(2,860)
Prepaid expenses	5,290	(16,610)
Increase (decrease) in operating liabilities:		
Accounts payable	23,077	0
Accrued expenses	(530)	118
Accrued other	<u>(4,250)</u>	<u>15,150</u>
Net cash provided by operating activities	<u>\$ 40,972</u>	<u>\$ 55,891</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

Tuscarawas County Convention and Visitors Bureau (the Organization) is a non-profit entity organized under the laws of the State of Ohio for the purpose of the promotion of Tuscarawas County, Ohio as a convention and tourist location.

METHOD OF ACCOUNTING

The Organization prepares its financial statements on the accrual basis of accounting.

FINANCIAL STATEMENT PRESENTATION

The financial statements are presented in accordance with FASB ASC 958-210, Financial Statements for Not-for-Profit Organizations. Under this standard, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. As of December 31, 2018 and 2017, the Organization had net assets with and without donor restrictions. In addition, the Organization is required to present a statement of cash flows when a statement of financial position and a statement of activities and changes in net assets are reported upon.

ACCOUNTS RECEIVABLE

The Organization uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 2018 and 2017. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

PROPERTY AND EQUIPMENT

Property and equipment are carried at cost. Depreciation is provided over the estimated useful lives of the related assets. Maintenance and repairs are charged to operations when incurred. Renewals and betterments of a nature considered to materially extend the useful lives of the assets are capitalized. When assets are retired or otherwise disposed of, the assets and related allowances for depreciation are eliminated from the accounts, and any resulting gain or loss is reflected in income. Depreciation for financial reporting purposes is based on the following policies:

<u>DESCRIPTION</u>	<u>USEFUL LIVES</u>	<u>METHOD</u>
Building and improvements	15 - 39 years	Straight line
Construction loan interest	30 years	Straight line
Video and display equipment	5 years	Straight line
Office equipment	5 - 10 years	Straight line
Computer equipment	5 years	Straight line

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CONTRIBUTIONS

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

TAX STATUS

As a non-profit organization under Section 501(c)(6) of the Internal Revenue Code, the Organization is exempt from Federal and Ohio income taxes. Therefore, no provision has been made for Federal or Ohio income taxes in the accompanying financial statements.

The Organization adopted the provision of FASB ASC-740-10 which relates to accounting for uncertainty in income taxes on July 1, 2009. Application of the new standard did not have any material effect on the Organization's financial statements. The Organization continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings in determining any uncertain tax positions.

The Organization's activity is included its Return of Organization Exempt from Income Tax annually. The returns for 2017, 2016 and 2015 are subject to examination by the IRS, generally for three years after they were filed.

STATEMENTS OF CASH FLOWS

For the purposes of the statements of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents. The Organization paid interest of \$12,189 and \$13,266 for the years ended December 31, 2018 and 2017, respectively.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ADVERTISING COSTS

The Organization expenses the production costs of advertising the first time the advertising takes place.

DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through April 17, 2019, which is the date the financial statements were available to be issued.

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2: DEPOSITS WITH BALANCE SHEET RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization places its temporary cash instruments with various local financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2018 and 2017, the Organization had uninsured cash balances not covered by the FDIC of \$10,631 and \$7,142, respectively.

NOTE 3: COMPENSATED ABSENCES

Employees of the Organization are entitled to vacation and sick days, depending on job classification, length of service, and other factors. No amounts have been recorded on the statements of financial position as a liability for December 31, 2018 and 2017.

NOTE 4: CONCENTRATION OF CREDIT RISK

The accounts receivable balance of the Organization consists of balances due from clients operating primarily in East Central Ohio.

The Organization receives a majority of its funding from a hotel and motel excise tax in Tuscarawas County located in East Central Ohio.

NOTE 5: PENSION PLAN

The Organization sponsors a Simple Retirement program for all eligible employees. The Organization matches employee deferrals up to 3% of employee earnings. The Organization incurred matching contributions of \$4,743 and \$4,030 for the years ended December 31, 2018 and 2017, respectively.

NOTE 6: CASH - RESERVE

Per requirements of the USDA loan previously taken out (see Note 9), the Organization must set aside monies, over time, that will equal one year's mortgage payment (\$218 per month over 10 years). The Organization contributed \$80 and \$23 towards the required amount during 2018 and 2017. As of December 31, 2018, the Organization is up-to-date on its required contributions.

NOTE 7: BOARD DESIGNATED BUILDING FUND

It is the policy of the Board of Directors of the organization to review its plans for future property improvements and acquisitions from time to time and to designate appropriate sums to assure adequate financing of such improvements and acquisitions. As of December 31, 2018 and 2017, there were no amounts set aside for this purpose.

NOTE 8: LINE OF CREDIT

The Organization entered a line of credit agreement during 2016 with maximum borrowings available of \$25,000 at an interest rate of 3.5% with First Federal Community Bank. All amounts borrowed during 2016 were paid before the year ended December 31, 2016. No amounts were borrowed during 2018 or 2017.

**TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU**

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9: NOTE PAYABLE

The Organization had the following note payable at December 31:

	<u>2018</u>	<u>2017</u>
Note payable - United States Department of Agriculture Rural Development (USDA), secured by real estate with monthly payments of \$2,155 which includes interest at 4.25%. Final payment is due December 2033.	\$ 278,114	\$ 291,837
	<u>278,114</u>	<u>291,837</u>
Less: current portion	<u>13,953</u>	<u>13,373</u>
	<u>\$ 264,161</u>	<u>\$ 278,464</u>

Principal payments on the note payable are scheduled to be made as follows for the years ending December 31:

2019	\$	13,953
2020		14,558
2021		15,189
2022		15,847
2023		16,534
Thereafter		<u>202,033</u>
	\$	<u>278,114</u>

NOTE 10: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$428,563 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$123,897, accounts receivable of \$26,955, short-term investments of \$260,631 and prepaid expenses of \$17,080. \$26,065 of the financial assets are subject to a contractual restriction which makes it unavailable for general expenditure within one year of the balance sheet date. See Note 6 for more details regarding the cash reserve amount. The accounts receivable are subject to implied time restrictions but are expected to be collected within one year.

The Organization has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$87,171. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

In addition, as part of its liquidity management, The Organization invests cash in excess of daily requirements in certificates of deposit. As more fully described in Note 8, The Organization also has a committed line of credit in the amount of \$25,000, which it could draw upon in the event of an unanticipated liquidity level.

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WILLOUGHBY & COMPANY, INC.

Certified Public Accountants

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

To the Board of Directors of
Tuscarawas County Convention and Visitors Bureau
New Philadelphia, Ohio

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AUDITS OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization) which comprise the statements of financial position as of December 31, 2018 and 2017, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 17, 2019.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tuscarawas County Convention and Visitors Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

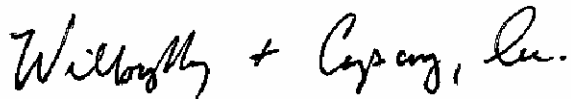
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tuscarawas County Convention and Visitors Bureau's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WILLOUGHBY & COMPANY, INC. - Certified Public Accountants
New Philadelphia, Ohio

April 17, 2019

OHIO AUDITOR OF STATE KEITH FABER



TUSCARAWAS COUNTY CONVENTION AND VISITORS BUREAU

TUSCARAWAS 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
MAY 9, 2019**