

TRUMBULL COUNTY TOURISM BUREAU, INC.

TRUMBULL COUNTY, OHIO

Regular Audit

For the Year Ended December 31, 2022



OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Trustees
Trumbull County Tourism Bureau, Inc.
321 Mahoning Ave NW
Warren, Ohio 44483

We have reviewed the *Independent Auditor's Report* of the Trumbull County Tourism Bureau, Inc., Trumbull County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2022 through December 31, 2022. 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 Trumbull County Tourism Bureau, Inc. 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

August 04, 2023

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Trumbull County Tourism Bureau, Inc.
Trumbull County
For the year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

Trumbull County Tourism Bureau
Trumbull County
321 Mahoning Avenue, NW
Warren, Ohio 44483

To the Board of Trustees:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Trumbull County Tourism Bureau, Trumbull County, Ohio (the Bureau), which comprise the statement of assets, liabilities, and net assets as of December 31, 2022, and the related statement of support and revenue, expenses and changes in net assets and cash flows for the year then ended, and the related notes to the financial statements which collectively comprise the Bureau's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bureau, as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with a modified cash basis of accounting.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Bureau, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 2, and for determining that the modified cash basis of accounting is an acceptable basis for preparation of the financial statements in the circumstances. Management is also responsible for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

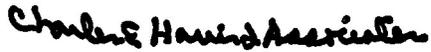
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Bureau's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2023, on our consideration of the Bureau's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Bureau's 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 the Bureau's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.
June 15, 2023

Trumbull County Tourism Bureau, Inc.
Trumbull County
Statement of Assets, Liabilities and Net Assets (Modified Cash Basis)
For the Year Ended December 31, 2022

Assets:	
Cash and cash equivalents	\$ 419,481
<i>Total assets</i>	<u>419,481</u>
Liabilities:	
Payroll taxes and withholdings	4,555
Prepaid membership dues	<u>7,326</u>
<i>Total liabilities</i>	11,881
Net Assets:	
Unrestricted	<u>407,600</u>
<i>Total liabilities and net assets</i>	<u><u>\$ 419,481</u></u>

The notes are an integral part to these financial statements.

Trumbull County Tourism Bureau, Inc.
Trumbull County
Statement of Support and Revenue, Expenses
an Changes in Net Assets (Modified Cash Basis)
For the Year Ended December 31, 2022

Public support and revenue	
County contract revenue received	\$ 569,158
Membership dues collected	7,915
Events	713
Grant revenue	10,000
Miscellaneous	<u>50</u>
<i>Total public support and revenue</i>	587,836
 Expenses	
Personnel expenses	164,057
Administrative expenses	116,449
Marketing, advertising and promotion expenses	331,107
Membership development	4,202
Community awareness	<u>19,285</u>
<i>Total expenses</i>	<u>635,100</u>
<i>Net operating income / (loss)</i>	(47,264)
 Non-operating revenue	
Interest	<u>457</u>
<i>Total non operating revenue</i>	<u>457</u>
<i>Change in net assets</i>	(46,807)
<i>Net assets, January 1</i>	<u>454,407</u>
<i>Net assets, December 31</i>	<u><u>\$ 407,600</u></u>

The notes are an integral part to these financial statements.

Trumbull County Tourism Bureau, Inc.

Trumbull County

Statement of Cash Flows

For the Year Ended December 31, 2022

Cash flows from operating activities	
Receipts from county contract	\$ 569,158
Receipts from membership dues	7,937
Receipts from events	713
Receipts from grants	10,000
Receipts from other sources	50
Payments to administration	(116,449)
Payments to employees	(162,909)
Payments for marketing, advertising and promotion	(331,107)
Payments for membership development	(4,202)
Payments for community awareness	(19,285)
	<hr/>
<i>Net cash provided by operating activities</i>	(46,094)
Cash flows from investing activities	
Interest	457
	<hr/>
<i>Net cash provided by investing activities</i>	457
	<hr/>
<i>Net increase (decrease) in cash and cash equivalents</i>	(45,637)
<i>Cash and cash equivalents as of January 1, 2022</i>	465,118
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<i>Cash and cash equivalents as of December 31, 2022</i>	419,481
	<hr/> <hr/>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income / (loss)	(47,264)
Adjustment to reconcile operating income to net cash used by operating activities:	
Increase in payroll taxes payable	1,148
Increase in prepaid membership dues	22
	<hr/>
<i>Total adjustments</i>	1,170
	<hr/>
<i>Net cash provided by operating activities</i>	<u>\$ (46,094)</u>

The notes are an integral part to these financial statements.

Trumbull County Tourism Bureau, Inc.

Trumbull County

Notes to the Financial Statements

For the Year Ended December 31, 2022

Note 1 – Reporting Entity

The Trumbull County Tourism Bureau, Inc. (the Bureau) is a nonprofit corporation which was formed December 2005 by the Trumbull County Commissioners, State of Ohio. The primary purpose of the Bureau is to encourage the economic development of Trumbull County, Ohio by promoting tourism and establishing Trumbull County as an attractive and successful destination center in the northeastern Ohio area and such other activities and duties as authorized by the applicable sections of the Ohio Revised Code which apply to the Bureau. The Bureau's Board consists of ten members. One of the members is a County Commissioner or designee, appointed by the President of the County Commissioners. The other nine members are elected by the membership. A substantial portion of the Bureau's revenues are derived from the hotel tax.

Note 2 – Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting. Except for modifications having substantial support, revenues are recorded in the Bureau's financial records and reported in the financial statements when cash is received rather than when earned and expenses are recorded when cash is paid rather than when a liability is incurred. The exception to this is for payroll taxes and withholdings which the Bureau has recognized as an expense and subsequent liability at the time incurred and the recognition of prepaid membership dues.

Revenues

A substantial portion of the Bureau's revenue comes from a contract with Trumbull County, Ohio from a share of the hotel tax, commonly known as "bed tax", collected by Trumbull County. The Bureau's share of the tax is determined annually by Trumbull County. A significant reduction in the level of this support, if this were to occur, may have an effect on the continuance of the services provided by the Bureau. The contract requires the Bureau to provide services of approximate equal value to the amounts received under the contract.

The Bureau also receives annual dues from members who choose to join. The current annual membership fee is \$50. Membership dues are recognized as revenue when received.

Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturity of three months or less from the date of acquisition.

Grant Distributions

The Bureau receives requests to fund and sponsor various activities throughout Trumbull County. All requests require the Board of Trustees approval. Grant distributions are expensed when paid rather than when activities occur.

Inventory and Prepaid Items

The Bureau reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

Trumbull County Tourism Bureau, Inc.
Trumbull County
Notes to the Financial Statements
For the Year Ended December 31, 2022

Note 2 – Summary of Significant Accounting Policies (continued)

Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

Use of Estimates

The preparation of statements on the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts. Actual results could differ from those estimates.

Note 3 – Concentration of Custodial Credit Risk

The Bureau maintains its cash balances in one financial institution located in Warren, Ohio. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000, while the remaining balance is collateralized by securities specifically pledged by the financial institution to the Bureau. At December 31, 2022, the carrying amount of the Bureau's deposits was \$36,591 for the checking account and \$382,690 for the sweep account. The Bureau maintains a \$200 petty cash fund which is included as part of Cash and Cash Equivalents on the financial statements.

Note 4 – Leases

The Bureau leases office space, including all utilities, from the City of Warren for \$2,400 per year.

Note 5 – Risk Management

The Bureau has obtained commercial insurance through private carriers for general liability and Director and Officer liability insurance. There were no significant reductions in coverage from prior years and claims have not exceeded insurance coverage in any of the past three years.

Note 6 – Subsequent Events

Management believes there are no pending claims or lawsuits that could significantly adversely affect the Bureau.

Note 7 – Liquidity

The Bureau has \$419,481 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash and a sweep account of \$419,481. As part of the Bureau's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Cash and cash Equivalents are held in checking, business checking, and business money market accounts. Financial assets that are subject to restriction make them unavailable for general expenditure within one year of the statement of financial position date. As of December 31, 2022, the Bureau did not have any financial assets subject to donor restriction.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Trumbull County Tourism Bureau
Trumbull County
321 Mahoning Avenue, NW
Warren, Ohio 44483

To the Board of Trustees:

We have audited, 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, the financial statements for the year ended December 31, 2022, and the related notes to the financial statements of the Trumbull County Tourism Bureau, Trumbull County, (the Bureau) and have issued our report thereon dated June 15, 2023, wherein we noted that the Bureau followed a special purpose framework other than generally accepted accounting principles.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Bureau's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Bureau'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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 or other matters 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 Bureau'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 Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris and Associates, Inc.
June 15, 2023

OHIO AUDITOR OF STATE KEITH FABER



TRUMBULL COUNTY TOURISM BUREAU, INC.

TRUMBULL COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



Certified for Release 8/17/2023

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at
www.ohioauditor.gov