

**STARK COUNTY
CONVENTION & VISITORS BUREAU**
STARK COUNTY, OHIO

**Financial Statements
(Audited)**

**For the Year Ended
December 31, 2019**



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Columbus, Ohio 43215
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(800) 282-0370

Board of Directors
Stark County Convention & Visitors Bureau
227 2nd St. NW
Canton, Ohio 44702

We have reviewed the *Independent Auditor's Report* of the Stark County Convention & Visitors Bureau, Stark County, prepared by Julian & Grube, Inc., for the audit period January 1, 2019 through December 31, 2019. 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 Stark County Convention & Visitors 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

June 22, 2020

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**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY**

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Independent Auditor's Report

Stark County Convention & Visitors Bureau
Stark County
227 2nd Street NW
Canton, Ohio 44702

To the Board of Directors:

Report on the Financial Statements

We have audited the accompanying financial statements of the Stark County Convention & Visitors Bureau, Stark County, Ohio, (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Stark County Convention & Visitors Bureau's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Stark County Convention & Visitors Bureau's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Stark County Convention & Visitors Bureau, Stark County, Ohio as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 11 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of Stark County Convention & Visitors Bureau. We did not modify our opinion regarding this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2020, on our consideration of the Stark County Convention & Visitors 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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 Stark County Convention & Visitors Bureau's internal control over financial reporting and compliance.



Julian & Grube, Inc.
April 15, 2020

FINANCIAL STATEMENTS

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

Assets:

Current assets:

Equity in cash and cash equivalents	\$ 2,429,122
Investments	690,809
Accounts receivable - exploreboard	1,450
Accounts receivable - trade	444,470
Accounts receivable - Stark County	726,749
Prepayments	42,630
	4,335,230
Total current assets	4,335,230

Property & equipment:

Office equipment	57,935
Promotional items	45,539
Leasehold improvements	140,890
Exploreboards	95,846
Less: Accumulated Depreciation	(184,641)
	155,569
Net property & equipment	155,569

Total assets	\$ 4,490,799
	4,490,799

Liabilities:

Accounts payable - trade	\$ 332,730
Accrued vacation	35,357
Workers compensation	539
Deferred revenue	11,740
	380,366
Total liabilities	380,366

Net assets:

Without donor restrictions	4,110,433
	4,110,433
Total net assets	4,110,433

Total liabilities and net assets	\$ 4,490,799
	4,490,799

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Without Donor Restrictions
Revenues and Other Support:	
County hotel and motel excise tax	\$ 3,076,992
Event registration	1,455
ExploreBoard Advertising	17,288
OHSAA	444,364
Other income	905
Investment income	52,875
Total Revenues and Other Support	3,593,879
Expenses:	
Downtown Visitor Information Center	2,518,717
Airport Visitor Information Center	3,291
Depreciation	49,911
Total expenses	2,571,919
Change in net assets	1,021,960
Net assets at beginning of year	3,088,473
Net assets at end of year	\$ 4,110,433

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Downtown Visitor Information Center	Airport Visitor Information Center	Total
Personal Services	\$ 713,171	\$ 3,291	\$ 716,462
Office Supplies & Equipment	15,609	-	15,609
Computer Operations	7,395	-	7,395
Insurance	3,060	-	3,060
Telephone	15,330	-	15,330
Postage	12,609	-	12,609
Staff Travel	37,018	-	37,018
Sales Initiatives	57,762	-	57,762
Professional Fees	10,978	-	10,978
Dues and Subscriptions	43,048	-	43,048
Legal Fees	28,400	-	28,400
Board	1,938	-	1,938
Banking Fees	4,938	-	4,938
Rent	38,175	-	38,175
Utilities	7,106	-	7,106
Operational Services	17,796	-	17,796
Advertising	329,505	-	329,505
Event Promotion	142,587	-	142,587
Exploreboards	34,596	-	34,596
Internship Program	9,014	-	9,014
OHSAA	518,252	-	518,252
Special Projects	67,455	-	67,455
Cultural Tourism Grants	402,975	-	402,975
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Total Functional Expenses	<u>\$ 2,518,717</u>	<u>\$ 3,291</u>	<u>\$ 2,522,008</u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019**

Cash flows from operating activities:	
Change in net assets	\$ 1,021,960
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	49,911
(Increase) decrease in assets:	
Accounts receivable - trade	38,266
Accounts receivable - Stark County	(682)
Accounts receivable - exploreboard	(1,450)
Prepaid expenses	1,434
Increase (decrease) in liabilities:	
Accounts payable - trade	(133,324)
Accounts payable - Canton Regional Chamber of Commerce	(2,151)
Accrued vacation	568
Accrued payroll and benefits	(974)
Workers Compensation	(281)
Deferred revenue	(708)
Total adjustments	<u>(49,391)</u>
Net cash provided by (used in) operating activities	<u>972,569</u>
 Cash flows from capital and related financing activities:	
Purchase of property and equipment	<u>(6,720)</u>
Net cash used in capital and related financing activities	<u>(6,720)</u>
 Cash flows from investing activities:	
(Gain) loss on investments at fair value	(7,174)
Reinvestment of interest revenue related to investments	(26,008)
Sale of investments	24,656
Bank fees related to investments	<u>1,500</u>
Net cash provided by (used in) investing activities	<u>(7,026)</u>
Net increase (decrease) in cash and cash equivalents	958,823
 Cash and cash equivalents at beginning of year	<u>1,470,299</u>
Cash and cash equivalents at end of year	<u><u>\$ 2,429,122</u></u>

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

The Stark County Convention & Visitors Bureau (the “CVB”) was organized in 1980 for the purpose of spotlighting Stark County as a travel and tourism destination through target market advertising efforts and the creation of fulfillment publications. The CVB also promotes the community as a successful meeting, convention and trade show destination. All levels of sporting events, statewide and nationwide, are actively solicited and secured by the CVB. The CVB receives financial support from Stark County through revenues collected from a motel/hotel room tax.

B. Basis of Accounting

The financial statements of the CVB have been prepared on the accrual basis of accounting, and accordingly reflect all significant receivables, payables and other liabilities.

C. Basis of Presentation

The financial statements are presented in accordance with FASB ASC 958, Financial Statements for Not-for-Profit Organizations. Under this standard, the CVB 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. In addition, the CVB is required to present a statement of cash flows when a statement of financial position and a statement of activities are reported upon.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the CVB’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by the actions of the CVB or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no assets with donor restrictions at December 31, 2019.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

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**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. New Accounting Pronouncements

During 2019, the CVB implemented Financial Accounting Standards Board (FASB) ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)", included in ASC 958-605, "Not-for-Profit Entities- Revenue Recognition." The update creates a single framework for recognizing revenue from contracts with customers that fall within its scope and revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. The implementation did not have an effect on the financial statements of the CVB.

During 2019, the CVB implemented FASB ASU 2018-08, Not-for-Profit Entities (Topic 958) – "Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made", included in ASC 958-605, "Not-for-Profit Entities- Revenue Recognition." The update addresses the complexity and understandability of whether a contract or agreement should be accounted for as a contribution or as an exchange transaction and provides a framework for determining whether a contribution is conditional or unconditional and its impact on the timing of revenue recognition. The implementation did not have an effect on the financial statements of the CVB.

E. Allocation of Functional Expenses

CVB expenses are reported and categorized based upon their functional classification as either Downtown Visitor Information Center or Airport Visitor Information Center. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. There are no expenses that are allocated between Downtown Visitor Information Center and Airport Visitor Information Center.

F. 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.

G. Contributions

Unconditional promises to give are recognized as revenue when the underlying promises are received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions; depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

H. Fair Value

The carrying amount of financial instruments, including cash, accounts receivable and accounts payable approximated fair value due to the short maturity of these instruments.

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

I. Cash Equivalents

Cash equivalents consist of money market instruments with original maturities of three months or less. Cash equivalents are carried at cost, which approximates fair value.

J. Accounts Receivable

The CVB uses the allowance method of accounting for doubtful accounts. All accounts were considered to be fully collectible at December 31, 2019. Therefore, no allowance for doubtful accounts has been recorded in these financial statements.

K. Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value with gains or losses included in the statements of activities. Investment income which includes interest, dividends, net realized and unrealized gains or losses on fair value of investments and other investment income is reported in the period earned as increases in net assets without donor restrictions unless specifically restricted by the donor.

L. Property and Equipment

Property and equipment are valued at cost if purchased and fair value if contributed. Property and equipment over \$1,000 are capitalized. Depreciation is computed using the straight-line method based upon the estimated useful lives of the assets. Leasehold improvements generally are depreciated over 20 to 45 years while office equipment, promotional items and vehicles are generally depreciated over 3 to 15 years. Depreciation expense for the year ended December 31, 2019 was \$49,911.

M. Revenue Recognition

Revenue and expenses are recorded on the accrual basis. County motel/hotel room tax is recognized as earned in the period in which applicable tax receipts are collected by Stark County.

N. Inventory

Inventory consists of supplies and is stated at the lower of cost or fair market value. The CVB had no inventory as of December 31, 2019.

O. Income Taxes

The CVB is exempt from Federal income taxes under Section 501(c)(6) of the Internal Revenue Code, except for advertising revenue and program administration fees which are subject to unrelated business income tax. There is no provision for unrelated business income taxes at December 31, 2019. The CVB's federal income tax returns for 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after they were filed. Management has evaluated the effect of accounting guidance regarding uncertain income tax positions and concluded the CVB has no significant financial statement exposure to uncertain tax positions. The CVB is not currently under audit by any tax jurisdiction.

P. Advertising Costs

Advertising costs are expensed as incurred and amounted to \$329,505 for the year ended December 31, 2019.

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Q. Contributed Services

A significant portion of the CVB's sporting events and programs are conducted by unpaid volunteers. The value of these contributed services is not reflected in the financial statements because these services do not meet the criteria for recognition under FASB ASC 958-605.

R. Subsequent Events

Subsequent events have been evaluated through April 15, 2020 which is the date the financial statements were available to be issued.

S. Prepayments

Payments made to vendors for services that will benefit periods beyond December 31, 2019 are recorded as prepayments by recording a current asset for the prepaid amount at the time of the purchase and the expense in the year in which services are consumed.

NOTE 2 - AVAILABILITY AND LIQUIDITY

The following represents the CVB's financial assets at December 31, 2019:

Financial assets at December 31, 2019:	
Cash and cash equivalents	\$ 2,429,122
Investments	690,809
Accounts receivable	<u>1,172,669</u>
Total financial assets available to meet general expenses over the next twelve months	<u>\$ 4,292,600</u>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The CVB's goal is generally to maintain financial assets to meet six months (180 days) of operating and program expenses, which is approximately \$1,261,004 for the year ended December 31, 2019.

CVB's financial assets are structured to be available as general expenses, liabilities and other obligations come due. As part of its liquidity management, CVB invests cash in excess in mutual funds.

NOTE 3 - CONCENTRATION OF CREDIT RISK

The CVB maintains cash balances in banks which are insured by the Federal Deposit Insurance Corporation. The CVB's cash balances at times exceeded the federally insured limits.

The CVB receives a significant amount of revenue from the Stark County hotel and motel excise tax. At December 31, 2019, approximately 62% of the CVB's accounts receivable were due from Stark County for the motel/hotel room tax. Approximately 86% of the Bureau's support was provided from Stark County through revenues collected from motel/hotel room tax for the year ended December 31, 2019.

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 4 - INVESTMENTS

Investments stated at fair value are summarized as follows at December 31, 2019:

Mutual Funds	\$ 690,809
Total	<u>\$ 690,809</u>

Fair Value Measurements: The CVB categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The CVB's investments in mutual funds are valued using quoted market prices in active markets (Level 1 inputs).

NOTE 5 - PROPERTY AND EQUIPMENT

Property and Equipment activity for the year ended December 31, 2019 was as follows:

	<u>Balance</u> <u>1/1/19</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance</u> <u>12/31/19</u>
Property and Equipment Being Depreciated:				
Leasehold Improvements	157,892	-	(17,002)	140,890
Office Equipment	57,041	1,181	(287)	57,935
Promotional Items	44,873	5,539	(4,873)	45,539
Exploreboards	<u>95,846</u>	<u>-</u>	<u>-</u>	<u>95,846</u>
Total Property and Equipment Being Depreciated	<u>355,652</u>	<u>6,720</u>	<u>(22,162)</u>	<u>340,210</u>
Less: Accumulated Depreciation				
Leasehold Improvements	(19,301)	(28,178)	17,002	(30,477)
Office Equipment	(14,113)	(9,311)	287	(23,137)
Promotional Items	(44,874)	(185)	4,873	(40,186)
Exploreboards	<u>(78,604)</u>	<u>(12,237)</u>	<u>-</u>	<u>(90,841)</u>
Total accumulated depreciation	<u>(156,892)</u>	<u>(49,911)</u>	<u>22,162</u>	<u>(184,641)</u>
Total Property and Equipment, Net	<u>\$ 198,760</u>	<u>\$ (43,191)</u>	<u>\$ -</u>	<u>\$ 155,569</u>

NOTE 6 - INVESTMENT INCOME

Investment income is recorded in the aggregate on the statements of activities and consists of the following at December 31, 2019:

Interest and Dividend Income	\$ 45,701
Gain on Investments Reported at Fair Value	<u>7,174</u>
Total	<u>\$ 52,875</u>

**STARK COUNTY CONVENTION & VISITORS BUREAU
STARK COUNTY, OHIO**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

NOTE 7 - LEASES

The CVB leases facilities on a five-year contract. Rental expense for operating leases consists of the following at December 31, 2019:

Office Space and Storage from the Historic Onesto	<u>\$ 38,175</u>
Rental Expense	<u>\$ 38,175</u>

NOTE 8 - DEFERRED INCOME

The CVB received a \$25,000 grant in 2001 from the State of Ohio Department of Administrative Services. The grant is for capital improvements at the tourist information centers. The grant is recorded as deferred income until the capital improvements are completed. Amounts available for future capital improvements was \$2,035 at December 31, 2019.

Additionally, in 2014 the CVB initiated an ExploreBoard advertising program in various hotels and other attractions around Canton and Stark County. The CVB had \$9,625 in deferred advertising revenue related to this program at December 31, 2019, as well as \$80 of miscellaneous deferred revenue.

NOTE 9 - RETIREMENT PLAN

The CVB employees participate in a 401(k) defined contribution profit-sharing plan which covers substantially all full-time employees. Under this plan, the CVB will match employee contributions up to 3% of their gross wages. In addition, the CVB may make discretionary contributions to the plan. Charges to expense relating to the above plan amounted to \$13,873 for the year ended December 31, 2019.

NOTE 10 - CONTINGENCIES

A. Grants

The CVB can receive financial assistance from federal and State agencies in the form of a grants. Failure to comply with grant or program requirements may result in the CVB being required to refund any questioned costs or overpayments identified by its funding agency. The CVB did not receive any grants in 2019.

B. Litigation

The CVB is involved in no material litigation as either a plaintiff or defendant.

NOTE 11 – SUBSEQUENT EVENT

The United States of America and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods of the CVB. The CVB's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the CVB's future operating costs, receipts, and any recovery from emergency funding, either federal or state, cannot be estimated.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards*

Stark County Convention & Visitors Bureau
Stark County
227 2nd Street NW
Canton, Ohio 44702

To the Board of Directors:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Stark County Convention & Visitors Bureau, Stark County, Ohio, (a not-for-profit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated April 15, 2020. Furthermore, as discussed in Note 11 to the financial statements for the year ended December 31, 2019, the financial impact of COVID-19 and the ensuing emergency measures will impact subsequent periods.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Stark County Convention & Visitors Bureau's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Stark County Convention & Visitors Bureau's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Stark County Convention & Visitors Bureau's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Stark County Convention & Visitors Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.


Stark County Convention & Visitors Bureau
Stark County

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*

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Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results and does not opine on the effectiveness of the Stark County Convention & Visitors Bureau's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Stark County Convention & Visitors Bureau's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Julian & Grube, Inc.
April 15, 2020

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OHIO AUDITOR OF STATE KEITH FABER



STARK COUNTY CONVENTION AND VISITOR BUREAU

STARK 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
JULY 2, 2020**