



OHIO AUDITOR OF STATE
KEITH FABER



**ASHTABULA COUNTY CONVENTION FACILITIES AUTHORITY
ASHTABULA COUNTY
FOR THE YEAR ENDED DECEMBER 31, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Ashtabula County Convention Facilities Authority
Ashtabula County
P.O. Box 214
Ashtabula, Ohio 44004

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Ashtabula County Convention Facilities Authority, Ashtabula County, Ohio (the Authority), a component unit of Ashtabula County, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Ashtabula County Convention Facilities Authority, Ashtabula County, Ohio as of December 31, 2022, and the changes in financial position and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

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 Authority, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Authority'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 Authority'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 Authority'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2023, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

August 25, 2023

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Ashtabula County Convention Facilities Authority

Ashtabula County

*Management's Discussion and Analysis
For the Year Ended December 31, 2022*

OVERVIEW:

The Management's Discussion and Analysis is designed to supplement the reader's understanding of the financial statements by providing analytical, economical, and factual information pertaining to the current and prior year's financial activities of the Ashtabula County Convention Facilities Authority (the "Authority").

The Authority is an 11 member public authority created under Section 351 of the Ohio Revised Code, as amended. The purpose of the Authority is to administer convention facilities owned by Ashtabula County. At present, the only facility administered by the Authority is the Lodge & Conference Center at Geneva State Park (the "Lodge"). The Lodge is a 109 room hotel with 25 two-bedroom cottages and convention center including an upscale restaurant located on the shores of Lake Erie at 4888 North Broadway in Geneva-on-the-Lake, Ohio. The facility is within the Geneva State Park, which encompasses 698 acres with 1.6 miles of Lake Erie shoreline, a beach and bathhouse, marina with boat ramps, cabins, camping areas, hiking trails, picnic areas and more. The Lodge contributes to the economic growth and stability of Ashtabula County by providing a facility to host meetings and public expositions and by increasing tourism.

FINANCIAL HIGHLIGHTS:

	Business-Type Activities		
	2022	2021	Change
The Authority's Net Position	\$ 221,044	\$ 224,956	\$ (3,912)
Bed Tax Revenues	586,865	524,880	61,985
Interest Income	540	33	507
Debt Service Payments	539,438	485,141	54,297
Lodge Capital Project Costs	48,000	20,334	27,666

FINANCIAL STATEMENTS:

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the Authority's overall financial status. The following statements are included in this report:

- *The Statement of Net Position* reports the Authority's assets, liabilities and available resources. Capital assets related to the Lodge belong to and are reported as part of Ashtabula County, Ohio financial statements.
- *The Statement of Revenues, Expenses and Changes in Net Position* reports all financial receipts and disbursements made through the Authority.
- *The Statement of Cash Flows* reports the sources and uses of cash for the Authority.

The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position provide information about the activities of the Authority presenting both an aggregated view of the Authority's finances and a longer-term view of that position.

Ashtabula County Convention Facilities Authority

Ashtabula County

Management's Discussion and Analysis

For the Year Ended December 31, 2022

FINANCIAL ANALYSIS – STATEMENT OF NET POSITION

	Summary Statement of Net Position (Amounts in Thousands)		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current Assets	<u>\$ 261</u>	<u>\$ 261</u>	<u>\$ -</u>
Current Liabilities			-
Long Term Liabilities	<u>40</u>	<u>36</u>	<u>(4)</u>
Total Liabilities	<u>40</u>	<u>36</u>	<u>(4)</u>
Net Position:			
Unrestricted	<u>221</u>	<u>225</u>	<u>(4)</u>
Total Net Position	<u><u>\$ 221</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ (4)</u></u>

FINANCIAL ANALYSIS – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION:

	Summary of Revenues, Expenses and Changes In Net Position (Amounts in Thousands)		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Operating Revenues	<u>\$ 586</u>	<u>\$ 525</u>	<u>\$ 61</u>
Non-Operating Revenues	<u>1</u>	<u>-</u>	<u>1</u>
Total Revenues	<u>587</u>	<u>525</u>	<u>62</u>
Operating Expenses	<u>591</u>	<u>509</u>	<u>(82)</u>
Total Expenses	<u>591</u>	<u>509</u>	<u>(82)</u>
Change in Net Position	<u>(4)</u>	<u>16</u>	<u>(20)</u>
Net Position, January 1	<u>225</u>	<u>209</u>	<u>16</u>
Net Position, December 31	<u><u>\$ 221</u></u>	<u><u>\$ 225</u></u>	<u><u>\$ (4)</u></u>

Operating revenues consist of bed tax revenues in 2022 and 2022. The Authority receives 40% of the bed tax collected in Ashtabula County.

The most significant operating expenses in 2022 and 2021 included contributions of \$539,438 and \$485,141, respectively, to Ashtabula County to cover debt service on the County's debt used to refinance the Lodge and also project costs to develop the Lodge facility for \$48,000 and \$20,334, respectively.

Ashtabula County Convention Facilities Authority

Ashtabula County

Management's Discussion and Analysis

For the Year Ended December 31, 2022

FINANCIAL ANALYSIS – BUDGETARY HIGHLIGHTS:

Ashtabula County had guaranteed the bonds issued by the Authority. The County acknowledged that the Authority does not generate sufficient funds with the bed tax receipts to meet the annual debt service of the bonds and the County would use non-tax revenue to meet the debt service requirements.

The Authority has no employees. The Board of Directors serve without compensation.

CONTACTING THE CONVENTION FACILITIES AUTHORITY

This financial report is designed to provide the board with a general overview of the Convention Facilities Authority's finances and to show the Convention Facilities Authority accountability for the money it receives. If you have any questions about this report or need additional financial information, contact John H. Eaton Jr., Treasurer, P.O. Box 214, Ashtabula, Ohio 44004, 440-992-6622, or e-mail at jjeaton@demshareatoncpa.com

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Ashtabula County Convention Facilities Authority
Statement of Net Position
For the Year Ended December 31, 2022

	<u>Convention Facilities Authority</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	\$ 222,117
Bed Taxes Receivable	<u>38,872</u>
<i>Total Assets</i>	<u>260,989</u>
Liabilities	
Debt Service Payable	<u>39,945</u>
<i>Total Liabilities</i>	<u>39,945</u>
Net Position	
Unrestricted (Deficit)	<u>221,044</u>
<i>Total Net Position</i>	<u><u>\$ 221,044</u></u>

See accompanying notes to the basic financial statements

Ashtabula County Convention Facilities Authority
*Statement of Revenues,
Expenses and Changes in Net Position
For the Year Ended December 31, 2022*

	Convention Facilities Authority
Operating Revenues	
Bed Taxes	\$ 586,865
<i>Total Operating Revenues</i>	<i>586,865</i>
Operating Expenses	
Debt Service Contribution - County	539,438
Project Costs	48,000
Office	62
Professional Fees	3,542
Insurance	275
<i>Total Operating Expenses</i>	<i>591,317</i>
<i>Operating Income (Loss)</i>	<i>(4,452)</i>
Non-Operating Revenues (Expenses)	
Interest Revenue	540
<i>Total Non-Operating Revenues (Expenses)</i>	<i>540</i>
<i>Change in Net Position</i>	<i>(3,912)</i>
<i>Net Position Beginning of Year</i>	<i>224,956</i>
<i>Net Position End of Year</i>	<i>\$ 221,044</i>

See accompanying notes to the basic financial statements

Ashtabula County Convention Facilities Authority
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

	Convention Facilities Authority
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Other Governments	\$ 599,375
Cash Payments for Other Governments	(535,357)
Cash Payments for Project Costs	(48,000)
Payments for Operations	(3,879)
<i>Net Cash Provided by (Used in) Operating Activities</i>	12,139
Cash Flows from Non-Operating Activities	
Interest on Investments	540
<i>Net Cash Provided by (Used in) Non-Operating Activities</i>	540
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	12,679
<i>Cash and Cash Equivalents Beginning of Year</i>	209,438
<i>Cash and Cash Equivalents End of Year</i>	222,117
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities	
Operating Income (Loss)	(4,452)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By Operating Activities:	
(Increase) Decrease in Assets:	
Bed Taxes Receivable	12,510
Increase (Decrease) in Liabilities:	
Debt Service Payable	4,081
<i>Net Cash Provided by (Used in) Operating Activities</i>	\$ 12,139

See accompanying notes to the basic financial statements

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity:

The Ashtabula County Convention Facilities Authority (the “Authority”) was organized under the laws of the State of Ohio to administer convention facilities owned by Ashtabula County. The Authority’s governing Board consists of eleven members, six of whom are appointed for four terms by the Ashtabula County Commissioners; three of whom are appointed for four year terms by the Ashtabula City Manager; and two who are appointed for four terms by the other mayors and city managers of cities and villages in the County. The Authority was created in 2002 but had no financial activity until 2004. At present, the only facility administered by the Authority is the Lodge & Conference Center at Geneva State Park (“Lodge”).

Basis of Accounting:

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, as prescribed by the Governmental Accounting Standards Board (GASB). The financial statements of the Authority have been prepared utilizing the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

The Authority follows the business-type activities reporting requirements of GASB Statement No. 34. In accordance with GASB Statement No. 34, the accompanying basic financial statements are reported on an entity-wide basis.

GASB Statement No. 34 requires the following, which collectively make up the Authority’s basic financial statements:

- Management’s Discussion and Analysis
- Basic Financial Statements:
 - Statement of Net Position
 - Statement of Revenues, Expenses and Changes in Net Position
 - Statement of Cash Flows
 - Notes to the Basic Financial Statements

Cash:

All monies received by the Authority are maintained in separate accounts in the Authority’s name.

Operating Revenues and Expenses:

Operating revenues are those revenues that are generated directly from the primary activity. For the Authority, these include the receipt of bed taxes and contributions from Ashtabula County. Operating expenses are necessary costs incurred to provide the primary services of the Authority. Revenues and expenses not meeting this definition are reported as non-operating.

Bed Taxes Receivable:

Bed taxes are remitted to the Authority through Ashtabula County on a monthly basis.

Use of Estimates:

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Ashtabula County Convention Facilities Authority
Ashtabula County
Notes to the Basic Financial Statements
For The Year Ended December 31, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes:

The Authority is a governmental entity created by the Ashtabula County Commissioners. As a governmental entity, the Authority does not file or pay income taxes.

Property and Equipment:

Acquisitions of property and equipment are recorded as project costs when paid. These items are not reflected as net position on the accompanying financial statements in as much as ownership belongs to Ashtabula County.

Debt Service Liability:

Effective on January 1, 2016, the Authority agreed to dedicate and commit no less than ninety percent (90%) of the Gross Revenue it receives from the Ashtabula County Bed Tax per calendar year for the exclusive purpose of debt service payments on the debt instruments (bonds and notes) relating to the Lodge and Facility. The initial term of this agreement is for ten years, commencing on January 1, 2016 and ending on December 31, 2025, unless otherwise extended between the parties. The amount paid in December of 2022 and 2021 amounted to \$535,357 and \$449,277, respectively.

NOTE 2 – CASH

Deposits are collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

The carrying amount of cash at December 31 was as follows:

	<u>2022</u>
Demand Deposits	<u>\$222,117</u>



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

Ashtabula County Convention Facilities Authority
Ashtabula County
P.O. Box 214
Ashtabula, Ohio 44004

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 Ashtabula County Convention Facilities Authority, Ashtabula County, (the Authority) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated August 25, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority'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 Authority'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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

August 25, 2023

OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA COUNTY CONVENTION FACILITIES AUTHORITY

ASHTABULA 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 10/3/2023

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www.ohioauditor.gov