

TUSCARAWAS COUNTY
CONVENTION AND VISITORS BUREAU

Regular Audit

For the Year Ended December 31, 2023



OHIO AUDITOR OF STATE
KEITH FABER



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Columbus, Ohio 43215
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Board of Directors
Tuscarawas County Convention and Visitors Bureau
124 East High Ave
New Philadelphia, OH 44663

We have reviewed the *Independent Auditor's Report* of the Tuscarawas County Convention and Visitors Bureau, Tuscarawas County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2023 through December 31, 2023. 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 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

July 08, 2024

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**TUSCARAWAS COUNTY
CONVENTION AND VISITORS BUREAU**

For the Year Ending December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Tuscarawas County Convention and Visitors Bureau
124 East High Avenue
New Philadelphia, Ohio 44663

To the Board of Directors:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Tuscarawas County Convention and Visitors Bureau (the Bureau) (a nonprofit organization), which comprise the statements of financial position as of and for the year ended December 31, 2023, and the related statements of activities and changes in net assets, statement of functional expenses, 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 referred to above present fairly, in all material respects, the financial position of the Tuscarawas County Convention and Visitors Bureau as of December 31, 2023, and the changes in financial position thereof 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 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.

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 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.

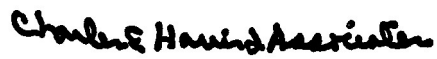
In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- 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 May 12, 2024, 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.
May 12, 2024

**TUSCARAWAS COUNTY
CONVENTION AND VISITORS BUREAU**

**Statement of Financial Position
as of December 31, 2023**

ASSETS

CURRENT ASSETS:

Cash	\$ 187,842
Cash - reserve	25,916
Accounts receivable	36,497
Prepaid expenses	<u>6,912</u>
Total current assets	257,167

PROPERTY AND EQUIPMENT:

Land	60,194
Building and improvements	763,985
Capitalized loan interest	7,026
Video and display equipment	5,119
Office equipment	<u>46,969</u>
Less: accumulated depreciation and amortization	<u>(417,367)</u>
Net property and equipment	<u>465,926</u>
Total assets	<u><u>\$ 723,093</u></u>

See accompanying notes to the financial statements.

**TUSCARAWAS COUNTY
CONVENTION AND VISITORS BUREAU**

**Statement of Financial Position
as of December 31, 2023**

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:	
Notes payable, current portion	\$ 22,816
Accounts payable	6,892
Accrued payroll taxes	762
Accrued interest	<u>783</u>
Total current liabilities	31,253
LONG-TERM LIABILITIES:	
Notes payable, net of current portion	<u>269,669</u>
Total long-term liabilities	<u>269,669</u>
Total liabilities	<u>300,922</u>
NET ASSETS:	
Without donor restrictions	396,255
With donor restrictions	<u>25,916</u>
Total net assets	<u>422,171</u>
Total liabilities and net assets	<u><u>\$ 723,093</u></u>

See accompanying notes to the financial statements.

**TUSCARAWAS COUNTY
CONVENTION AND VISITORS BUREAU**

**Statement of Activities
For the Year Ended December 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND SUPPORT:			
Hotel and motel excise tax	\$ 562,293	\$ -	\$ 562,293
Grants and donations	12,069	-	12,069
Reimbursements	48,483	-	48,483
Publication/Visitors' guide income	7,620	-	7,620
Rental income	12,270	-	12,270
Interest income	2,435	-	2,435
Miscellaneous	100	-	100
	<u>645,270</u>	<u>-</u>	<u>645,270</u>
EXPENSES:			
Program expenses	623,523	-	623,523
Administrative expenses	62,896	-	62,896
	<u>686,419</u>	<u>-</u>	<u>686,419</u>
Changes in net assets	<u>(41,149)</u>	<u>-</u>	<u>(41,149)</u>
NET ASSETS, beginning of year	<u>437,404</u>	<u>25,916</u>	<u>463,320</u>
NET ASSETS, end of year	<u>\$ 396,255</u>	<u>\$ 25,916</u>	<u>\$ 422,171</u>

See accompanying notes to the financial statements.

**TUSCARAWAS COUNTY
CONVENTION AND VISITORS BUREAU**

**Statement of Functional Expenses
For the Year Ended December 31, 2023**

	Program Expenses	Administrative Expenses	Total
Salaries	\$ 173,607	\$ 43,402	\$ 217,009
Payroll taxes	13,145	3,286	16,431
Employee benefits	17,202	4,300	21,502
Pension expense	5,087	1,272	6,359
Advertising	208,811	-	208,811
Travel show and tours	24,411	-	24,411
Visitors' guide expense	26,611	-	26,611
Conferences and meetings	15,929	-	15,929
Dues and memberships	17,792	-	17,792
Public relations	2,080	-	2,080
Postage	1,692	-	1,692
Copying and printing	4,047	1,012	5,059
Office supplies and equipment	3,242	810	4,052
Continuing education	857	-	857
Telephone	6,612	-	6,612
Professional fees Legal and accounting	8,923	2,231	11,154
Insurance	5,134	1,284	6,418
Repairs and maintenance	5,574	1,394	6,968
Interest	7,201	1,800	9,001
Taxes - real estate	12	-	12
Grants and aid	25,692	-	25,692
Tusc. Valley Heritage	6,263	-	6,263
Rent - parking lot	871	218	1,089
Utilities	6,582	1,645	8,227
Computer expenses	1,441	-	1,441
Website	4,460	-	4,460
Amortization	-	234	234
Bank charges	-	8	8
	<u>593,278</u>	<u>62,896</u>	<u>656,174</u>
Total expenses before depreciation			
Depreciation	<u>30,245</u>	<u>-</u>	<u>30,245</u>
	<u>\$ 623,523</u>	<u>\$ 62,896</u>	<u>\$ 686,419</u>
Total expenses			

See accompanying notes to the financial statements.

**TUSCARAWAS COUNTY
CONVENTION AND VISITORS BUREAU**

**Statement of Cash Flows
For the Year Ended December 31, 2023**

CASHFLOWS FROM OPERATING ACTIVITIES:	
Increase (Decrease) in Net Assets	\$ (41,149)
Net cash provided (used) by operating activities	
ADJUSTMENTS TO RECONCILE DECREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Increase (decrease) in liabilities:	
Depreciation and amortization	30,245
Payroll and Accounts Payable	6,473
Accounts receivable	(1,832)
Prepaid expenses	(2,689)
Loan payable	<u>(17,962)</u>
Net cash provided by operating activities	(26,914)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Property and Equipment	<u>(75,166)</u>
Net cash provided (used) by investing activities	<u>(75,166)</u>
Increase (Decrease) in cash	(102,080)
CASH, beginning of year	<u>315,838</u>
CASH, end of year	<u><u>\$ 213,758</u></u>

See accompanying notes to the financial statements.

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF ACTIVITIES

The 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, 2023, 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, 2023. 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

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.

ADVERTISING COSTS

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

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 2022, 2021 and 2020 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 \$9,001 for the year ending December 31, 2023.

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.

DATE OF MANAGEMENT'S REVIEW

Subsequent events have been evaluated through May 12, 2024, which is the date the financial statements were available to be issued.

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, 2023, the Organization had -0- balances uninsured.

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, 2023.

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENT

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 \$6,359 for the year ended December 31, 2023.

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 or \$25,860 (\$2,155 per month). The Organization maintains an account that currently is titled USDA Rural Development with an account balance of \$25,916 as of December 31, 2023.

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, 2023 there were no amounts set aside for this purpose.

NOTE 8: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization has \$257,167 of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consisting of cash of \$213,758, accounts receivable of \$36,497, short-term investments of \$0 and prepaid expenses of \$6,912. \$25,916 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 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 \$115,122. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

TUSCARAWAS COUNTY CONVENTION
AND VISITORS BUREAU

NOTES TO THE FINANCIAL STATEMENT

NOTE 9: NOTE PAYABLE

The Organization had the following notes payable on December 31:

Note payable - United States Small Business Administration (SBA), secured by tangible and intangible personal property with monthly payments of \$428 which includes interest at 2.75% for a term of 30 years until 2050. First payment was made in June After June 2022, the Board authorized subsequent payments of \$8,000 annually. This is expected to shorten the term of the loan to 18 years until 2038.	\$ 92,438
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.	200,047
Less current portion	<u>(22,816)</u>
	<u><u>\$ 269,669</u></u>

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

2024	\$ 33,860
2025	33,860
2026	33,860
2027	33,860
2028	33,860
2029-2033	158,312
2033-2038	32,767
Total	<u><u>\$ 360,379</u></u>

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

Tuscarawas County Convention and Visitors Bureau
124 East High Avenue
New Philadelphia, Ohio 44663

To the Board of Directors:

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 of the Tuscarawas County Convention and Visitors Bureau, Ohio (the Bureau) as of and for the year ended December 31, 2023, and the related statements of activities, and changes in net assets, statement of functional expenses, and cash flows and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated May 12, 2024.

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 opinion 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 & Associates, Inc.
May 12, 2024

OHIO AUDITOR OF STATE KEITH FABER



TUSCARAWAS COUNTY CONVENTION AND VISITORS BUREAU

TUSCARAWAS 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 7/18/2024

65 East State Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov