



Dave Yost • Auditor of State



**TRUMBULL COUNTY TOURISM BUREAU, INC.  
TRUMBULL COUNTY  
FOR THE YEAR ENDED DECEMBER 31, 2017**

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

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

To the Board of Trustees:

### ***Report on the Financial Statements***

We have audited the accompanying modified cash basis financial statements of the Trumbull County Tourism Bureau, Inc., Trumbull County, Ohio (the Bureau), (a not-for-profit corporation), which comprise the statement of assets, liabilities and net assets, the related statements of support of revenue, expenses and change in net assets and cash flows, as of and for the year ended December 31, 2017, 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 the modified cash accounting basis Note 2 describes. This responsibility includes determining that the modified cash accounting basis is acceptable for the circumstances. Management is also responsible for 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 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 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 respective modified cash financial position of the Trumbull County Tourism Bureau, Inc., Trumbull County, Ohio, as of December 31, 2017, and the respective changes in modified cash net assets and cash flows thereof for the year then ended in accordance with the accounting basis described in Note 2.

**Accounting Basis**

We draw attention to Note 2 of the financial statements, which describes the accounting basis. The financial statements are prepared on the modified cash basis of accounting, which differs from generally accepted accounting principles. 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 5, 2018, 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. 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 Bureau's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 5, 2018

**Trumbull County Tourism Bureau, Inc.**  
*Statement of Assets, Liabilities and Net Assets - Modified Cash Basis*  
*For the Year Ended December 31, 2017*

|                                  |                          |
|----------------------------------|--------------------------|
| Assets:                          |                          |
| Cash and Cash Equivalents        | <u>\$ 367,871</u>        |
| Total Assets                     | <u><u>\$ 367,871</u></u> |
| Liabilities                      |                          |
| Payroll Taxes and Withholdings   | 4,096                    |
| Net Assets                       |                          |
| Unrestricted                     | <u>363,775</u>           |
| Total Liabilities and Net Assets | <u><u>\$ 367,871</u></u> |

See accompanying Notes to the Financial Statements.

**Trumbull County Tourism Bureau, Inc.**

*Statement of Support and Revenue, Expenses and Change in Net Assets - Modified Cash Basis  
For the Year Ended December 31, 2017*

|   |                   |
|---|-------------------|
| Public Support and Revenue                    |                   |
| County contract revenue received              | \$ 338,201        |
| Membership dues collected                     | 6,800             |
| Fundraising revenue                           | 275               |
| Total Public Support and Revenue              | <u>345,276</u>    |
| Expenses                                      |                   |
| Personnel expenses                            | 96,840            |
| Administrative expenses                       | 27,146            |
| Marketing, advertising and promotion expenses | 180,002           |
| Grant Distributions                           | 46,415            |
| Public relation expenses                      | 7,385             |
| Membership Development                        | 3,369             |
| Total Expenses                                | <u>361,157</u>    |
| Operating Loss                                | (15,881)          |
| Non-Operating Revenue                         |                   |
| Interest                                      | 97                |
| Change in Net Assets                          | (15,784)          |
| Net Assets - Beginning of Year                | <u>379,559</u>    |
| Net Assets - End of Year                      | <u>\$ 363,775</u> |

See accompanying Notes to the Financial Statements.



**Trumbull County Tourism Bureau, Inc.**  
*Statement of Cash Flows*  
For the Year Ended December 31, 2017

|  |             |
|--|-------------|
| Cash Flows from Operating Activities   |             |
| Receipts from county contract  | \$ 338,201  |
| Receipts from membership dues  | 6,800       |
| Receipts from fundraising  | 275         |
| Payments to suppliers  | (216,776)   |
| Payments to employees  | (96,840)    |
| Grant disbursements  | (46,415)    |
| Net Cash Provided by Operating Activities  | (14,755)    |
| Cash Flows from Investing Activities   |             |
| Interest   | 97          |
| Net Cash Provided by Investing Activities  | 97          |
| Net Increase (Decrease) in Cash and Cash Equivalents                               | (14,658)    |
| Cash and Cash Equivalents - as of January 1, 2017                                  | 382,529     |
| Cash and Cash Equivalents - as of December 31, 2017                                | \$ 367,871  |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities:   |             |
| Operating Income   | \$ (15,881) |
| Adjustment to Reconcile Operating Income to Net Cash Used by Operating Activities: |             |
| Increase in payroll taxes payable  | 1,126       |
| Total Adjustments  | 1,126       |
| Net Cash Provided by Operating Activities  | (14,755)    |

See accompanying Notes to the Financial Statements.

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**TRUMBULL COUNTY TOURISM BUREAU, INC.**

*Trumbull County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2017*

**1. REPORTING ENTITY**

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, 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.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. 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.

**B. 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 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.

**C. CASH AND CASH EQUIVALENTS**

Investments with an original maturity of three months or less at the time of purchase are presented on the financial statements as cash equivalents. Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or negative receipts, respectively. The Bureau invests in a non-negotiable certificate of deposit and a money market fund. The non-negotiable certificate of deposit is reported at cost. The Bureau's money market fund investment is recorded at the amount reported by Chemical Bank on December 31, 2017.

**D. 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.

**TRUMBULL COUNTY TOURISM BUREAU, INC.**

*Trumbull County*

*Notes to the Basic Financial Statements*

*For the Year Ended December 31, 2017*

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**E. 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.

**F. 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.

**G. 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.

**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. At December 31, 2017 the carrying amount of the Bureau's deposits was \$289,739 for the checking account, \$44,640 for the money market account, and \$33,319 for the CD. The Bureau maintains a \$200 petty cash fund which is included as part of Cash and Cash Equivalents on the financial statements.

**4. LEASE**

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

**5. RISK MANAGEMENT**

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



# Dave Yost • Auditor of State

## 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, Inc.  
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 and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Trumbull County Tourism Bureau, Inc., Trumbull County, (the Bureau) as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Bureau's basic financial statements and have issued our report thereon dated April 5, 2018, wherein we noted the Bureau uses a special purpose framework other than generally accepted accounting principles.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the 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 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 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 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*.

***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 Bureau's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Bureau's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 5, 2018



# Dave Yost • Auditor of State

TRUMBULL COUNTY TOURISM BUREAU, INC

TRUMBULL COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MAY 10, 2018