

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**REPORT ON AUDITS OF  
FINANCIAL STATEMENTS**

**DECEMBER 31, 2017 AND 2016**





# Dave Yost • Auditor of State

## Board Members

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

We have reviewed the *Independent Auditor's Report* of the Tuscarawas County Convention & Visitors Bureau, Tuscarawas County, prepared by Willoughby & Company, Inc., for the audit period January 1, 2017 through December 31, 2017. 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 & Visitors Bureau is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

November 26, 2018

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**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU  
NEW PHILADELPHIA, OHIO**

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# WILLOUGHBY & COMPANY, INC.

*Certified Public Accountants*

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Tuscarawas County Convention and Visitors Bureau  
New Philadelphia, Ohio

We have audited the accompanying financial statements of Tuscarawas County Convention and Visitors Bureau (a nonprofit organization), which comprise the statements of financial position as of December 31, 2017 and 2016 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

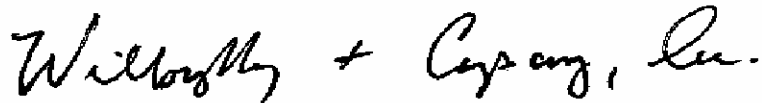
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

**In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tuscarawas County Convention and Visitors Bureau as of December 31, 2017 and 2016, and the changes in its net assets, functional expenses, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.**

**Other Reporting Required by *Government Auditing Standards***

**In accordance with *Government Auditing Standards*, we have also issued a report dated April 18, 2018, on our consideration of Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 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 Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting and compliance.**

A handwritten signature in cursive script that reads "Willoughby & Company, Inc." The signature is written in black ink and is positioned above the printed name of the firm.

**WILLOUGHBY & COMPANY, INC. - Certified Public Accountants  
New Philadelphia, Ohio**

**April 18, 2018**



**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2017 AND 2016**

**ASSETS**

**CURRENT ASSETS:**

<b>Cash</b>	<b>\$ 130,343</b>	<b>\$ 87,551</b>
<b>Cash - reserve</b>	<b>25,985</b>	<b>25,962</b>
<b>Certificate of deposits</b>	<b>257,142</b>	<b>253,700</b>
<b>Accounts receivable</b>	<b>28,664</b>	<b>25,804</b>
<b>Prepaid expenses</b>	<b>22,370</b>	<b>5,760</b>
	<hr/>	<hr/>
<b>Total current assets</b>	<b>464,504</b>	<b>398,777</b>

**PROPERTY AND EQUIPMENT:**

<b>Building and improvements</b>	<b>612,348</b>	<b>612,348</b>
<b>Construction loan interest</b>	<b>7,026</b>	<b>7,026</b>
<b>Video and display equipment</b>	<b>14,752</b>	<b>14,752</b>
<b>Office equipment</b>	<b>52,578</b>	<b>52,578</b>
<b>Computer equipment</b>	<b>5,968</b>	<b>5,968</b>
	<hr/>	<hr/>
	<b>692,672</b>	<b>692,672</b>
<b>Less: accumulated depreciation</b>	<b>295,477</b>	<b>273,031</b>
	<hr/>	<hr/>
<b>Net property and equipment</b>	<b>397,195</b>	<b>419,641</b>
	<hr/>	<hr/>
<b>Total assets</b>	<b>\$ 861,699</b>	<b>\$ 818,418</b>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENTS OF FINANCIAL POSITION  
AS OF DECEMBER 31, 2017 AND 2016**

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES:</b>			
Accounts payable - trade	\$	0	\$ 0
Notes payable, current portion		13,373	12,817
<b>Accrued liabilities:</b>			
Accrued payroll taxes		3,056	2,938
Accrued other		<u>15,150</u>	<u>0</u>
Total current liabilities		31,579	15,755
<b>LONG-TERM LIABILITIES:</b>			
Notes payable, net of current portion		<u>278,464</u>	<u>292,172</u>
Total long-term liabilities		<u>278,464</u>	<u>292,172</u>
Total liabilities		310,043	307,927
<b>NET ASSETS:</b>			
Unrestricted		525,671	484,529
Temporarily restricted		<u>25,985</u>	<u>25,962</u>
Total net assets		<u>551,656</u>	<u>510,491</u>
Total liabilities and net assets	<b>\$</b>	<b><u>861,699</u></b>	<b>\$ <u>818,418</u></b>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Hotel and motel excise tax	\$ 532,700	\$ 0	\$ 532,700
Reimbursements	7,952	0	7,952
Gift shop	0	0	0
Publication/Visitors' guide income	6,217	0	6,217
FAM Tour Income	0	0	0
Group tour planner	0	0	0
Ohio Has It Income	170	0	170
Interest income	3,496	23	3,519
Rental income	5,565	0	5,565
Co-op advertising income	3,424	0	3,424
Miscellaneous	1,230	0	1,230
Revenue in Kind	<u>0</u>	<u>0</u>	<u>0</u>
Total support and revenue	560,754	23	560,777
<b>EXPENSES:</b>			
Program expenses	405,562	0	405,562
Administrative expenses	<u>114,050</u>	<u>0</u>	<u>114,050</u>
Total expenses	<u>519,612</u>	<u>0</u>	<u>519,612</u>
Changes in net assets	41,142	23	41,165
NET ASSETS, beginning of year	<u>484,529</u>	<u>25,962</u>	<u>510,491</u>
	525,671	25,985	551,656
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 525,671</u>	<u>\$ 25,985</u>	<u>\$ 551,656</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>REVENUE AND SUPPORT:</b>			
Hotel and motel excise tax	\$ 487,786	\$ 0	\$ 487,786
Reimbursements	1,711	0	1,711
Gift Shop	9	0	9
Publications/Visitors' guide income	5,401	0	5,401
FAM Tour Income	63	0	63
Group tour planner	1,225	0	1,225
Ohio Has It Income	275	0	275
Interest income	4,116	13	4,129
Rental income	5,480	0	5,480
Co-op advertising income	3,460	0	3,460
Miscellaneous	763	0	763
Revenue in Kind	<u>0</u>	<u>0</u>	<u>0</u>
Total support and revenue	510,289	13	510,302
<b>EXPENSES:</b>			
Program expenses	429,470	0	429,470
Administrative expenses	<u>117,477</u>	<u>0</u>	<u>117,477</u>
Total expenses	<u>546,947</u>	<u>0</u>	<u>546,947</u>
Changes in net assets	(36,658)	13	(36,645)
NET ASSETS, beginning of year	<u>521,187</u>	<u>25,949</u>	<u>547,136</u>
	484,529	25,962	510,491
Transfers	<u>0</u>	<u>0</u>	<u>0</u>
NET ASSETS, end of year	<u>\$ 484,529</u>	<u>\$ 25,962</u>	<u>\$ 510,491</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 158,381	\$ 39,595	\$ 197,976
Payroll taxes	12,785	3,196	15,981
Employee benefits	20,340	5,085	25,425
Pension expense	3,224	806	4,030
Advertising	67,413	28,891	96,304
Travel show and tours	34,968	0	34,968
Visitors' guide expense	48	0	48
Group Tour planner	2,899	0	2,899
Ohio Has It Expense	0	0	0
Packaging partnership	0	0	0
Conferences and meetings	13,197	0	13,197
Dues and memberships	12,552	0	12,552
Public relations	3,280	2,187	5,467
Postage	3,629	403	4,032
Copying and printing	3,634	908	4,542
Office supplies	1,174	2,740	3,914
Vehicle expenses	7,777	864	8,641
Co-op advertising	4,031	0	4,031
Continuing education	4,535	1,327	5,862
Telephone	6,331	1,583	7,914
Legal and accounting	2,142	8,569	10,711
Insurance	3,713	1,591	5,304
Repairs & maintenance	4,005	1,716	5,721
Interest	9,286	3,980	13,266
Taxes - real estate	8	4	12
Grants and aid	0	0	0
TVH - Tusc. Valley Heritage	2,516	0	2,516
Rent - Parking Lot	0	450	450
Utilities	5,418	2,322	7,740
Computer expenses	2,563	1,099	3,662
Miscellaneous	0	0	0
Total expenses before depreciation	<u>389,849</u>	<u>107,316</u>	<u>497,165</u>
Depreciation	<u>15,713</u>	<u>6,734</u>	<u>22,447</u>
Total expenses	<u>\$ 405,562</u>	<u>\$ 114,050</u>	<u>\$ 519,612</u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

	<u>Program Expenses</u>	<u>Administrative Expenses</u>	<u>Total</u>
Salaries	\$ 170,140	\$ 42,535	\$ 212,675
Payroll taxes	13,345	3,336	16,681
Employee benefits	18,657	4,664	23,321
Pension expense	6,665	1,666	8,331
Advertising	61,468	26,343	87,811
Travel show and tours	23,817	0	23,817
Visitors' guide expense	3,123	0	3,123
Group Tour planner	0	0	0
Ohio Has It expense	261	0	261
Packaging partnership	26	0	26
Conferences and meetings	19,597	0	19,597
Dues and memberships	13,605	0	13,605
Public relations	1,260	840	2,100
Postage	3,525	392	3,918
Copying and printing	3,999	1,000	4,999
Office supplies	1,109	2,588	3,697
Vehicle expenses	7,271	808	8,079
Co-op advertising	16,465	0	16,465
Continuing education	3,564	1,043	4,607
Telephone	5,374	1,344	6,718
Legal and accounting	2,183	8,731	10,914
Insurance	3,643	1,561	5,204
Repairs & maintenance	4,337	1,859	6,195
Interest	9,670	4,144	13,814
Taxes - real estate	8	4	12
Grants and aid	590	0	590
TVH - Tusc. Valley Heritage	2,863	0	2,863
Rent - Parking Lot	0	150	150
Utilities	5,769	2,472	8,241
Computer expenses	1,833	786	2,619
Miscellaneous	0	367	367
<b>Total expenses before depreciation</b>	<b>404,167</b>	<b>106,633</b>	<b>510,800</b>
<b>Depreciation</b>	<b>25,303</b>	<b>10,844</b>	<b>36,147</b>
<b>Total expenses</b>	<b><u>\$ 429,470</u></b>	<b><u>\$ 117,477</u></b>	<b><u>\$ 546,947</u></b>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from service recipients	\$ 547,603	\$ 500,570
Other operating cash receipts	6,053	5,903
Cash paid to employees and suppliers	(484,499)	(489,381)
Interest paid	<u>(13,266)</u>	<u>(13,814)</u>
Net cash provided by operating activities	<u>55,891</u>	<u>3,278</u>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from the sale of asset	0	(28,592)
Cash amounts deposited and reserved for loan requirements	(23)	(13)
Reinvested earnings from certificate of deposits	(3,442)	(3,405)
Redemption of certificates of deposit	0	17,814
Interest income on accounts	<u>3,519</u>	<u>4,129</u>
Net cash provided (used) by investing activities	<u>54</u>	<u>(10,067)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Principal payments on note payable	<u>(13,153)</u>	<u>(12,607)</u>
Net cash used by financing activities	<u>(13,153)</u>	<u>(12,607)</u>
Increase (decrease) in cash	42,792	(19,396)

CASH, beginning of year	<u>87,551</u>	<u>106,947</u>
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CASH, end of year	<u><u>\$ 130,343</u></u>	<u><u>\$ 87,551</u></u>
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**RECONCILIATION OF CHANGES IN NET ASSETS TO NET  
CASH PROVIDED BY OPERATING ACTIVITIES:**

Changes in net assets	\$ 41,165	\$ (36,645)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation	22,447	36,147
Interest income on accounts	(3,519)	(4,129)
(Increase) decrease in operating assets:		
Accounts receivable	(2,860)	640
Prepaid expenses	(16,610)	12,100
Increase (decrease) in operating liabilities:		
Accounts payable	0	(3,932)
Accrued expenses	118	(903)
Accrued other	<u>15,150</u>	<u>0</u>
Net cash provided by operating activities	<u><u>\$ 55,891</u></u>	<u><u>\$ 3,278</u></u>

The accompanying notes are an integral part of these financial statements.

WILLOUGHBY & COMPANY, INC. - Certified Public Accountants

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**NATURE OF OPERATIONS**

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 three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. As of December 31, 2017 and 2016, the Organization had unrestricted and temporarily restricted assets. 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, 2017 and 2016. 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:

<b><u>DESCRIPTION</u></b>	<b><u>USEFUL LIVES</u></b>	<b><u>METHOD</u></b>
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



TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU  
NOTES TO THE FINANCIAL STATEMENTS

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**DONATIONS**

All donations received are considered to be available for unrestricted use unless specifically restricted by donor.

**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 2016, 2015 and 2014 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 \$13,266 and \$13,814 for the years ended December 31, 2017 and 2016, respectively.

**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.

**ADVERTISING COSTS**

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

**DATE OF MANAGEMENT'S REVIEW**

Subsequent events have been evaluated through April 18, 2018, which is the date the financial statements were available to be issued.

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO THE FINANCIAL STATEMENTS**

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**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, 2017 and 2016, the Organization had uninsured cash balances not covered by the FDIC of \$7,142 and \$3,700, respectively.

**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, 2017 and 2016.

**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 \$4,030 and \$4,718 for the years ended December 31, 2017 and 2016, respectively.

**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 (\$218 per month over 10 years). The Organization contributed \$23 and \$13 towards the required amount during 2017 and 2016. As of December 31, 2017, the Organization is up-to-date on its required contributions.

**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, 2017 and 2016, there were no amounts set aside for this purpose.

**NOTE 8: LINE OF CREDIT**

The Organization entered a line of credit agreement during 2016 with maximum borrowings available of \$25,000 at an interest rate of 3.5% with First Federal Community Bank. All amounts borrowed during 2016 were paid before the year ended December 31, 2016. No amounts were borrowed during 2017.

**TUSCARAWAS COUNTY CONVENTION  
AND VISITORS BUREAU**

**NOTES TO THE FINANCIAL STATEMENTS**

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**NOTE 9: NOTE PAYABLE**

The Organization had the following note payable at December 31:

	<u>2017</u>	<u>2016</u>
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.	\$ 291,837	\$ 304,990
	<u>291,837</u>	<u>304,990</u>
Less: current portion	<u>13,373</u>	<u>12,817</u>
	<u>\$ 278,464</u>	<u>\$ 292,172</u>

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

2018	\$	13,373
2019		13,952
2020		14,558
2021		15,189
2022		15,847
Thereafter		<u>218,918</u>
	\$	<u>291,837</u>

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# WILLOUGHBY & COMPANY, INC.

*Certified Public Accountants*

216 North Broadway, P.O. Box 1021, New Philadelphia, Ohio 44663

Phone (330) 602-1322 • Fax (330) 602-2610

To the Board of Directors of  
Tuscarawas County Convention and Visitors Bureau  
New Philadelphia, Ohio

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

We have audited, in accordance with the 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 Tuscarawas County Convention and Visitors Bureau (a nonprofit organization) which comprise the statements of financial position as of December 31, 2017 and 2016, and the related statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated April 18, 2018.

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

In planning and performing our audits of the financial statements, we considered Tuscarawas County Convention and Visitors Bureau's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Tuscarawas County Convention and Visitors Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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.

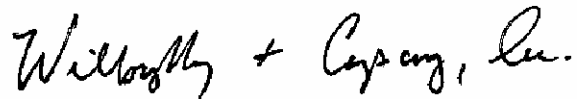
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Tuscarawas County Convention and Visitors 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 determination of financial statement amounts. 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 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



WILLOUGHBY & COMPANY, INC. - Certified Public Accountants  
New Philadelphia, Ohio

April 18, 2018



# Dave Yost • Auditor of State

**TUSCARAWAS COUNTY CONVENTION AND VISITORS BUREAU**

**TUSCARAWAS 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  
DECEMBER 6, 2018**