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LA CROSSE COUNTY CONVENTION
AND VISITORS BUREAU
LA CROSSE CENTER
LIQUOR ACCOUNT

INDEPENDENT AUDITORS' REPORTS
ON COMMUNICATIONS WITH
THOSE CHARGED WITH GOVERNANCE
AND COMMUNICATION OF A MATERIAL
WEAKNESS AND A SIGNIFICANT
DEFICIENCY

DECEMBER 31, 2018

**LA CROSSE COUNTY CONVENTION AND VISITORS BUREAU
LA CROSSE CENTER LIQUOR ACCOUNT**

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**INDEPENDENT AUDITORS' REPORT ON
COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE**

To the Board of Directors and Management of
La Crosse County Convention and Visitors Bureau and La Crosse Center
La Crosse, Wisconsin

We have audited the financial statements of the La Crosse County Convention and Visitors Bureau - La Crosse Center Liquor Account (the "Organization"), for the year ended December 31, 2018, and have issued our report thereon dated January 25, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 7, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Organization are described in Note 1 to the financial statements. During 2018, as disclosed in Note 1 to the financial statements, the Organization implemented the Financial Accounting Standards Board Standards Updates ("ASU") 2016-14, "Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities" and it was applied retrospectively in accordance with the requirements. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected were material to the financial statements as a whole (see adjusting journal entries on page 4).

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 25, 2019.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Directors and management of the La Crosse County Convention and Visitors Bureau - La Crosse Center Liquor Account and is not intended to be and should not be used by anyone other than these specified parties.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
January 25, 2019

LA CROSSE COUNTY CONVENTION AND VISITORS BUREAU
LA CROSSE CENTER LIQUOR ACCOUNT
ADJUSTING JOURNAL ENTRIES
DECEMBER 31, 2018

		<u>Debit</u>	<u>Credit</u>
<u>Adjusting Journal Entry #1</u>			
To adjust accounts payable from vendors.			
132000-000	Vendor Receivable	7,244	
211000-000	Accounts Payable		7,244
	Total	<u>7,244</u>	<u>7,244</u>
<u>Adjusting Journal Entry #2</u>			
To adjust equity to actual.			
300000-000	Retained Earnings	285	
200000-000	Commissions Payable to City		285
	Total	<u>285</u>	<u>285</u>
<u>Adjusting Journal Entry #3</u>			
To adjust inventory to updated listing.			
161000-000	Inventories	1,027	
556000-000	City Commission	1,027	
200000-000	Commissions Payable to City		1,027
551000-000	Purchases		1,027
	Total	<u>2,054</u>	<u>2,054</u>



INDEPENDENT AUDITORS' REPORT ON COMMUNICATION OF A MATERIAL WEAKNESS AND A SIGNIFICANT DEFICIENCY

To the Board of Directors and Management of
La Crosse County Convention and Visitors Bureau and La Crosse Center
La Crosse, Wisconsin

In planning and performing our audit of the financial statements of the La Crosse County Convention and Visitors Bureau - La Crosse Center Liquor Account (the "Organization"), as of and for the year ended December 31, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness and another deficiency that we consider to be a significant deficiency.

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 Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiency in the Organization's internal control to be a material weakness:

Management's Responsibility for Preparation of Financial Statements

The Organization does not have an internal control system designed to provide for preparation of the financial statements being audited. As auditors, we were requested to draft the financial statements and accompanying notes to the financial statements, in accordance with the auditing standards generally accepted in the United States of America, from management's information. This circumstance is not unusual in an Organization of your size. It is the responsibility of management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

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. We consider the following deficiency in the Organization's internal control to be a significant deficiency:

Segregation of Duties - Cash Receipts and Journal Entries

Proper segregation of duties and the possibility of management override of existing controls are inherent in an Organization of your size. These deficiencies result in the possibility that errors or irregularities can exist and not be detected by your internal controls. Recommendations to mitigate this risk would be to (1) have someone other than the Business Manager of the La Crosse Center open and review the bank statements when they are received and (2) a Board member should review the journal entries made by the Business Manager. This review would help identify any unusual transactions that may be out of the ordinary.

This communication is intended solely for the use of the Board of Directors and management of the La Crosse County Convention and Visitors Bureau - La Crosse Center Liquor Account and is not intended to be and should not be used by anyone other than these specified parties.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
January 25, 2019