



**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**



**DESTINATION MANSFIELD  
RICHLAND COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Destination Mansfield  
Richland County  
124 N. Main Street  
Mansfield, Ohio 44902

To the Board of Directors:

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the cash balances, receipts and disbursements, and related notes of Destination Mansfield, Richland County, Ohio (the Bureau), (a not-for-profit corporation), as of and for the years ended December 31, 2018 and 2017.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on this financial statement 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 statement is 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 statement 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 cash balances, receipts and disbursements, and related notes of Destination Mansfield, Richland County, Ohio, as of December 31, 2018 and 2017, and for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Accounting Basis***

We draw attention to Note 1 of the financial statement, which describes the accounting basis, 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 September 5, 2019, 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. While we did not opine on the internal control over financial reporting or on compliance, 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.



Keith Faber  
Auditor of State

Columbus, Ohio

September 5, 2019

**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGE IN CASH BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<b>2018</b>	<b>2017</b>
<b>Operating Cash Receipts:</b>		
County Bed Tax	\$ 525,891	\$ 518,092
City Bed Tax	117,133	115,618
Project	42,217	36,714
Membership Dues	16,714	17,610
Miscellaneous	237	854
Interest	274	215
	<b>702,466</b>	<b>689,103</b>
<b>Total Operating Cash Receipts</b>		
<b>Operating Cash Disbursements:</b>		
Personal Services	318,670	310,083
Utilities	6,566	5,676
Telephone	9,385	9,882
Advertising	155,004	147,363
Local Promotion	24,589	8,806
Brochures	49,317	54,530
Tourist Information	5,407	5,280
Trade and Conventions	2,499	2,416
Meetings	6,796	951
Legal Services	781	3,312
Accounting Services	4,497	6,991
Travel	5,555	6,363
Automobile	2,972	28,053
Continuing Education	420	426
Dues and Subscriptions	8,933	7,553
Operations	70,289	72,637
Capital Outlay	7,537	40,593
	<b>679,217</b>	<b>710,915</b>
<b>Total Operating Cash Disbursements</b>		
<b>Operating Income (Loss)</b>	<b>23,249</b>	<b>(21,812)</b>
<b>Non-Operating Disbursements:</b>		
Interest Expense	(250)	
	<b>(250)</b>	<b>-</b>
<b>Total Non-Operating Disbursements</b>		
<b>Net Change in Cash Balance</b>	<b>22,999</b>	<b>(21,812)</b>
<b>Cash Balance, January 1</b>	<b>129,457</b>	<b>151,269</b>
<b>Cash Balance, December 31</b>	<b>\$ 152,456</b>	<b>\$ 129,457</b>

*The notes to the financial statement are an integral part of this statement.*

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**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2018 AND 2017**

**1. Summary of Significant Accounting Policies**

**A. Description of the Entity**

Destination Mansfield, Richland County, Ohio, (the Bureau) is a non-governmental not-for-profit organization. The Bureau is governed by a Board of Directors. The Bureau was formed to promote the area, facilities, and attractions as a destination for visitors, resulting in increased business activity and improved quality of life for Richland County.

The Bureau's management believes this financial statement presents all activities for which the Bureau is financially accountable.

**B. Accounting Basis**

This financial statement follows the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D). This basis is similar to the cash receipts and disbursements accounting basis. The Bureau recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (D) permit.

**C. Deposits**

The Bureau maintains two demand deposit accounts and various short-term certificates of deposit at a local bank. Certificates of deposit are valued at cost. The Bureau has no investments.

**D. Property, Plant, and Equipment**

The Bureau records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statement does not report these items as assets.

**E. Budgetary Process**

The Bureau is not subject to the provisions of Section 5705 of the Ohio Revised Code as property tax revenues are not received to finance its operations.

**F. Hotel and Lodging Bed Tax and Concentration of Risk**

The Bureau's primary source of revenue is a bed tax levied by the City of Mansfield and Richland County against occupied hotel and motel rooms located in the city of Mansfield and Richland County. The tax is collected by the various county and city agencies and distributed monthly to the Bureau. A reduction of that tax could have a significant impact on the operations of the Bureau.

**G. Income Tax**

The Bureau is a not-for-profit organization that is exempt from income taxes under Section 501(C)(6) of the Internal Revenue Code.

**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2018 AND 2017  
(Continued)**

**2. Cash**

The carrying amount of deposits at December 31<sup>st</sup> was as follows:

	<b>2018</b>	<b>2017</b>
Demand Deposits	72,247	(61,360)
Certificate of Deposits	80,209	190,817
Total Deposits	152,456	129,457

**3. Retirement System**

Employees over 21 years of age with 1,000 annual hours of service are eligible to participate in the Bureau's defined contribution 401(k) retirement plan. The Bureau contributes 7 percent of each participant's eligible compensations as defined by the plan. In addition, employee elective contributions are allowed from 1 percent up to 75 percent of eligible compensation. The Bureau's contributions to the retirement plan totaled \$17,278 and \$17,295 for the years ended December 31, 2018 and 2017, respectively.

**4. Risk Management**

**Commercial Insurance**

The Bureau has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

# OHIO AUDITOR OF STATE KEITH FABER



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

Destination Mansfield  
Richland County  
124 N. Main Street  
Mansfield, Ohio 44902

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 statement of Destination Mansfield, Richland County, Ohio, (the Bureau) as of and for the years ended December 31, 2018 and 2017, and the related notes to the financial statement and have issued our report thereon dated September 5, 2019, wherein we noted the Bureau followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***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 statement, 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 statement. 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 statement is 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.



Keith Faber  
Auditor of State

Columbus, Ohio

September 5 2019

# OHIO AUDITOR OF STATE KEITH FABER



**DESTINATION MANSFIELD- RICHLAND COUNTY**

**RICHLAND 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  
SEPTEMBER 24, 2019**