



**MANSFIELD/RICHLAND COUNTY CONVENTION AND VISITORS BUREAU, INC.
RICHLAND COUNTY**

REGULAR AUDIT

FOR THE YEAR ENDED DECEMBER 31, 2002



**Auditor of State
Betty Montgomery**

**MANSFIELD/RICHLAND COUNTY CONVENTION AND VISITORS BUREAU, INC
RICHLAND COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Mansfield/Richland County
Convention and Visitors Bureau, Inc.
Richland County
124 North Main Street
Mansfield, Ohio 44902

To the Board of Directors:

We have audited the accompanying financial statement of the Mansfield/Richland County Convention and Visitors Bureau, Inc., Richland County, Ohio, (the Bureau) as of and for the year ended December 31, 2002. This financial statement is the responsibility of the Bureau's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Bureau prepares its financial statement on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles. The Bureau changed its method of accounting and reporting from generally accepted accounting principles to the basis of accounting permitted by the Auditor of State.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the fund cash balance of the Bureau as of December 31, 2002, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2003, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Mansfield/Richland County
Convention and Visitors Bureau, Inc.
Richland County
Independent Accountants' Report
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This report is intended solely for the information and use of management, the Board of Directors and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 17, 2003

**MANSFIELD/RICHLAND COUNTY CONVENTION AND VISITORS BUREAU, INC.
RICHLAND COUNTY**

**STATEMENT CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

Cash Receipts:	
Bed tax	\$453,657
Membership dues	13,320
Interest income	612
Project revenue	13,517
Miscellaneous income	<u>4,146</u>
Total Cash Receipts	<u>485,252</u>
 Cash Disbursements:	
Salaries	185,907
Payroll taxes	18,296
Health insurance	12,726
Retirement	10,393
Outside labor	539
Accounting	11,720
Advertising	47,887
Board Meetings	1,184
Brochures	54,803
Equipment maintenance	14,432
Dues and subscriptions	6,063
Employee education	321
Insurance-general	4,801
Interest expense	175
Legal fees	315
Office expense	13,875
Parking	2,015
Postage	18,127
Promotion	35,456
Rent	17,050
Repairs and maintenance	3,540
Security	192
Telephone	14,999
Trade shows, conventions, other meetings	4,476
Trash	402
Travel and entertainment	8,683
Utilities	6,226
Vehicle expense	<u>5,877</u>
Total Cash Disbursements	<u>500,480</u>
Total Cash Receipts Under Cash Disbursements	(15,228)
Fund Cash Balance, January 1	<u>135,079</u>
Fund Cash Balance, December 31	<u><u>\$119,851</u></u>

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

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**MANSFIELD/ RICHLAND COUNTY CONVENTION AND VISITORS BUREAU, INC.
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Mansfield/Richland County Convention and Visitors Bureau, Inc., Richland County, (the Bureau) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Bureau is governed by a Board of Directors. For the year ended December 31, 2002, the Board of Directors consisted of 23 appointed members. 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. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. During the year, the Bureau changed its method of accounting and reporting from generally accepted accounting principles to the basis of accounting permitted by the Auditor of State.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash

All funds of the Bureau are maintained in a non-interest bearing checking account.

D. Fund Accounting

The Bureau uses fund accounting to segregate cash and investments that are restricted as to use. The Bureau classifies its funds into a General Fund, which is the general operating fund.

E. Budgetary Process

The Bureau is not required to follow budgetary procedures as prescribed by the Ohio Revised Code; however, the Bureau uses internal budgets for planning purposes that it adopts annually.

A summary of 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statement.

**MANSFIELD/RICHLAND COUNTY CONVENTION AND VISITORS BUREAU, INC.
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002
(Continued)**

2. EQUITY IN CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. At year-end, the carrying amount of the Bureau's deposits was \$119,851 and the bank balance was \$120,901. Of this bank balance, the Federal Depository Insurance Corporation insured \$100,000, and \$20,901 was collateralized by securities specifically pledged by the financial institution to the Bureau.

3. BUDGETARY ACTIVITY

Budgetary activity for the year ended December 31, 2002 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$551,504	\$485,252	(\$66,252)

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Budgeted Expenditures	Actual Expenditures	Variance
General	\$562,051	\$500,480	\$61,571

4. RETIREMENT SYSTEM

The Bureau terminated its Money Purchase Plan and adopted a 401(k) plan effective July 1, 1999. All employees over 21 years of age with 1,000 hours of service are eligible to participate in the 401(k) plan. Annual employer contributions to the plan are required at 7% of the participant's eligible compensation as defined in the plan. In addition, employee elective contributions are allowed up to 15% of eligible compensation. The Bureau's contributions to the active retirement plan totaled \$10,393 for the year ended December 31, 2002.

5. RISK MANAGEMENT

The bureau has obtained commercial insurance for general liability risks.

6. COMMITMENTS AND CONTINGENCIES

The Bureau receives a substantial amount of support from the City and County bed tax. A significant reduction in the level of this support, if this were to occur, may have an effect on the Bureau's programs and activities.

7. LEASES

The Bureau leases a computer system, telephone system and an automobile. The terms of these lease agreements expire on various dates through April 2004. On April 1, 2000, the Bureau commenced a building lease agreement with North Main, Inc. for an initial lease term of 5 years with an option to renew for up to 5 years.

**MANSFIELD/RICHLAND COUNTY CONVENTION AND VISITORS BUREAU, INC.
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2002
(Continued)**

7. LEASES (Continued)

The schedule of future minimum lease payments including interest is as follows:

	Car Lease	Phone Lease	Computer Lease	Building Lease
Year ending December 31:				
2003	\$4,772	\$344	\$7,170	\$18,600
2004			2,987	18,600
2005				4,650
Total	\$4,772	\$344	\$10,157	\$41,850

8. DONATED SERVICES

The Bureau had made in-kind contributions to the Johnny Appleseed Heritage Center. The Johnny Appleseed Heritage Center utilizes office space and administrative support services provided by the Bureau. The dollar value of these services has not been quantified. Consequently, an amount for in-kind services has not been recognized in this financial statement.

9. RICHLAND SCCA COMMITTEE

The Bureau receives donations on behalf of the Richland Sports Car Club of America (SCCA) Committee. The Bureau is responsible for the disbursement and the depositing of funds into a separate checking account. At year-end, the bank balance of the SCCA's checking account was \$201. During the year, \$28,316 was deposited, and \$28,233 was disbursed from the financial institution to the Bureau on behalf of the SCCA Committee. This activity is not reflected in the accompanying financial statement.

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Mansfield/Richland County
Convention and Visitors Bureau, Inc.
Richland County
124 North Main Street
Mansfield, Ohio 44902

To the Board of Directors:

We have audited the accompanying financial statement of Mansfield/Richland County Convention and Visitors Bureau, Inc., Richland County, Ohio, (the Bureau) as of and for the year ended December 31, 2002, and have issued our report thereon dated November 17, 2003 in which we noted the Bureau changed its method of accounting and reporting from generally accepted accounting principles to the basis of accounting permitted by the Auditor of State. We conducted our audit 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.

Compliance

As part of obtaining reasonable assurance about whether the Bureau's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted certain matters involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Bureau in a separate letter dated November 17, 2003.

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Mansfield/Richland County
Convention and Visitors Bureau, Inc.
Richland County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of management, and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 17, 2003



**Auditor of State
Betty Montgomery**

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MANSFIELD/RICHLAND COUNTY CONVENTION AND VISITORS BUREAU, INC.

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
DECEMBER 16, 2003**