



**MANSFIELD & RICHLAND COUNTY CONVENTION & VISITORS BUREAU
RICHLAND COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2014-2013



Dave Yost • Auditor of State

**MANSFIELD & RICHLAND COUNTY CONVENTION & VISITORS BUREAU
RICHLAND COUNTY**

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INDEPENDENT AUDITOR'S REPORT

Mansfield & Richland County Convention & Visitors Bureau
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 Mansfield & Richland County Convention & Visitors Bureau, Richland County, Ohio (the Bureau), (a not-for-profit corporation), as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for preparing and fairly presenting this financial statement in accordance with the cash accounting basis Note 1 describes. This responsibility includes determining that the 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 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 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 statement referred to above presents fairly, in all material respects, the respective cash financial position of the Mansfield & Richland County Convention & Visitors Bureau, Richland County, Ohio, as of December 31, 2014 and 2013, and the respective changes in cash financial position thereof for the years then ended in accordance with the accounting basis 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 April 22, 2015, 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 22, 2015

**MANSFIELD & RICHLAND COUNTY CONVENTION & VISITORS BUREAU
RICHLAND COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND
CHANGE IN FUND CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
Operating Cash Receipts:		
County Bed Tax	\$ 454,497	\$ 421,420
City Bed Tax	65,159	70,936
Project	36,296	33,964
Membership Dues	22,565	20,475
Miscellaneous	2,735	2,166
Interest	191	123
	581,443	549,084
Operating Cash Disbursements:		
Personal Services	285,499	283,485
Utilities	5,647	4,930
Telephone	8,894	9,030
Advertising	92,117	82,779
Local Promotion	32,845	20,374
Brochures	47,647	43,283
Tourist Information	4,962	5,137
Trade and Conventions	3,199	4,169
Meetings	3,123	2,195
Legal Services	1,075	2,982
Accounting Services	4,087	5,413
Travel	10,703	8,120
Automobile Maintenance	3,858	4,839
Continuing Education	577	553
Dues and Subscriptions	6,577	6,830
Operations	57,679	57,179
Capital Outlay	6,921	2,000
	575,410	543,298
Total Operating Cash Disbursements	575,410	543,298
Operating Income	6,033	5,786
Non-Operating Receipts (Disbursements):		
Proceeds from Loan	3,700	-
Debt Service	(3,701)	-
	(1)	-
Total Non-Operating Receipts (Disbursements)	(1)	-
Net Change in Fund Cash Balance	6,032	5,786
Cash Balance, January 1	140,226	134,440
Cash Balance, December 31	\$ 146,258	\$ 140,226

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

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**MANSFIELD & RICHLAND COUNTY CONVENTION & VISITORS BUREAU
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2014 AND 2013**

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Mansfield & Richland County Convention & Visitors Bureau, 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 cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). 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 described by the cash basis of accounting.

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 Taxes

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

**MANSFIELD & RICHLAND COUNTY CONVENTION & VISITORS BUREAU
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2014 AND 2013
(Continued)**

2. Cash

The carrying amount of deposits at December 31 was as follows:

	<u>2014</u>	<u>2013</u>
Demand deposits	\$15,892	\$19,961
Certificates of deposit	<u>130,366</u>	<u>120,265</u>
Total deposits	<u><u>146,258</u></u>	<u><u>140,226</u></u>

Cash deposits are insured by the Federal Deposit Insurance Corporation up to \$250,000.

3. Debt

The Bureau has entered into a line of credit agreement with a local bank. The agreement calls for a maximum loan of \$50,000 and is to be used to help the Bureau meet its seasonal cash needs. The line of credit was not used during 2013. During 2014, the Bureau borrowed and repaid \$3,700. As of December 31, 2014, there was no outstanding balance on the line of credit.

4. 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 \$14,713 and \$16,937 for the years ended December 31, 2014 and 2013, respectively.

5. Risk Management

Commercial Insurance

The Bureau has obtained commercial insurance for the following risks:

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

6. Related Party Transactions

Some members of the Board of Directors are employees, owners, or partners of entities that do business with the Bureau. These businesses include the Bureau's bank and others that are active in the tourism industry and benefit from the Bureau's success. For the years ended December 31, 2014 and 2013, the Bureau made payments to a Board member's law firm for legal services and consultations totaling \$1,075 and \$2,982, respectively.



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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*

Mansfield & Richland County Convention & Visitors Bureau
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 the Mansfield & Richland County Convention & Visitors Bureau, Richland County, Ohio, (the Bureau) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statement, and have issued our report thereon dated April 22, 2015.

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 communication 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 22, 2015



Dave Yost • Auditor of State

MANSFIELD/ RICHLAND CO COUNTY CONVENTION AND VISITOR BUREAU

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
MAY 14, 2015**