



OHIO AUDITOR OF STATE  
**KEITH FABER**





**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Auditor's Report .....	1
Prepared by Management:	
Statement of Receipts, Disbursements and Change in Cash Balance – Cash Basis For the Years ended December 31, 2022 and 2021 .....	5
Notes to the Financial Statement.....	6
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	11

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Destination Mansfield  
Richland County  
124 North Main Street  
Mansfield, Ohio 44902

To the Board of Directors:

### ***Report on the Audit of the Financial Statement***

#### ***Opinion***

We have audited the financial statement of Destination Mansfield, Richland County, (a not-for-profit corporation), which comprises the statement of receipts, disbursements and change in cash balance – cash basis for the years ended December 31, 2022 and 2021, and the related notes to the financial statement.

In our opinion, the accompanying financial statement presents fairly, in all material respects, the cash financial position of the Bureau, as of December 31, 2022 and 2021, and the changes in cash financial position for the years then ended in accordance with the accounting basis described in Note 1.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statement* section of our report. We are required to be independent of the Bureau, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Emphasis of Matter - Accounting Basis***

We draw attention to Note 1 of the financial statement, which describes the accounting basis, which differs from generally accepted accounting principles. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statement***

Management is responsible for preparation and fair presentation of the financial statement in accordance with the cash accounting basis described in Note 1 and for determining that the cash basis of accounting is an acceptable basis for preparation of the financial statement in the circumstances. Management is also responsible for 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.

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In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern one year after the date that the financial statement is issued (or within one year after the date that the financial statement is available to be issued, when applicable).

***Auditor's Responsibilities for the Audit of the Financial Statement***

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- obtain an understanding of internal control relevant to the audit 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 Bureau's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Bureau's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2023, 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. The purpose of that report is solely 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 effectiveness of the Bureau's 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

October 17, 2023

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**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**STATEMENT OF RECEIPTS, DISBURSEMENTS AND  
CHANGE IN CASH BALANCE - CASH BASIS  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>Operating Cash Receipts:</b>		
County Bed Tax	\$ 669,619	\$ 589,417
City Bed Tax	126,842	109,552
Miscellaneous Income	61,602	81,766
Membership Dues	17,957	16,823
Interest Income	1,287	88
Project Income	0	3,061
	<b>877,307</b>	<b>800,707</b>
 <b>Operating Cash Disbursements:</b>		
Payroll and Benefits	271,898	260,755
Advertising	229,078	168,890
Operations	81,190	56,639
Local Promotion	68,354	14,931
Brochures	54,086	47,555
Capital Outlay	36,852	6,169
Dues and Subscriptions	9,756	5,138
Utilities	7,644	5,048
Tourist Information	6,527	5,246
Travel	6,090	3,533
Accounting Services	5,198	8,020
Telephone	4,482	6,027
Vehicle	3,716	2,754
Continuing Education	1,009	963
Trade and Conventions	45	619
	<b>785,925</b>	<b>592,287</b>
 <b>Operating Income</b>	<b>91,382</b>	<b>208,420</b>
 Cash Balance, January 1	<b>445,881</b>	<b>237,461</b>
 <b>Cash Balance, December 31</b>	<b>\$ 537,263</b>	<b>\$ 445,881</b>

See accompanying notes to the financial statement.

**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2022 AND 2021**

**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 at a local bank. 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.

**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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

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. The Bureau incurs tax on unrelated business taxable income from advertising sales. The Bureau's policy is to expense any taxes when paid.

**2. CASH**

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

	<u>2022</u>	<u>2021</u>
Checking	\$ 24,411	\$ 4,163
Money Market	<u>512,852</u>	<u>441,718</u>
<b>Total Cash</b>	<b><u><u>\$ 537,263</u></u></b>	<b><u><u>\$ 445,881</u></u></b>

All cash balances are unrestricted.

**3. RETIREMENT SYSTEM**

Employees over 21 years of age with 90 days 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 92 percent of eligible compensation. The Bureau's contributions to the retirement plan totaled \$13,911 and \$14,020 for the years ended December 31, 2022 and 2021, respectively.

**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**4. INCOME TAXES**

The Bureau's evaluation on December 31, 2022 revealed no tax positions that would have a material impact on the financial statement. The Bureau does not believe that any reasonably possible changes will occur within the next twelve months that will have a material impact on the financial statement.

**5. LEASES**

The Bureau has a lease for its office space. The lease was renewed for a 3 year term on October 1, 2021 and expires on September 30, 2024. The lease requires monthly payments of \$1,958 for rent and \$140 for parking. Future payments under the lease are as follows:

2023	\$	25,176
2024		25,176
2025		<u>18,882</u>
<b>Total lease payments required</b>	<b>\$</b>	<b><u>69,234</u></b>

On the cash basis of accounting, lease payments are expensed as paid. Included in operating expenses for 2022 and 2021 are total lease payments of \$26,320 and \$26,365, respectively.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Bureau has obtained commercial insurance for the following risks:

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

**DESTINATION MANSFIELD  
RICHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**7. COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June, 2021 while the national state of emergency continued through May 11, 2023. During 2022 and 2021, the Bureau received COVID-19 funding in the form of Paycheck Protection Plan Loans and Employee Retention Credits. The financial impact of the continuing emergency measures is estimated to be minimal as the funding received by the Bureau has returned to pre-COVID-19 levels.

**8. SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date of this report. There were no subsequent events requiring disclosure.

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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 North Main Street  
Mansfield, Ohio 44902

To the Board of Directors:

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 (*Government Auditing Standards*), the financial statement of Destination Mansfield, Richland County, Ohio, (the Bureau) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statement, and have issued our report thereon dated October 17, 2023, wherein we noted the Bureau uses a special purpose framework other than generally accepted accounting principles.

### ***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the Bureau'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 statement, but not for the purpose of expressing an opinion on the effectiveness of the Bureau's internal control. Accordingly, we do not express an opinion on the effectiveness of the Bureau'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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Bureau's financial statement 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 or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Bureau's financial statement is 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 financial statement. 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 or other matters 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 Bureau'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 Bureau's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber  
Auditor of State  
Columbus, Ohio

October 17, 2023.



# OHIO AUDITOR OF STATE KEITH FABER



**DESTINATION MANSFIELD-RICHLAND COUNTY**

**RICHLAND COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

This is a true and correct copy of the report, which is required to be filed pursuant to Section 117.26, Revised Code, and which is filed in the Office of the Ohio Auditor of State in Columbus, Ohio.



**Certified for Release 11/9/2023**

88 East Broad Street, Columbus, Ohio 43215  
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This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)