



Dave Yost • Auditor of State

ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU
MUSKINGUM COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Zanesville-Muskingum County Convention and Visitors Bureau
Muskingum County
205 North Fifth Street
Zanesville, Ohio 43701

We have performed the procedures enumerated below, to which the management of the Zanesville-Muskingum County Convention and Visitors Bureau (the Bureau) agreed, solely to assist the Bureau in evaluating whether it recorded all lodging taxes it received from Muskingum County, and to help evaluate whether the Bureau disbursed these lodging taxes for allowable purposes described below for the years ended December 31, 2015 and 2014. The Bureau is responsible for disbursing lodging taxes for allowable purposes. This agreed-upon procedures engagement was conducted in accordance with the American Institute of Certified Public Accountants' attestation standards and applicable attestation engagement standards included in the Comptroller General of the United States' *Government Auditing Standards*. The sufficiency of the procedures is solely the responsibility of the Bureau. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Cash

1. We tested the mathematical accuracy of the December 31, 2015 and December 31, 2014 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2014 beginning fund balance recorded in the Balance Sheet to the December 31, 2013 balance in the Balance Sheet. We found no exceptions. We also agreed the January 1, 2015 beginning fund balance recorded in the Balance Sheet to the December 31, 2014 balances in the Balance Sheet. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2015 and 2014 fund cash balances reported in the Balance Sheets. The amounts agreed.
4. We confirmed the December 31, 2015 bank account balance with the Bureau's financial institution. We found no exceptions. We also agreed the confirmed balance to the amounts appearing in the December 31, 2015 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2015 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

Cash Receipts

1. We confirmed with Muskingum County the lodging taxes it paid to the Bureau during the years ending December 31, 2015 and 2014. The County confirmed the following amounts:

| Year Ended | Amount |
|-------------------|---------------|
| December 31, 2015 | \$379,940 |
| December 31, 2014 | \$422,125 |

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's QuickBooks Income by Customer Detail Report. We found two exceptions due to the timing of receipts recorded in the Bureau's accounting system. The following two receipts were recorded in the year before they were actually received from the County:

| County Warrant Date | Date posted to Bureau's system | Amount |
|----------------------------|---------------------------------------|---------------|
| January 10, 2014 | November 30, 2013 | \$30,631 |
| January 13, 2015 | December 31, 2014 | \$28,832 |

The Bureau should record the lodging tax receipts on the date received from the County.

Cash Disbursements

1. We inquired of management regarding sources describing allowable purposes or restrictions related to the Bureau's disbursements of lodging taxes. We listed these sources and summarized significant related restrictions below:

Source of Restrictions

- a. The Bureau's Articles of Incorporation
- b. The Bureau's 501(c)(6) Tax Exemption
- c. The Agreement between Muskingum County and the Bureau
- d. The Bureau's policies
- e. Ohio Rev. Code § 5739.09(A)(2)
- f. Auditor of State Bulletin 2003-005

The Bureau's tax exemption prohibits it from disbursements supporting a candidate's election.

The agreement dated June 17, 1993 between the Bureau and Muskingum County Commissioners permits the Bureau to spend lodging taxes exclusively for the promotion and development as mandated by Ohio Rev. Code § 5739.09.

Ohio Rev. Code § 5739.09(A)(2) restricts the Bureau to spending lodging tax "specifically for promotion, advertising, and marketing of the region in which the county is located."

Auditor of State Bulletin 2003-005 deems any disbursement of public funds (e.g. lodging taxes) for alcohol to be improper.

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2015 and 2014 in addition to all disbursements exceeding \$10,000 and compared the purpose for these disbursements as documented on vendor invoices or other supporting documentation to the sources of restrictions listed in *Cash Disbursements Step 1* above. We found no instances where the purpose described on the invoice or other supporting documentation described a violation the restrictions listed above.

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We were not engaged to, and did not examine the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2015 and 2014, the objective of which would have been to opine on lodging tax receipts and disbursements. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is intended solely for the information and use of the Bureau and is not intended to be, and should not be used by anyone other than the specified party.

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

May 5, 2016

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ZANESVILLE- MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU

MUSKINGUM 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 19, 2016**