



OHIO AUDITOR OF STATE
KEITH FABER



ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU
MUSKINGUM COUNTY

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the Board of Directors and the management of the Zanesville-Muskingum County Convention and Visitors Bureau, Muskingum County, Ohio (the Bureau), on the receipts, disbursements and balances recorded in the Bureau's cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Bureau. The Bureau is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2019 and 2018 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Bureau. The sufficiency of the procedures is solely the responsibility of the parties specified in this report. 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.

This report only describes exceptions exceeding \$10.

Cash

1. We recalculated the December 31, 2019 and December 31, 2018 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2018 beginning fund balance recorded in the Balance Sheet Prev Year Comparison to the December 31, 2017 balance as documented in the prior year Agreed-Upon Procedures working papers. We noted the Balance Sheet Prev Year Comparison reported a balance of \$380,477 whereas the December 31, 2017 balance from the prior year Agreed-Upon working papers was \$380,019 for a variance of \$458. We also agreed the January 1, 2019 beginning fund balance recorded in the Balance Sheet Prev Year Comparison to the December 31, 2018 balance in the Balance Sheet Prev Year Comparison. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2019 and 2018 fund cash balances reported in the Balance Sheet Prev Year Comparison. For 2019, we noted a variance of \$2,954 due to certain November and December receipts from Muskingum County not being posted until January 2020. The amounts agreed for 2018.
4. We confirmed the December 31, 2019 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, 2019 bank reconciliation without exception.

Cash (Continued)

5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2019 bank reconciliation:
 - a. We traced one debit to the subsequent January bank statement. We noted five reconciling debits, totaling \$9,240, issued between July 16, 2018 and August 14, 2019, which remained outstanding as of March 31, 2020.
 - b. We traced the amount and date to the check register, to determine the debit was dated prior to December 31. There were no exceptions.

Cash Receipts

1. We confirmed with Muskingum County the lodging taxes it paid to the Bureau during the years ending December 31, 2019 and 2018. The County confirmed the following amounts:

Year Ended	Amount
December 31, 2019	\$392,939
December 31, 2018	\$389,505

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 no exceptions.

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 the 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 selected 10 disbursements of lodging taxes from the Transaction Detail by Account Report for the year ended December 31, 2019 and 10 disbursements from 2018 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 of the restrictions listed above.

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*. We were not engaged to, and did not examine or review the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2019 and 2018, the objective of which would have been to opine on lodging tax receipts and disbursements or provide a conclusion. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

This report is to provide assistance in the evaluation of the Bureau's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2019 and 2018, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

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

Keith Faber
Auditor of State
Columbus, Ohio

May 28, 2020

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OHIO AUDITOR OF STATE KEITH FABER



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
JUNE 11, 2020**