



OHIO AUDITOR OF STATE
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below on the Zanesville-Muskingum County Convention and Visitors Bureau's, Muskingum County, Ohio (the Bureau), receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2021 and 2020 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, 2021 and 2020 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Bureau.

The Board of Trustees and the management of the Bureau have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of providing 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, 2021 and 2020, and certain compliance requirements related to these transactions and balances. No other party acknowledged the appropriateness of the procedures. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of the report and may not meet the needs of all users of the report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes. The sufficiency of the procedures is solely the responsibility of the parties specified in the 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.

For the purposes of performing these procedures, this report only describes exceptions exceeding \$10.

The procedures and the associated findings are as follows:

Cash

1. We recalculated the December 31, 2021 and December 31, 2020 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2020 beginning cash balance recorded in the Balance Sheet to the December 31, 2019 cash balance in the documentation in the prior year Agreed-Upon Procedures working papers. We noted a variance totaling \$8,498. This was due to the Bureau voiding a transfer from 2018 in the amount of \$8,040 between the Bureau and the Chamber of Commerce checking accounts and voiding a 2018 journal entry in the amount of \$458. We found no other exceptions. We also agreed the January 1, 2021 beginning cash balance recorded in the Balance Sheet to the December 31, 2020 cash balance in the Balance Sheet. We found no exceptions.

Cash (Continued)

3. We agreed the 2021 and 2020 bank reconciliation as of December 31, 2021 and 2020 to the total cash balances reported in the Balance Sheet. We noted a variance between the bank reconciliation and the Balance Sheet in the amount of \$4,755 at December 31, 2021. This was due to timing differences of when checks were written compared to when they were recorded in the accounting system. The 2020 amounts agreed. We found no other exceptions.
4. We confirmed the December 31, 2021 bank account balance with the Bureau's financial institution. We found no exceptions.
5. We selected all reconciling debits (such as outstanding checks) from the December 31, 2021 bank reconciliation:
 - a. For two reconciling debits, we traced the debits to the subsequent May 2022 reconciliation and noted the debits were still reconciling debits. We found no other exceptions.
 - b. We traced the amounts and dates to the check register and determined the debits were dated prior to December 31. We found no exceptions.
6. We selected all reconciling credits (such as deposits in transit) from the December 31, 2021 bank reconciliation:
 - a. For the one reconciling credit of \$19, we traced the credit to the subsequent May 2022 reconciliation and noted the credit was still a reconciling credit. We found no other exceptions.
 - b. We agreed the credit amounts to the Account Quickbook Report and determined they were dated prior to December 31. We found no exceptions.

Cash Receipts

1. We summarized lodging taxes the Muskingum County's GL Activity Report reported as payments to the Bureau during the years ending December 31, 2021 and 2020. The total reported disbursements were as follows:

Year Ended	Amount
December 31, 2021	\$381,979
December 31, 2020	\$278,766

2. We compared the amounts from step 1 to amounts recorded as lodging tax receipts on the Bureau's Account Quickbook Report. We noted the Bureau overstated a receipt received in April 2021 by \$5,996. The Bureau posted an adjustment to correct the error in May 2023. We found no other 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)

Cash Disbursements (Continued)

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 § 5739.092 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 concludes that disbursement of public funds (e.g. lodging taxes) for alcohol are generally improper. However, Auditor of State Bulletin 2014-003 explains when sales of alcohol at public events are permissible.

We selected 10 disbursements of lodging taxes from the Transaction Detail by Account Report for the year ended December 31, 2021 and 10 disbursements from 2020 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.

We were engaged by the Bureau to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the Comptroller General of the United States' *Government Auditing Standards*. We were not engaged to, and did not conduct an examination or review engagement of the Bureau's lodging tax receipts and disbursements for the years ended December 31, 2021 and 2020, 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.

We are required to be independent of the Bureau and to meet our ethical responsibilities, in accordance with the ethical requirements established by the Comptroller General of the United States' *Government Auditing Standards* related to our agreed upon procedures engagement.



Keith Faber
Auditor of State
Columbus, Ohio

September 2, 2022

OHIO AUDITOR OF STATE KEITH FABER



ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU

MUSKINGUM 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 9/20/2022

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This report is a matter of public record and is available online at
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