



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

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, 2017 and 2016 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, 2017 and 2016 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, 2017 and December 31, 2016 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2016 beginning fund balance recorded in the Balance Sheet Prev Year Comparison to the December 31, 2015 documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balance recorded in the Balance Sheet Prev Year Comparison to the December 31, 2016 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, 2017 and 2016 fund cash balances reported in the Balance Sheet Prev Year Comparison. The amounts agreed.
4. We confirmed the December 31, 2017 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, 2017 bank reconciliation without exception.
5. We selected two reconciling debits (such as outstanding checks) from the December 31, 2017 bank reconciliation:
  - a. We traced each debit to the subsequent January and February bank statements. We found no exceptions.

**Cash (Continued)**

- b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. There were no exceptions.

We noted six additional reconciling debits, totaling \$1,219, issued between July 11, 2013 and July 29, 2017 that were still outstanding as of February 28, 2018.

**Cash Receipts**

- 1. We confirmed with Muskingum County the lodging taxes it paid to the Bureau during the years ending December 31, 2017 and 2016. The County confirmed the following amounts:

<b>Year Ended</b>	<b>Amount</b>
December 31, 2017	\$359,851
December 31, 2016	\$363,569

- 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 one exception due to the timing of receipts recorded in the Bureau's accounting system. The following receipt was recorded in the year before it was actually received from the County:

<b>County Warrant Date</b>	<b>Date posted to Bureau's system</b>	<b>Amount</b>
January 10, 2017	December 31, 2016	\$27,611

**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.

**Cash Disbursements (Continued)**

2. We haphazardly selected forty disbursements of lodging taxes from the years ended December 31, 2017 and 2016 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.

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, 2017 and 2016, 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, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

April 4, 2018

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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  
APRIL 17, 2018**