

**ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU
MUSKINGUM COUNTY
Regular Audit
December 31, 2007 and 2006**



Mary Taylor, CPA
Auditor of State

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

We have reviewed the *Independent Accountants' Report* of the Zanesville-Muskingum County Convention & Visitors Bureau, Muskingum County, prepared by Perry & Associates CPA's A.C., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Zanesville-Muskingum County Convention & Visitors Bureau is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

October 10, 2008

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**ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU
MUSKINGUM COUNTY**

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Perry & Associates
Certified Public Accountants, A.C.

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INDEPENDENT ACCOUNTANTS' REPORT

August 25, 2008

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

To the Board of Directors:

We have audited the accompanying financial statements of **Zanesville-Muskingum County Convention & Visitors Bureau, Muskingum County, Ohio**, (the Bureau) (a not-for-profit organization) as of and for the years ended December 31, 2007 and 2006, and the related statement of activities, net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Zanesville-Muskingum County Convention & Visitors Bureau, Muskingum County, as of December 31, 2007 and 2006, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2008, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Zanesville-Muskingum County Convention & Visitors Bureau
Muskingum County
Independent Accountants' Report
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Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.

ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITOR'S BUREAU
STATEMENT OF FINANCIAL POSITION
at December 31, 2007 and 2006

	2007	2006
Assets		
Cash and Cash Equivalents	\$ 167,098	\$ 184,280
Accounts Receivable	61,321	40,283
Prepaid Expenses	6,279	1,525
Fixed Assets (net)	1,256	1,867
Other Assets	173	-
	<u>173</u>	<u>-</u>
Total Assets	<u><u>\$236,127</u></u>	<u><u>\$227,955</u></u>
Liabilities and Net Assets		
Liabilities		
Accounts Payable	3,404	200
Other Liabilities	-	2,109
Deferred Income	7,090	19,105
	<u>7,090</u>	<u>19,105</u>
Total Liabilities	<u>10,494</u>	<u>21,414</u>
Net Assets		
Restricted Funds- Lorena Sternwheeler	29,096	15,065
Unrestricted Funds	196,537	191,476
	<u>196,537</u>	<u>191,476</u>
Total Net Assets	<u>225,633</u>	<u>206,541</u>
Total Liabilities and Net Assets	<u><u>\$ 236,127</u></u>	<u><u>\$ 227,955</u></u>

The notes to the financial statements are an integral part of the financial statements

ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITOR'S BUREAU
STATEMENT OF ACTIVITIES & NET ASSETS
at December 31, 2007 and 2006

	2007	2006
Revenue		
Bed Tax	\$ 252,040	\$ 261,191
Visitor Guide Income	31,695	34,020
Interstate Billboards	16,065	18,488
Co-Op Trade	5,860	6,500
Lorena Marketing	23,890	22,325
Muskingum County Passport Program	1,905	2,159
Muskingum Consortium Program	630	2,625
Farm/City Day Income	2,447	2,370
Health Insurance Copay	719	715
Other Income	350	299
Map Sales	401	344
Interest Income	420	346
National Road East Group	8,850	6,632
	<hr/>	<hr/>
Total Unrestricted Revenue	345,272	358,014
	<hr/>	<hr/>
Total Restricted Revenue- Lorena Sternwheeler	14,031	15,065
	<hr/>	<hr/>
Total Revenue	359,303	373,079
Expenses		
Salaries	139,809	136,663
Pension Plan	13,382	12,695
Payroll Taxes	11,345	11,145
Group Health Insurance	9,784	9,640
Visitor Guide Expense	37,199	34,594
Interstate Billboards	18,360	21,236
Advertising	17,305	18,015
Postage	6,160	9,740
Shows and Conferences	9,318	9,295
Marketing	2,573	7,473
Co-Op Trade Show Expenses	8,030	10,310
Depreciation	438	557
Telephone	5,385	5,140
Office Supplies	3,407	3,367
Printing & Publication	4,199	3,378
Muskingum Antiques Consortium Expense	811	2,851
Web Site Expense	66	-
Lorena Expense	26,461	22,325
Muskingum County Passport Expense	2,492	2,159
Dues and Subscriptions	4,510	4,357
Legal and Accounting	1,562	4,537
Equipment Maintenance	602	1,673
Pottery Reunion Expense	1,603	440
Farm/City Day	2,469	1,760
Travel	890	507
National Road East Ads	8,230	10,418
Janitorial Service	1,378	1,378

The notes to the financial statements are an integral part of the financial statements.

**ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITOR'S BUREAU
STATEMENT OF ACTIVITIES & NET ASSETS
at December 31, 2007 and 2006**

	2007	2006
Meals and Entertainment	604	629
Electric	388	389
Comprehensive Insurance	500	500
Merchandise Purchased	182	180
Gas	304	251
Flowers/Gifts	19	85
Fidelity Bond Insurance	175	-
Misc. Expense/Scenic River	-	404
Bank Charges	271	325
	<u> </u>	<u> </u>
Total Expense	340,211	348,416
	<u> </u>	<u> </u>
Increase (Decrease) in Unrestricted Net Assets	5,061	9,598
	<u> </u>	<u> </u>
Increase (Decrease) in Restricted Net Assets	14,031	15,065
	<u> </u>	<u> </u>
Total Increase (Decrease) in Net Assets	19,092	24,663
	<u> </u>	<u> </u>
Net Assets, January 1	206,541	181,878
	<u> </u>	<u> </u>
Net Assets, December 31	<u>\$ 225,633</u>	<u>\$ 206,541</u>

The notes to the financial statements are an integral part of the financial statements.

**ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITOR'S BUREAU
STATEMENT OF CASH FLOWS
at December 31, 2007 and 2006**

	2007	2006
Cash Flows from Operating Activities		
Increase (decrease) in unrestricted net assets	\$ 5,061	\$ 9,598
Increase (decrease) in restricted net assets	14,031	15,065
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation and ammortization	438	557
(Increase) decrease in accounts receivable	(21,038)	(6,236)
(Increase) decrease in prepaid expenses	(4,754)	3,973
Increase (decrease) in accounts payable	3,204	102
Increase (decrease) in other liabilities	(2,109)	160
Increase (decrease) in deferred income	(12,015)	9,255
	(17,182)	32,474
Net Cash Provided (Used) by Operating Activities	(17,182)	32,474
Net Increase (Decrease) in Cash & Cash Equivalents	(17,182)	32,474
Cash & Cash Equivalents, January 1	184,280	151,806
Cash & Cash Equivalents, December 31	\$ 167,098	\$ 184,280

The notes to the financial statements are an integral part of the financial statements.

**ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU
MUSKINGUM COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Zanesville-Muskingum County Convention & Visitors Bureau (the Bureau) is a not-for-profit organization, incorporated in the State of Ohio, and is a department of and is directed by the Zanesville-Muskingum County Chamber of Commerce. The Bureau serves the public by encouraging economic development of the Zanesville and Muskingum County area through the promotion of tourism.

The Bureau's management believes these financial statements present all activities for which the Bureau is financially accountable.

B. Basis of Accounting

These financial statements were prepared on the accrual basis of accounting.

C. Cash and Investments

The Bureau maintains all available funds in a checking account.

D. Revenue Recognition

Bed Tax revenue is recognized when collected.

E. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

F. Restricted Funds

Restricted assets represent cash and cash equivalents set aside for expenses for the Lorena Sternwheeler.

G. Federal Income Tax

For Federal income tax purposes, the Zanesville-Muskingum County Chamber of Commerce is exempt from the federal income tax under Internal Revenue Code Section 501(c)(6).

2. CONCENTRATION OF CASH REVENUE

The Bureau receives the majority of its support from the Zanesville Muskingum County Motel/Hotel bed tax.

**ZANESVILLE-MUSKINGUM COUNTY CONVENTION AND VISITORS BUREAU
MUSKINGUM COUNTY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

3. PENSION PLAN

The Chamber of Commerce has adopted a 401(K) deferred compensation plan. All eligible employees, including employees of the Bureau, may elect to contribute up to 10% of their compensation up to the maximum allowed by law. The Chamber will contribute 5% of eligible participant's compensation and will match up to another 5% of eligible employee's deferral. The pension cost for the years ended December 31, 2007, 2006 and 2005 were \$13,382, \$12,695 and \$11,732.19 respectively.

4. CREDIT RISK

Financial instruments, which subject the Bureau to a concentration of credit risk, consist of cash. Deposits are insured by the Federal Deposit Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

August 25, 2008

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

To the Board of Directors:

We have audited the financial statements of **Zanesville-Muskingum County Convention & Visitors Bureau, Muskingum County, Ohio** (the Bureau) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated August 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bureau's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Bureau's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Bureau's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Bureau's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Bureau's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Bureau's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

Zanesville-Muskingum County Convention & Visitors Bureau
Muskingum County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the Bureau's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

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

Respectfully Submitted,

A handwritten signature in cursive script that reads "Perry & Associates CPAs A.C.".

Perry and Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA
Auditor of State

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
NOVEMBER 6, 2008