



OHIO AUDITOR OF STATE  
**KEITH FABER**





MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY  
MUSKINGUM COUNTY  
DECEMBER 31, 2018 AND 2017

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Muskingum County Convention Facilities Authority  
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 Muskingum County Convention Facilities Authority, Muskingum County, Ohio (the Authority), on the receipts, disbursements and balances recorded in the Authority's cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the Authority. The Authority is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2018 and 2017 and certain compliance requirements related to these transactions and balances included in the information provided to us by the Authority. 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 and Investments

1. We recalculated the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Balance Sheet report to the December 31, 2016 balances in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Balance Sheet report to the December 31, 2017 balances in the Balance Sheet report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the Balance Sheet report. The amounts agreed.
4. We confirmed the December 31, 2018 bank account balances with the Authority's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.
5. We inspected investments held at December 31, 2018 and December 31, 2017 to determine that they were of a type authorized by Ohio Rev. Code § 351.20. We found no exceptions.

### Lodging Excise Tax Receipts

1. We selected a sample (agreed upon) of one Monthly Lodging Excise Tax return bed tax for each of the area hotels/motels during 2018 and 2017. For each receipt selected:
  - a. We compared the payment amount recorded on the tax return to the amount recorded in the Transaction Detail Account. The amounts agreed. We found no exceptions.

### **Lodging Excise Tax Receipts (Continued)**

- b. We recomputed the lodging tax due based on the approved rate. We found no exceptions.
  - c. We inspected the Transaction Detail Account to confirm whether the receipt was allocated to the proper fund. We found no exceptions.
  - d. We inspected the Transaction Detail Account to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
  - e. We compared the receipt total from procedure a. to the amount recorded as income tax receipts in the Transaction Detail Account for that date. The amounts agreed.
2. We inspected the Transaction Detail Account to determine whether it included twelve bed tax receipts for each hotel/motel for 2018 and 2017. The Transaction Detail Account included the proper number of bed tax receipts for each year. We found no exceptions.

### **Over-The-Counter Cash Receipts**

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended December 31, 2018 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount recorded in the Transaction Detail Account. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Transaction Detail Account to determine the receipt was posted to the proper fund and was recorded in the proper year. We found no exceptions.

### **Debt**

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2016.
2. We inquired of management and inspected the Transaction Detail Account for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

### **Payroll Cash Disbursements**

1. We selected one payroll check for all employees from 2018 and one payroll check for all employees from 2017 from the Transaction Detail Account and:
  - a. We compared the hours and pay rate, or salary recorded in the Transaction Detail Account to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the Transaction Detail Account. We found no exceptions.
  - c. We inspected the fund and account code to which the check was posted to determine the posting was reasonable based on the employees' duties as documented in the employees' personnel files and minute record. We also confirmed the payment was posted to the proper year. We found no exceptions.
2. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 to confirm remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2018.

**Payroll Cash Disbursements (Continued)**

We found the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	1/31/2019	1/7/2019	\$1,165	\$1,165
State income taxes	1/31/2019	1/8/2019	\$185	\$185
Local income tax	1/31/2019	1/5/2019	\$279	\$279

**Non-Payroll Cash Disbursements**

1. From the Transaction Detail Account, we re-footed checks recorded as disbursements for *cleaning services* and checks recorded as *building maintenance* in 2018. We found no exceptions.
2. We selected a sample (agreed upon) of ten disbursements from the Transaction Detail Account for the year ended December 31, 2018 and ten from the year ended 2017 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.
  - b. The check number, date, payee name and amount recorded on the returned, canceled check agreed to the check number, date, payee name and amount recorded in the Transaction Detail Account and to the names and amounts on the supporting invoices. We found no exceptions.
  - c. The payment was posted to a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

**Other Compliance**

1. Ohio Rev. Code § 117.38 requires authorities to file their financial information in the HINKLE system within 60 days after the close of the fiscal year. This statute also permits the Auditor of State to extend the deadline for filing a financial report and establish terms and conditions for any such extension. Auditor of State established policies regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. We confirmed the Authority filed their complete financial statements, as defined by AOS Bulletin 2015-007 and Auditor of State established policy within the allotted timeframe for the years ended December 31, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. For the Authority's credit card account we obtained:
  - Copies of existing internal control policies,
  - A list of authorized users, and
  - A list of all credit card account transactions.
  - a. We inspected the established policy obtained and determined it was implemented by the entity. We found no exceptions.
  - b. We selected five credit card transactions for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.
We found no exceptions.

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 conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the Authority's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is to provide assistance in it's the evaluation of the Authority's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2018 and 2017, 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 20, 2019



# OHIO AUDITOR OF STATE KEITH FABER



**MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY**

**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 4, 2019**