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MUSKINGUM COUNTY CONVENTION FACILITIES AUTHORITY
MUSKINGUM COUNTY

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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, with which the Board of Directors and the management of the Muskingum County Convention Facilities Authority, Muskingum County, Ohio (the Authority), agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2016 and 2015, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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 tested the mathematical accuracy of the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning cash balances recorded in the Balance Sheet Report to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning cash balances recorded in the Balance Sheet Report to the December 31, 2015 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, 2016 and 2015 cash balances reported in the Balance Sheet Reports. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balance with the Authority's financial institutions. The confirmed balance of the checking account agreed to the amount appearing on the December 31, 2016 bank reconciliation without exception. We noted a \$103 variance between the Certificate of Deposit balances on the Authority's Balance Sheet Report and the confirmed bank balances. The Executive Assistant should review the bank balances to help ensure they agree to the recorded balance in the Authority's accounting system.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

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Cash and Investments (Continued)

- b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.
6. We tested investments held at December 31, 2016 and December 31, 2015 to determine that they were of a type authorized by Ohio Rev. Code § 351.20. We found no exceptions.

Confirmable Cash Receipts

1. We selected a bed tax receipt from the Monthly Lodging Excise Tax Returns (the Returns) for 2016 and one from 2015 for each of the area hotels/motels:
 - a. We traced the lodging tax due and paid from the Returns to the amount recorded in the Revenue Report. The amounts agreed.
 - b. We recomputed lodging tax due. We found no exceptions.
 - c. We determined whether the receipt was allocated to the proper account. We found no exceptions.
 - d. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Revenue Report to determine whether it included the proper number of bed tax receipts for 2016 and 2015:
 - a. One bed tax receipt for each month for each hotel/motel in operation.

We noted the Revenue Report included the proper number of bed tax receipts based on the number of hotels/motels in operation for each year. We noted the Authority has not received any bed tax receipts from Motel 6 since July 2016. The Authority has attempted to confirm this hotel is no longer in operation and received no response.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2014.
2. We inquired of management, and scanned the Revenue Report and Expense Report for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. We noted no new debt issuances, or any debt payment activity during 2016 or 2015.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for all (3) employees from 2016 and one payroll check for all (2) employees from 2015 from the Expense Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Expense Report to supporting documentation (timecard, legislatively or statutorily-approved rate or salary). We found one instance where an employee was paid for 2.75 hours of overtime however the Authority does not have a formal policy regarding the payment of overtime. The Authority should adopt a policy regarding overtime and specify when it is allowable, which employees are eligible and the rate of pay to be used. Because we did not test all timecards, our report provides no assurances whether or not other similar overtime payments were made.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Expense Report. We found no exceptions.

Payroll Cash Disbursements (Continued)

- c. We determined whether the account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files and minute record was consistent with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department(s) and account(s) to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and
 - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to determine whether 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 2016. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	1/31/17	1/18/17	\$1,010	\$1,010
State income taxes	1/31/17	1/6/17	\$156	\$156
Local income taxes	1/31/17	1/5/17	\$257	\$257

Non-Payroll Cash Disbursements

1. From the Expense Report, we re-footed checks recorded as cleaning services, and checks recorded as building maintenance in 2016. We found no exceptions.
2. We haphazardly selected ten disbursements from the Expense Report for the year ended December 31, 2016 and ten from the year ended 2015 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 Expense Report and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted to an account consistent with the restricted purpose for which the cash can be used. We found no exceptions.

Other Compliance

1. Ohio Rev. Code § 117.38 requires entities to file their financial information in the HINKLE system formerly known as the Annual Financial Data Reporting System (AFDRS) within 60 days after the close of the fiscal year. We reviewed AFDRS to verify the Authority filed their financial information within the allotted timeframe for the years ended December 31, 2016 and 2015. No exceptions noted.

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

This report is intended solely for the information and use of management, those charged with governance, and others within the Authority, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State
Columbus, Ohio

March 30, 2017



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MUSKINGUM COUNTY CONVENTION FACILITY

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 11, 2017**