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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 5th 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, 2010 and 2009, 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, 2010 and December 31, 2009 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2009 beginning fund balances recorded as Retained Earnings on the Balance Sheet to the December 31, 2008 balances in the prior year audited statement. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2010 and 2009 fund cash balances reported in the Balance Sheets. We noted a \$65 variance between book and bank balances for Certificates of Deposit in 2010 and a \$66 variance between book and bank balances for Certificates of Deposit in 2009. This is due to the posting of interest receipts. We recommend the executive assistant review the financial institution website to ensure the interest credited by the bank is posted to the Authority records. All other amounts agreed.
4. We confirmed the December 31, 2010 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, 2010 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2010 bank reconciliation:
 - a. We traced each debit to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates written to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

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Cash and Investments (Continued)

6. We tested interbank account transfers occurring in December of 2010 and 2009 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held at December 31, 2010 and December 31, 2009 to determine that they were of a type authorized by Ohio Rev. Code Section 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 2010 and one from 2009 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 fund. 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 2010 and 2009:
 - a. Twelve bed tax receipts for each hotel/motel.

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.

Debt

1. From the prior audit report, we noted the following revenue bond anticipation note outstanding as of December 31, 2008. This amount agreed to the Authority's January 1, 2009 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2008:
Revenue Bond Anticipation Note	\$439,000

2. We inquired of management, and scanned the Revenue Report and Expense Report for evidence of debt issued during 2010 or 2009 or debt payment activity during 2010 or 2009. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of revenue bond anticipation note debt activity for 2010 and 2009 and agreed interest payments from the related debt amortization schedule to capital projects fund payments reported in the Expense Report. We also compared the date the interest payments were due to the date the Authority made the payments. We found no exceptions.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2010 and one payroll check for five employees from 2009 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 no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Expense Report. We found no exceptions.
 - c. We determined whether the fund and account codes to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files and the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.

2. We scanned the last remittance of tax withholdings for the year ended December 31, 2010 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 2010. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	1/31/11	1/18/11	\$3,652.98	\$3,652.98
State income taxes	1/18/11	1/4/11	\$492.24	\$492.24
Local income tax	1/31/11	1/4/11	\$572.79	\$572.79

Non-Payroll Cash Disbursements

1. From the Expense Report, we re-footed checks recorded as *catering services* and checks recorded as *insurance* for 2010. We found no exceptions.

2. We haphazardly selected ten disbursements from the Expense Report for the year ended December 31, 2010 and ten from the year ended 2009 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 a fund consistent with the restricted purpose for which the fund's cash can be used. We found no exceptions.

Compliance – Contracts & Expenditures

We inquired of management and scanned the Expense Report for the years ended December 31, 2010 and 2009 for procurements requiring competitive bidding under the following statute:

- a. Anything to be purchased, leased, leased with an option or agreement to purchase, or constructed, including, but not limited to, any product, structure, construction, reconstruction, improvement, maintenance, repair, or service, except the services of an accountant, architect, attorney at law, physician, professional engineer, construction project manager, consultant, surveyor, or appraiser, by or on behalf of the county or contracting authority, as defined in Section 307.92 of the Revised Code, at a cost in excess of twenty-five thousand dollars (Ohio Rev. Code Section 307.86).

We identified no purchases subject to the aforementioned bidding requirements.

Officials' Response: We did not receive a response from officials to the exception reported above.

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.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

July 26, 2011



Dave Yost • Auditor of State

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
AUGUST 23, 2011**