

CHEBOYGAN COUNTY ROAD COMMISSION
A Component Unit of Cheboygan County, Michigan

PUBLIC ACT 298 OF 2012 PERFORMANCE AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2016

Stewart,
Beauvais
& Whipple P.C.



CHEBOYGAN COUNTY ROAD COMMISSION
A Component Unit of Cheboygan County, Michigan

TABLE OF CONTENTS
DECEMBER 31, 2016

	<u>Page Number</u>
Independent Accountant's Report	1
Schedule of Performance Measures	2
Recommendations	Appendix A

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of County Road Commissioners
of Cheboygan County
Indian River, Michigan

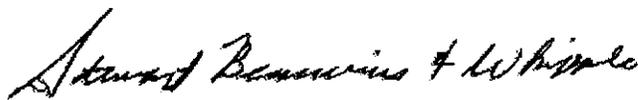
We have examined Cheboygan County Road Commission's (the "Road Commission") compliance with the requirements of Section 12 of Act 51 of 1951, as amended, as specified in the accompanying schedule of performance measures for the year ended December 31, 2016. Compliance with the requirements of Section 12 of Public Act 51 of 1951, as amended, is the responsibility of the Road Commission. Our responsibility is to express an opinion based on our examination.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In our opinion, the Cheboygan County Road Commission complied, in all material respects, with the requirements of Section 12 of Public Act 51 of 1951, as amended, as specified in the accompanying schedule of performance measures.

We have also provided recommendations as a result of the procedures performed that are items not considered material noncompliance matters related to the objective of the performance audit, however, are items that were identified in the Annual Financial Report (Act 51 Report) that should be taken under consideration by management. These recommendations are detailed in Appendix A.

This report is intended solely for the information and use of Cheboygan County Road Commission Board of Commissioners and management and the Michigan Department of Transportation and is not intended to be, and should not be, used by anyone other than these specified parties.



Stewart, Beauvais & Whipple, PC

April 3, 2017

CHEBOYGAN COUNTY ROAD COMMISSION
A Component Unit of Cheboygan County, Michigan

SCHEDULE OF PERFORMANCE MEASURES
FOR THE YEAR ENDED DECEMBER 31, 2016

Objective: To determine whether funds expended under Section 12 of Public Act 51 of 1951, as amended by Public Act 298 of 2012, were expended in compliance with the Act.

1. Obtain Statement of Changes in Fund Balances (SCFB) from the Act 51 Annual Financial Report (AFR).
2. Verify the accuracy and completeness of the amounts in Lines 132 through 134 of the SCFB.
 - a. Review the detailed General Ledger to verify that the accounting records support the amounts identified in Lines 132 through 134 of the SCFB.
 - b. Test the SCFB for completeness.
3. Determine whether the amounts in Lines 132 through 134 of the SCFB are in compliance with Section 12(9) of Public Act 51 of 1951, as amended by Public Act 298 of 2012.
4. Obtain Schedule 8 from the Act 51 AFR.
5. Verify the accuracy and completeness of the amounts in Lines 232 through 241 of Schedule 8 of the AFR.
 - a. Review the detailed General Ledger to verify that the accounting records support the amounts in Lines 232 through 241 of Schedule 8 of the AFR.
 - b. Test the AFR for completeness.
6. Determine whether the amounts in Lines 232 through 241 of Schedule 8 of the AFR are in compliance with Section 12(16) of Public Act 51 of 1951, as amended by Public Act 298 of 2012.
7. Determine whether the amount shown in Line 233 - Administrative Expense of the AFR - is in compliance with Section 12(21) of Public Act 1951, as amended by Public Act 298 of 2012.
8. Test the AFR to ensure compliance with Sections 12(16) and 12(21) of Public Act 51 of 1951, as amended by Public Act 298 of 2012.

**CHEBOYGAN COUNTY ROAD COMMISSION
A Component Unit of Cheboygan County, Michigan**

**RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2016**

Recommendations

As a result of the procedures performed, we are making the following recommendations for items not considered material noncompliance matters related to the objective of the performance audit, however, are items that were identified in the Annual Financial Report (Act 51 Report) that could improve reporting.

Distributive Expense – Fringe Benefits Schedule

The distributive expense – fringe benefits calculation presented on page 9 of the Act 51 Report, the amount per line 184 (total calculation of benefits to be distributed) doesn't agree with the amount on line 180 (total distributive). We believe these amounts should agree.