



Dave Yost • Auditor of State

MUSKINGUM COUNTY TREASURER CERTIFICATE OF ACCOUNTABILITY
MUSKINGUM COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Muskingum County Commissioners
Muskingum County Treasurer
Muskingum County
401 Main Street
Zanesville, Ohio 43701

We have performed the procedures enumerated below as of April 30, 2015, which were agreed to by the addressees, related to the cash and investments in the custody of the Muskingum County Treasurer's Office solely to assist you in the transition of the County Treasurer. The transition is the responsibility of the present and former officeholder. The 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 those 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.

Cash and Investments Reconciliation

1. We recomputed the mathematical accuracy of the reconciliation. We noted no computational errors.
2. We agreed bank balances on the reconciliation with month end bank statements. We agreed investment balances on the reconciliation to month-end statements obtained from the County Treasurer's Office and the investment ledger. We noted the following:
 - We noted the balances on the month end bank statements for the Water Department Credit Card and Health Department Credit Card accounts were \$141,155 and \$8,221, respectively; however, the balances included on the reconciliation were \$146,674 and \$9,047, resulting in variances of \$5,519 and \$826, respectively. The County Treasurer's balances for these accounts represented only deposits made for credit card receipts and excluded other items such as interest and fees. The County did not perform any individual reconciliation of these book balances to the bank balances to document the nature of these variances.
 - The "MEORC-Starlight-Merrill Lynch" balance of \$2,561,309, held outside the County Treasury, contained on the County's reconciliation agreed to the supporting schedules for the balance from February 28, 2015. There was a variance of \$12,648 between the balance on the reconciliation and the actual balance at April 30, 2015 of \$2,548,661. This was the result of the supporting schedules of MEORC activity for March and April being received by the County on April 29, 2015 and May 12, 2015, respectively. We recommend the County obtain the necessary financial information in a more timely fashion in order to update the corresponding balance.

Cash and Investments Reconciliation (Continued)

- The County's Water ACH Payment Account balance of \$42,878 was \$2 less than the actual balance on the month end bank statement. This was the result of interest for the month not being posted to the County's system as of April 30 nor being reflected as a reconciling item on the reconciliation.
- The Chase Law Library balance on the County's reconciliation of \$89,344 was \$268 less than the actual balance on the statement provided by the financial institution. This was due to capitalized interest not being posted to the County's system for April 2013 through April 2015.
- The PNC Bank Law Library balance of \$39,432 was \$1,128 less than the actual balance on the statement provided by the financial institution as a result of interest for this account not being posted to the County's system since December 2011.
- The County did not provide an investment ledger as of April 30, 2014. Ohio Rev. Code §135.35(L) provides, in part, that the investing authority is required to keep a complete record of all purchases and sales of the obligations and securities. In addition, the investing authority is required to keep a monthly portfolio report and issue a copy of the monthly report describing its investments to the county investment advisory committee.

The County should perform monthly reconciliations for all accounts to ensure variances between the County's recorded balances and bank balances represent valid reconciling items. The County should also post interest receipts timely for all accounts so that account balances can accurately be reflected on the County's monthly reconciliation and records. Additionally, we recommend the County obtain the necessary financial information from MEORC in a more timely fashion in order to update the corresponding balance. Also, the County should maintain an investment ledger including all activity as required.

3. We noted no differences in the amounts or description of the asset on the reconciliation versus the statements.
4. We agreed reconciling items in excess of \$5,000 appearing on the reconciliation to the bank statement. We determined that the dates on the statement support that those items were proper reconciling items at April 30, 2015.
5. We confirmed collateral pledged at the applicable banking institutions and added this total to federal insurance coverage of deposits. The collateral exceeded deposits as of March 31, 2015.
6. We confirmed authorized signatories directly with the banks. The signatories the bank confirmed agreed with those the legislative body authorized in Resolutions 15-0466 and 15-0469.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on cash or investments. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that we would have reported to you.

Muskingum County Commissioners
Muskingum County Treasurer
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This report is intended solely for the information and use of the addressees listed above 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
Columbus, Ohio

July 13, 2015

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MUSKINGUM COUNTY TREASURER TRANSFER OF ACCOUNTABILITY

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
JULY 28, 2015