



OHIO AUDITOR OF STATE
KEITH FABER



MUSKINGUM VALLEY PARK DISTRICT
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 Valley Park District
Muskingum County
1720 Euclid Avenue
Zanesville, Ohio 43701

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Muskingum Valley Park District, Muskingum County, Ohio (the District), on the receipts, disbursements and balances recorded in the District'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 District. The District 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 District. 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

1. Muskingum County is custodian for the District's deposits, and therefore the County's deposit and investment pool holds the District's assets. We compared the District's fund balances reported on its December 31, 2018 annual financial report to the balances reported in Muskingum County's accounting records. The amounts agreed.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Muskingum County Summary Fund Report to the December 31, 2016 balances 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 Summary Fund Report to the December 31, 2017 balances in the Summary Fund Report. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected all local government funding receipts for 2018 and 2017 from the Muskingum County Local Government Schedule obtained from the Muskingum County Auditor's Office. In addition, we selected all receipts from the Muskingum County Detail Expense Report for the District for 2018 and 2017.
 - a. We compared the amount from the above report to the amount recorded in the Detail Revenue Report. The amounts agreed.
 - b. We inspected the Detail Revenue Report to determine that these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Detail Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts (Continued)

2. We inspected the Detail Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.
3. We confirmed the amounts paid from the Mid-Ohio Title Agency, The Muskingum County Community Foundation, the Zanesville Development Corporation and the Cora E. Rogge Foundation to supporting documentation (check copy and/or remittance information) during 2018 and 2017. We found no exceptions.
 - a. We inspected the Detail Revenue Report to determine whether these receipts were allocated to the proper funds. We found no exceptions.
 - b. We inspected the Detail Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Additionally, we compared the amounts paid from the Ohio Public Works Commission (OPWC) from the OPWC confirmation listing noting \$43,702 and \$565,119 in 2018 and 2017, respectively, of on behalf payments that were not posted to the District's accounting records.

4. The District received \$140,000 from a donor, to acquire the Westview School Property. We agreed this amount to the Detail Revenue Report. The District spent this amount on the purchase of the Westview Property on September 4, 2018. No exceptions were noted.

Debt

1. From the prior Agreed-Upon Procedures documentation, we observed the following loan was outstanding as of December 31, 2016. This amount agreed to the District's January 1, 2017 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2016:
Zanesville Development Corporation	\$83,012

2. We inquired of management and inspected the Detail Revenue Report and Detail Expense Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3. There were no new debt issuances.
3. We obtained a summary of loan debt activity for 2018 and 2017 and agreed payments from the related debt documentation to payments reported in the Detail Expense Report. We found no exceptions. We confirmed with the Zanesville Development Corporation the outstanding loan was paid in full with no remaining liability to the District as of December 31, 2018 or 2017.

Payroll Cash Disbursements

1. We selected one payroll check for the District's two employees from 2018 and one payroll check for the District's two employees from 2017 from the Payroll Warrant Register and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Warrant Register Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. 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.

Payroll Cash Disbursements (Continued)

2. For any new employees selected in procedure 1 we inspected the employees' personnel files and minute record for the following information and compared it with the information used to compute gross and net pay related to this check:
 - a. Name
 - b. Authorized salary or pay rate
 - c. Department and fund to which the check should be charged
 - d. Retirement system participation and payroll withholding
 - e. Federal, State & Local income tax withholding authorization and withholding
 - f. Any other deduction authorizations (deferred compensation, etc.)

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

Non-Payroll Cash Disbursements

We selected a sample (agreed upon) of ten disbursements from the Detail Expense Report 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 Detail 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.
- d. The Fiscal Officer certified disbursements requiring certification or issued a *Then and Now Certificate*, as required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(D). We found one instance where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources* required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Detail Revenue Report for the General, Joe's Run Green Space and Warner Bike Walk Trail Funds for the years ended December 31, 2018 and 2017. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General, Joe's Run Green Space and Warner Bike Walk Trail Funds, the Trustees appropriated separately for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code §§ 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Detail Expense Report for 2018 and 2017 for the following funds: General, Joe's Run Green Space and Warner Bike Walk Trail. The amounts on the appropriation resolutions agreed to the amounts recorded in the Detail Expense Report.

Compliance – Budgetary (Continued)

4. Ohio Rev. Code § 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the General, Joe's Run Green Space and Warner Bike Walk Trail Funds for the years ended December 31, 2018 and 2017. There were no funds for which appropriations exceeded estimated revenue.
5. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B) prohibits expenditures (disbursements plus certified commitments) from exceeding appropriations. We compared total expenditures to total appropriations for the years ended December 31, 2018 and 2017 for the General, Joe's Run Green Space and Warner Bike Walk Trail Funds, as recorded in the Detail Expense Report. There were no funds for which expenditures exceeded appropriations.
6. For funds existing in prior years, we inspected the fund activity to determine whether the fund is still being used for the statutorily approved purpose and that all the required funds were established. All the required funds were established and no funds for which the statutorily approved purpose was no longer valid were included on the accounting records.
7. We inspected the Cash Summary by Fund Report for the years ended December 31, 2018 and 2017 for negative cash fund balances. Ohio Rev. Code § 5705.10(l) provides that money paid into a fund must be used for the purposes for which such fund is established. As a result, a negative fund cash balance indicates that money from one fund was used to cover the expenses of another. No funds had a negative cash fund balances.

Other Compliance

1. Ohio Rev. Code § 117.38 requires these districts 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 District 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 all the District's credit card accounts 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 above and noted it is:
 - i. in compliance with HB 312 statutory requirements, and
 - ii. implemented by the District.
 - b. We selected 5 credit card transactions made by the District's only employee and 3 credit card transaction made by the District's Executive Director 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*. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the *American Institute of Certified Public Accountants*. 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 District'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 the evaluation of the District'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.



Keith Faber
Auditor of State
Columbus, Ohio

May 28, 2019

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OHIO AUDITOR OF STATE KEITH FABER



MUSKINGUM VALLEY PARK DISTRICT

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 11, 2019**