



OHIO AUDITOR OF STATE
KEITH FABER



**ZANESVILLE MUSKINGUM COUNTY PORT AUTHORITY
MUSKINGUM COUNTY
DECEMBER 31, 2018 AND 2017**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report on Applying Agreed-Upon Procedures.....	1

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Zanesville Muskingum County Port Authority
Muskingum County
205 North Fifth Street
Zanesville, Ohio 43701

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Zanesville Muskingum County Port Authority, Muskingum County, Ohio (the Port Authority), on the receipts, disbursements and balances recorded in the Port Authority's 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 management of the Port Authority. The Port Authority 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 Port Authority. 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. Muskingum County is custodian for the Port Authority's deposits and investments, and therefore the County's deposit and investment pool holds the Port Authority's assets. We compared the Port Authority's fund balances reported on its December 31, 2018 financial statement to the balances reported in the Muskingum County's accounting records. The amounts agreed.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Summary Fund Report to the December 31, 2016 balances in the prior year audited statements. 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 the only receipt from the State Distribution Transaction List (DTL) from 2018. We also selected a sample (agreed upon) of five receipts from the County Auditor's Detail Expense Report from 2018 and five from 2017.
 - a. We compared the amount from the above reports 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 funds. We found no exceptions.

Intergovernmental and Other Confirmable Cash Receipts (Continued)

- c. We inspected the Detail Revenue Report to determine whether the receipts were recorded in the proper year. We found the receipt included on the 2018 DTL was receipted by the Port Authority in 2017. The remittance advice was dated in 2017, therefore no exception was taken.
2. We confirmed the amounts paid from the City of Zanesville to the Port Authority during 2018 and 2017 with the City. Additionally, we agreed amounts paid from Jobs Ohio during 2017 to supporting documentation. 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.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2016.
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. There were no new debt issuances, nor any debt payment activity during 2018 or 2017.

Payroll Cash Disbursements

We selected one payroll check for the Port Authority's two employees from 2018 and one payroll check for the Port Authority's two employees from 2017 from the Payroll Ledger and:

- a. We compared the hours and pay rate, or salary recorded in the Payroll Ledger to supporting documentation (timecard or legislatively approved rate or salary). We found no exceptions.
- b. 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.

Non-Payroll Cash Disbursements

We selected a sample (agreed upon) of 10 disbursements from the Detail Expense Report for the year ended December 31, 2018 and 10 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 image 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.

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, Infrastructure and Site Development Capital Reserve Funds for the years ended December 31, 2018 and 2017. The amounts agreed.

Compliance – Budgetary (Continued)

2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General, Fanatics Main Agreement and Site Development Capital Reserve 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 and amendments required by Ohio Rev. Code §§ 5705.28(B)(2) and 5705.38 and 5705.40, to the amounts recorded in the Detail Expense Report for 2018 and 2017 for the following funds: General, Fanatics Main Agreement and Site Development Capital Reserve. The amounts on the appropriation resolutions agreed to the amounts recorded in the Detail Expense Report.
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, Infrastructure and Site Development Capital Reserve Funds for the years ended December 31, 2018 and 2017. We observed no funds for which appropriations exceeded estimated revenue.
5. Ohio Rev. Code §§ 5705.28(B)(2) and 5705.41(B) prohibit 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, Fanatics Main Agreement and Site Development Capital Reserve Funds, as recorded in the Detail Expense Report. We observed no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code § 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Detail Revenue Report for evidence of new restricted receipts requiring a new fund during December 31, 2018 and 2017. We also inquired of management regarding whether the Port Authority received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code § 5705.09 would require the Port Authority to establish a new fund.
7. 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. We observed 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.
8. We inspected the Summary Fund Report for the years ended December 31, 2018 and 2017 for negative cash fund balance. 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. There were no funds having negative cash fund balances.

Other Compliance

1. Ohio Rev. Code § 117.38 requires port authorities 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.

Other Compliance (Continued)

We confirmed the Authority 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 credit card accounts we obtained:
 - copies of existing internal control policies, and
 - a list of all credit card account transactions.

We selected three credit card transactions for testing. For selected transactions we inspected documentation to determine that 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*. 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 Port Authority'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 Port Authority'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

August 5, 2019

OHIO AUDITOR OF STATE KEITH FABER



ZANESVILLE-MUSKINGUM COUNTY PORT 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 15, 2019**