



Mary Taylor, CPA  
Auditor of State



MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY

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# Mary Taylor, CPA

Auditor of State

Muskingum Valley Park District  
Muskingum County  
1720 Euclid Avenue  
Zanesville, Ohio 43701

To the Board of Park Commissioners:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to an interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an adverse opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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**Mary Taylor, CPA**  
Auditor of State

June 30, 2009

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Muskingum Valley Park District  
Muskingum County  
P.O. Box 446  
Zanesville, Ohio 43702-0446

To the Board of Park Commissioners:

We have audited the accompanying financial statements of the Muskingum Valley Park District, Muskingum County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the District has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity-wide statements and also presenting the District's larger (i.e., major) funds separately. While the District does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The District has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2008 and 2007 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the District as of December 31, 2008 and 2007 or its changes in financial position for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of the Muskingum Valley Park District, Muskingum County, Ohio, as of December 31, 2008 and 2007, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The District has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2009 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 30, 2009



**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	<u>Governmental Fund Type</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Intergovernmental				
State	\$89,099		\$181,495	\$270,594
Local (County)	55,000			55,000
Federal		\$15,622		15,622
In-Kind Contributions			5,838	5,838
Investment Income		\$172		172
Gifts and Donations	7,200	59,950		67,150
Fees	15,113			15,113
Rentals		2,480		2,480
Sale of Livestock		5,486		5,486
Other Receipts	3,748	18,336		22,084
	<u>170,160</u>	<u>102,046</u>	<u>\$187,333</u>	<u>459,539</u>
<b>Cash Disbursements:</b>				
Current:				
Salaries - Employees	68,239			68,239
Supplies	1,458			1,458
Materials	1,886	3,528		5,414
Equipment	3,071			3,071
Contracts - Repair	2,422	993		3,415
Contracts - Services	36,360	184,058		220,418
Rentals	35			35
Advertising and Printing	37			37
Travel	4,758			4,758
Public Employees Retirement	9,450			9,450
Medicare	989			989
Workers' Compensation	1,730			1,730
Insurance	29,856			29,856
Capital Outlay			169,319	169,319
Other	806			806
	<u>161,097</u>	<u>188,579</u>	<u>169,319</u>	<u>518,995</u>
Total Cash Receipts Over/(Under) Cash Disbursements	9,063	(86,533)	18,014	(59,456)
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	32,064	8,144		40,208
Advances-In	12,000	32,000		44,000
Transfers-Out	(8,144)		(32,064)	(40,208)
Advances-Out	(32,000)	(12,000)		(44,000)
	<u>3,920</u>	<u>28,144</u>	<u>(32,064)</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	12,983	(58,389)	(14,050)	(59,456)
Fund Cash Balances, January 1	41,994	73,681	195,861	311,536
<b>Fund Cash Balances, December 31</b>	<u><b>\$54,977</b></u>	<u><b>\$15,292</b></u>	<u><b>\$181,811</b></u>	<u><b>\$252,080</b></u>
Reserves for Encumbrances, December 31	<u>\$5,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$5,000</u>

*The notes to the financial statements are an integral part of this statement.*

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>Governmental Fund Type</u>			<b>Totals (Memorandum Only)</b>
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	
<b>Cash Receipts:</b>				
Intergovernmental				
State	\$95,570	\$80,000	\$54,906	\$230,476
Local (County)	30,000			30,000
In-Kind Contributions			\$6,436	6,436
Investment Income		\$581		581
Gifts and Donations		40,050	148,200	188,250
Fees	2,807			2,807
Sale of Livestock		20,009		20,009
Other Receipts	136			136
<b>Total Cash Receipts</b>	<b>128,513</b>	<b>140,640</b>	<b>209,542</b>	<b>478,695</b>
<b>Cash Disbursements:</b>				
Current:				
Salaries - Employees	67,150			67,150
Supplies	447	2,284		2,731
Materials	1,149			1,149
Equipment	320			320
Contracts - Repair	1,909			1,909
Contracts - Services	5,894	75,923	35,317	117,134
Rentals	126			126
Advertising and Printing	49			49
Travel	4,658			4,658
Public Employees Retirement	9,292			9,292
Medicare	976			976
Workers' Compensation	1,903			1,903
Insurance	29,172			29,172
Capital Outlay			54,205	54,205
Other	4,522			4,522
<b>Total Cash Disbursements</b>	<b>127,567</b>	<b>78,207</b>	<b>89,522</b>	<b>295,296</b>
Total Cash Receipts Over/(Under) Cash Disbursements	946	62,433	120,020	183,399
<b>Other Financing Receipts/(Disbursements):</b>				
Transfers-In	33,151			33,151
Advances-In	10,250	10,250		20,500
Transfers-Out			(33,151)	(33,151)
Advances-Out	(10,250)	(10,250)		(20,500)
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>33,151</b>	<b>0</b>	<b>(33,151)</b>	<b>0</b>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	34,097	62,433	86,869	183,399
Cash Balances, January 1	7,897	11,248	108,992	128,137
<b>Fund Cash Balances, December 31</b>	<b>\$41,994</b>	<b>\$73,681</b>	<b>\$195,861</b>	<b>\$311,536</b>
Reserves for Encumbrances, December 31	\$570	\$2,117	\$0	\$2,687

*The notes to the financial statements are an integral part of this statement.*

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Muskingum Valley Park District, Muskingum County, Ohio (the District), as a body corporate and politic. The probate judge of Muskingum County appoints a three-member Board of Commissioners to govern the District. The Commissioners are authorized to acquire, develop, protect, maintain, and improve park lands and facilities. The Commissioners may convert acquired land into forest reserves. The Commissioners are also responsible for activities related to conserving natural resources, including streams, lakes, submerged lands, and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of these assets conducive to the general welfare.

The District's management believes these financial statements present all activities for which the District is financially accountable.

**B. Basis of Accounting**

These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The District recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Cash and Investments**

As the Ohio Revised Code permits, the Muskingum County Treasurer holds the District's cash as the District's custodian. The County Treasurer holds the District's assets in its investment pool, valued at the County Treasurer's reported carrying amount, except for those monies held in trust by the District pertaining to the Meadow Springs Farm which are invested in STAROhio and recorded at the share values the STAROhio fund reports.

**D. Fund Accounting**

The District uses fund accounting to segregate cash and investments that are restricted as to use. The District classifies its funds into the following types:

**1. General Fund**

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private purpose non-expendable trusts or for capital projects) restricted to expenditure for specific purposes. The District had the following significant Special Revenue Funds:

Meadow Springs Farm Fund – This fund receives monies from the sale of livestock, farm rent, and Star Ohio interest to be used for the maintenance of the Meadow Springs Farm.

Miracle League Fund – This fund receives proceeds from the Scrap Tire Grant administered by the Ohio Department of Natural Resources' Division of Recycling and Litter Prevention. The proceeds are being used to construct a handicap accessible baseball field.

WHIP Fund – This fund receives proceeds from the federal government's Wildlife Habitat Incentive Program administered by the Farm Service Agency and Natural Resources Conservation Service. The proceeds are being used for conservation practices at McGraw Edison Park.

**3. Capital Project Funds**

These funds account for receipts restricted for acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The District had the following significant Capital Project Funds:

AEP Land Acquisition Project Fund - This fund receives proceeds from the Clean Ohio Conservation Program administered by the Ohio Public Works Commission. The proceeds are being used to acquire land to cultivate recreational area for public use.

Joe's Run Green Space Project Fund - This fund receives proceeds from the Clean Ohio Conservation Program administered by the Ohio Public Works Commission. The proceeds are being used to acquire land to cultivate recreational area for public use.

MERA Land Acquisition Project Fund - This fund receives proceeds from the Clean Ohio Conservation Program administered by the Ohio Public Works Commission. The proceeds are being used to acquire land to cultivate recreational area for public use.

Clean Ohio Trails Fund – This fund receives proceeds from private foundations for the local match for a grant administered by the Ohio Department of Natural Resources' Division of Real Estate and Land Management under the Clean Ohio Conservation Program. The proceeds are being used to construct a pedestrian trail through Dresden.

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Ohio Revised Code requires that each fund be budgeted annually.

**1. Appropriations**

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund level of control, and appropriations may not exceed estimated resources. Appropriation authority includes current year appropriations plus encumbrances carried over from the prior year (if any). The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

**2. Estimated Resources**

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1.

**3. Encumbrances**

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated.

A summary of 2008 and 2007 budgetary activity appears in Note 3.

**F. Property, Plant, and Equipment**

The District records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

As discussed in Note 1C., the Muskingum County Treasurer holds the District's cash as the District's custodian. Monies that have been placed with the District in trust for the Meadow Springs Farm are invested with STAR Ohio. The carrying amount of the District's investment in STAROhio was \$4,001 and \$11,829 for 2008 and 2007, respectively. Investments in STAROhio are not evidenced by securities that exist in physical or book-entry form.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2008 and 2007 follows:

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2008 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$206,529	\$202,224	(\$4,305)
Special Revenue	138,018	110,190	(27,828)
Capital Projects	187,333	187,333	0
Total	<u>\$531,880</u>	<u>\$499,747</u>	<u>(\$32,133)</u>

2008 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$184,828	\$174,241	\$10,587
Special Revenue	190,531	188,579	1,952
Capital Projects	201,383	201,383	0
Total	<u>\$576,742</u>	<u>\$564,203</u>	<u>\$12,539</u>

2007 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$160,378	\$161,664	\$1,286
Special Revenue	124,640	140,640	16,000
Capital Projects	61,343	209,542	148,199
Total	<u>\$346,361</u>	<u>\$511,846</u>	<u>\$165,485</u>

2007 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$129,227	\$128,137	\$1,090
Special Revenue	80,513	80,324	189
Capital Projects	121,516	122,673	(1,157)
Total	<u>\$331,256</u>	<u>\$331,134</u>	<u>\$122</u>

**4. RETIREMENT SYSTEM**

The District's full-time employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes plan benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2008 and 2007, OPERS members contributed 10% and 9.5%, respectively, of their gross salaries and the District contributed an amount equaling 14% and 13.85%, respectively, of participants' gross salaries. The District has paid all contributions required through December 31, 2008.

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**5. RISK MANAGEMENT**

The District is exposed to various risks of property and casualty losses, and injuries to employees.

The District insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The District belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty Coverage

For an occurrence prior to January 1, 2006 PEP retains casualty risks up to \$250,000 per occurrence, including claim adjustment expenses. PEP pays a percentage of its contributions to APEEP. APEEP reinsures claims exceeding \$250,000, up to \$1,750,000 per claim and \$10,000,000 in the aggregate per year.

For an occurrence on or subsequent to January 1, 2006, the Pool retains casualty risk up to \$350,000 per occurrence. Claims exceeding \$350,000 are reinsured with APEEP in an amount not to exceed \$2,650,000 for each claim and \$10,000,000 in the aggregate per year. Governments can elect up to \$10,000,000 in additional coverage with the General Reinsurance Corporation, through contracts with PEP.

If losses exhaust PEP's retained earnings, APEEP provides excess of funds available coverage up to \$5,000,000 per year, subject to a per-claim limit of \$2,000,000 (for claims prior to January 1, 2006) or \$3,000,000 (for claims on or after January 1, 2006) as noted above.

Property Coverage

Beginning in 2005, APEEP established a risk-sharing property program. Under the program, Travelers reinsures specific losses exceeding \$250,000 up to \$600 million per occurrence. This amount was increased to \$300,000 in 2007. For 2007, APEEP reinsures members for specific losses exceeding \$100,000 up to \$300,000 per occurrence, subject to an annual aggregate loss payment. For 2006, APEEP reinsures members for specific losses exceeding \$100,000 up to \$250,000 per occurrence, subject to an annual aggregate loss payment. Travelers provides aggregate stop-loss coverage based upon the combined members' total insurable values. If the stop loss is reached by payment of losses between \$100,000 and \$250,000 in 2006, or \$100,000 and \$300,000 in 2007, Travelers will reinsure specific losses exceeding \$100,000 up to their \$600 million per occurrence limit. The aggregate stop-loss limit for 2007 was \$2,014,548.

The aforementioned casualty and property reinsurance agreements do not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Property and casualty settlements did not exceed insurance coverage for the past three fiscal years.

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**5. RISK MANAGEMENT (Continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2007 and 2006 (the latest information available):

	<u>2007</u>	<u>2006</u>
Assets	\$37,560,071	\$36,123,194
Liabilities	<u>(17,340,825)</u>	<u>(16,738,904)</u>
Net Assets	<u>\$20,219,246</u>	<u>\$19,384,290</u>

At December 31, 2007 and 2006, respectively, the liabilities noted above include approximately \$15.9 million and \$15.0 million of estimated incurred claims payable. The assets and retained earnings above also include approximately \$15.0 million and \$14.4 million of unpaid claims to be billed to approximately 443 member governments in the future, as of December 31, 2007 and 2006, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. The District's share of these unpaid claims collectible in future years is approximately \$6,000. This payable includes the subsequent year's contribution due if the District terminates participation, as described in the last paragraph below.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<b><u>Contributions to PEP</u></b>	
2005	\$3,172
2006	\$3,121
2007	\$3,722
2008	\$5,413

After completing one year of membership, members may withdraw on each anniversary of the date they joined PEP provided they give written notice to PEP 60 days in advance of the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's budgetary contribution. Withdrawing members have no other future obligation to the pool. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.



**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2008 AND 2007  
(Continued)**

**6. CONTINGENT LIABILITIES**

Amounts received from grantor agencies are subject to audit and adjustment by the grantor, principally the federal government. Any disallowed costs may require refunding to the grantor. Management cannot presently determine amounts which may be disallowed, if any. However, based on prior experience, management believes any refunds would be immaterial.

**7. MISSION OAKS FOUNDATION ASSISTANCE**

The District facilities at 1720 Euclid Avenue were renovated in the Spring of 2008 by the Mission Oaks Foundation. The District is provided this office space without paying rent. The District is, however, responsible for electric, gas, internet service and telephone usage.

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

Muskingum Valley Park District  
Muskingum County  
1720 Euclid Avenue  
Zanesville, Ohio 43701

To the Board of Park Commissioners:

We have audited the financial statements of the Muskingum Valley Park District, Muskingum County, Ohio (the District), as of and for the years ended December 31, 2008 and 2007, and have issued our report thereon dated June 30, 2009, wherein we noted the District followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the District's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the District's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the District's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **Compliance and Other Matters**

As part of reasonably assuring whether the District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and Board of Park Commissioners. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

June 30, 2009

**MUSKINGUM VALLEY PARK DISTRICT  
MUSKINGUM COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2008 AND 2007**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2006-001	The District was found to be in noncompliance with Ohio Rev. Code Section 5705.41(B) as the District failed to properly amend appropriations in accordance with Ohio Rev. Code Section 5705.40.	Yes	





**Mary Taylor, CPA**  
Auditor of State

**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**  
**JULY 28, 2009**