

**CANTON JOINT RECREATION DISTRICT**

**STARK COUNTY**

**JANUARY 1, 2010 TO DECEMBER 31, 2011  
AGREED UPON PROCEDURES**





# Dave Yost • Auditor of State

Board of Trustees  
Canton Joint Recreation District  
1414 Market Avenue N.  
Canton, Ohio 44714

We have reviewed the *Independent Accountants' Report on Applying Agreed-Upon Procedures* of the Canton Joint Recreation District, Stark County, prepared by Charles E. Harris & Associates, Inc., for the period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Canton Joint Recreation District is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

September 6, 2012

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**INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

Canton Joint Recreation Park District  
Stark County  
1414 Market Ave  
N. Canton, Ohio 44714

We have performed the procedures enumerated below, with which the Board of Trustees and the management of Canton Joint Recreation District (the District) and the Auditor of State agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2011 and 2010, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning fund balances recorded in the Monthly Financial Report to the December 31, 2009 balances in the prior year audited statements. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2011 and 2010 fund cash balances reported in the Monthly Financial Report. The amounts agreed for 2010 but did not agree for 2011. The bank statement was dated December 30, 2011 and the District wrote checks on December 31, 2011 but did not properly include those checks on the outstanding check list. The amount of these excluded checks totaled \$5,919.08. We recommend that the District include all checks written on or before year ending December 31 on the outstanding check listings.
4. We confirmed the December 31, 2011 bank account balances with the District's financial institutions. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2011 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2011 bank reconciliation:
  - a. We traced each debit to the subsequent January. We found no exceptions.
  - b. We traced the amounts and dates to the check register, to determine the debits were dated prior to December 31. We noted no exceptions.

### **Cash and Investments (Continued)**

6. We tested interbank account transfers occurring in December of 2011 and 2010 to determine if they were properly recorded in the accounting records and on each bank statement. We found no exceptions.
7. We tested investments held at December 31, 2011 and December 31, 2010 to determine that they:
  - a. Were of a type authorized by Ohio Rev. Code Sections 135.13, 135.14 or 135.144. We found no exceptions.
  - b. Mature within the prescribed time limits noted in Ohio Rev. Code Section 135.13 or 135.14. We noted no exceptions.

### **Property Taxes and Intergovernmental Receipts**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes (the Statement)* for 2011 and one from 2010:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Receipt Journal. We also traced the advances noted on the Statement to the Receipt Journal. The amounts agreed.
  - b. We determined whether the receipt was allocated to the proper fund as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We determined whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We scanned the Receipts Journal to determine whether it included two real estate tax receipts plus thirteen advances for 2011 and nine advances for 2010. We noted the Receipts Journal included the proper number of tax receipts for each year.
3. We selected four receipts (all) from the State Distribution Transaction Lists (DTL) from 2011 and four receipts (all) from 2010.
  - a. We compared the amount from the above report to the amount recorded in the Receipt Journal. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.

### **Over-The-Counter Cash Fees**

We haphazardly selected 10 over-the-counter cash fees from the year ended December 31, 2010 and 10 over-the-counter cash fees from the year ended 2011 recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Receipts Journal. The amounts agreed.
- b. Amount charged complied with rates in force during the audit period. We found no exceptions.
- c. Receipt was posted to the proper fund and was recorded in the proper year. We found no exceptions.

**Debt**

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2009.
2. We inquired of management, and scanned the Cash Receipts Journal and the Cash Disbursements Journal for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. We noted neither new debt issuances, nor any debt payment activity during 2011 and 2010.

**Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for five employees from 2011 and one payroll check for five employees from 2010 from the Payroll Detail Review Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll Detail Review Report to supporting documentation (timecard, or legislatively approved rate or salary). We noted one employee that did not have a Board approved pay rate in the minutes. See step 2 below. We found no other exceptions.
  - b. We determined whether the fund and account code(s) to which the check was posted were reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. For any new employees selected in step 1 we determined whether the following information in the employees' personnel files was consistent 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 that the District failed to authorize, in the Board minutes the pay salary of one employee hired in 2010. We recommend that the District Board approve all salary or pay rates and note it in the minutes.

3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine whether remittances were timely paid, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2012	December 20, 2011	\$1,858.10	\$1,858.10
State income taxes	January 15, 2012	December 20, 2011	\$840.44	\$840.44
Local income tax	January 15, 2012	December 20, 2011	\$762.03	\$762.03
SERS retirement	January 30, 2012	December 22, 2011	\$9,425.02	\$9,425.02

#### **Payroll Cash Disbursements (Continued)**

4. We haphazardly selected and recomputed one termination payment (unused vacation, etc.) using the following information, and agreed the computation to the amount paid as recorded in the Payroll Detail Report:
  - a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The District's payout policy.

The amount paid was consistent with the information recorded in a. through c. above.

#### **Non-Payroll Cash Disbursements**

1. We haphazardly selected ten disbursements from the Cash Disbursements Journal for the year ended December 31, 2011 and ten from the year ended December 31, 2010 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 Cash Disbursements Journal 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 Section 5705.41(D.). 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 Section 5705.36(A)(1), to the amounts recorded in the Monthly Financial Report for the General Fund for the years ended December 31, 2011 and 2010. The amounts agreed.
2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether, for the General Fund, the Trustees appropriated separate for "each office, department, and division, and within each, the amount appropriated for personal services," as is required by Ohio Rev. Code Section 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.38 and 5705.40, to the amounts recorded in the Monthly Financial Report for 2011 and 2010 for the General Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Monthly Financial Report.
4. Ohio Rev. Code Sections 5705.36(A)(5) and 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General Fund for the years ended December 31, 2011 and 2010. We noted no funds for which appropriations exceeded certified resources.
5. Ohio Rev. Code Section 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, 2011 and 2010 for the General fund, as recorded in the Monthly Financial Report. We noted no funds for which expenditures exceeded appropriations.



**Compliance – Budgetary (Continued)**

6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Journal for evidence of new restricted receipts requiring a new fund during December 31, 2011 and 2010. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.
7. We scanned the 2011 and 2010 Cash Receipts Journal and Cash Disbursements Journal for evidence of interfund transfers exceeding \$1,000 which Ohio Rev. Code Sections 5705.14 -- .16 restrict. We noted that since there is only one fund, there were no interfund transfers.
8. We inquired of management and scanned the Monthly Financial Report to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the District did not establish these reserves.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Cash Disbursements Journal for the years ended December 31, 2011 and 2010 for projects requiring the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. We identified no projects subject to the aforementioned prevailing wage requirements.

**Officials' Response**

Management finds that these are two isolated instances. The District has never had issues with neither bank reconciliation nor salary authorization in the past. The error with the bank reconciliation was attributed to the date on the bank statement as closing on December 30 instead of December 31. As for the salary authorization, the District did authorize the pay salary of the employee in an executive session meeting. However, it was an oversight that an actual salary resolution was not passed and recorded in the minutes.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management, the Board of Trustees, the Auditor of State, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Charles E. Harris & Associates, Inc  
June 11, 2012

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# Dave Yost • Auditor of State

**CANTON JOINT RECREATION DISTRICT**

**STARK 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  
SEPTEMBER 20, 2012**