



Dave Yost • Auditor of State





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Jackson Township Park District  
Allen County  
P.O. Box 7095  
Lafayette, Ohio 45854

We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Jackson Township Park District, Allen County, (the Park District) for the years ended December 31, 2016 and 2015.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the Park District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the Park District's financial statements, transactions or balances for the years ended December 31, 2016 and 2015.

The Park District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

## Current Year Observations

1. **Ohio Admin. Code § 117-2-02(D)** states that all local public offices may maintain accounting records in a manual or computerized format. The records used should be based on the nature of operations and services the public office provides, and should consider the degree of automation and other factors. Such records should include:
  - (1) Cash journal, which typically contains the following information: the amount, date, receipt number, check number, account code, purchase order number, and any other information necessary to properly classify the transaction.
  - (2) Receipts ledger, which typically assembles and classifies receipts into separate accounts for each type of receipt of each fund the public office uses. The amount, date, name of the payor, purpose, receipt number, and other information required for the transactions can be recorded on this ledger.
  - (3) Appropriation ledger which may assemble and classify disbursement or expenditure/expenses into separate accounts for, at a minimum, each account listed in the appropriation resolution. The amount, fund, date, check number, purchase order number, encumbrance amount, unencumbered balance, amount of disbursement, uncommitted balance of appropriations and any other information required may be entered in the appropriate columns.

The Park District did not maintain accounting records during the period of September 2015 through December 2016. These records were completed in September 2017.

The failure to maintain accounting records violates the requirements of the Ohio Administrative Code, eliminates accountability over Park District money, and increases the risk that irregularities could occur and not be timely detected.

### Current Year Observations (Continued)

The accounting records should be maintained throughout the year. Also the other Board Members should review the records each month to help ensure they have been maintained, are up to date, and reconcile to the most recent bank statement.

2. **Ohio Rev. Code §117.38** states, in part, that each public office, other than a state agency, shall file a financial report for each fiscal year. The report shall be certified by the proper officer or board and filed with the auditor of state within sixty days after the close of the fiscal year. At the time the report is filed with the auditor of state, the chief fiscal officer, except as otherwise provided in section [319.11](#) of the Revised Code, shall publish notice in a newspaper published in the political subdivision or taxing district, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state that the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer. Any public office, that does not file its financial report at the time required by this section shall pay to the auditor of state twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments shall not exceed the sum of seven hundred fifty dollars.

The Park District filed both the 2015 and 2016 financial statements in the Hinkle System on August 11, 2017 which did not meet the 60 day deadline and an extension was not filed. The financial statements filed for 2016 did not include beginning and ending fund balances, did not classify receipts by source, and the notes to the financial statements were not complete. The financial statements filed for 2015 did not include beginning and ending fund balances, and did not classify receipts by source.

The Park District should implement procedures and/or controls, such as a reminder system, to help ensure the timely filing and notification to the public of the availability of financial statements. In addition, Ohio Revised Code Section §117.38 should be reviewed in its entirety along with Auditor of State Bulletin 2015-007 to further understand the annual filing of the Park District financial statements. Also, resources such as those found on the Auditor of State website at: <http://www.auditor.state.oh.us/references.html> should be utilized to prepare the annual financial statements and notes to the financial statements.

3. **Ohio Rev. Code §135.03** states eligible depositories include national banks and banks defined in ORC § 1101.01. **Ohio Rev. Code § 1101.01 (B)** states that a “Bank” means a corporation that solicits, receives, or accepts money or its equivalent for deposit as a business, whether the deposit is made by check or is evidenced by a certificate of deposit, passbook, note, receipt, ledger card, or otherwise. “Bank” also includes a state bank or a corporation doing business as a bank or savings bank under authority granted by the bank regulatory authority or another state of the United States or another country, but does not include a savings association, savings bank, or credit union.

The Park District maintained all money in a credit union which is not a legal depository. The failure to maintain deposits in an eligible institution may increase the Park District’s risk of a loss of public funds.

The Park District should maintain all money in an eligible depository.

### Current Year Observations (Continued)

4. **Ohio Rev. Code § 511.19**, states, in part, that a board of park commissioners shall consist of three electors. During parts of 2016 and 2015, the Park District only had two board members. The failure to operate with the required three members may impede operations of the Park District, increase the risk of errors and/or irregularities not being detected timely, and bring into question the legality of decisions made by the existing board members.

The existing board members should work with the Park District's appointing authority to ensure that the required number of members is appointed to the Board.

5. **Ohio Rev. Code § 5705.41(B)** states that expenditures cannot be made unless appropriated. The Park District did not adopt appropriations in 2016 which resulted in all disbursements exceeding appropriations.

The failure to adopt appropriations increases the risk that actual spending will exceed the Board's intended spending and could result in deficit spending.

A procedure(s) and/or control(s) should be implemented by the Park District to help ensure that appropriations are adopted each year. In addition, the adopted appropriations should not exceed estimated resources as required by Ohio Revised Code Section 5705.39. Once appropriations and estimated receipts are approved, they should be integrated into the accounting system to facilitate the monitoring of budgeted versus actual activity.

6. The Park District should have procedure and controls in place to help assure accountability over donations. The Park District received donations in 2016 and 2015 for the use of the shelter house which were recorded in the accounting records. However, no documentation other than a calendar showing the days rented, was maintained to support the amount of the donation given for the use of the shelter house. Also per inquiry with the Fiscal Officer, the donations were not deposited when received.

Failure to maintain supporting documentation and to deposit receipts timely increases the risk that errors, and/or irregularities could occur and not be detected in a timely manner.

The Park District should adopt a procedure(s) and/or control(s) to provide for the completeness and accuracy of donations. The policy should include but not be limited to maintaining a copy of the check from each donation and issuing a duplicate and pre-numbered receipt to the donor. Additionally, if the donation is paid in cash, the signature of the donor should be affixed to the duplicate receipt issued to the donor. Finally, all donations should be immediately deposited and documented in the Board Minutes.

**Current Status of Matters We Reported in our Prior Engagement**

Our prior audit reported matters on eligible depositories, integrating budgetary amounts into the accounting system, and expenditures greater than appropriations which have been repeated above as observations number 4 and 5.

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

October 5, 2017



# Dave Yost • Auditor of State

JACKSON TOWNSHIP PARK DISTRICT

ALLEN 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  
OCTOBER 17, 2017