



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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

Perry Area Joint Recreation Board  
Lake County  
3740 Center Road  
P.O. Box 491  
Perry, Ohio 44081

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Perry Area Joint Recreation Board, Lake County, Ohio (the Board), on the receipts, disbursements and balances recorded in the Board'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 Board. The Board 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 Board. 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. We recalculated the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balance recorded in the Balance Sheet to the December 31, 2016 balance in the prior year audited statements. We found an exception, noting that the January 1, 2017 beginning fund balance recorded in the Balance Sheet did not agree to the December 31, 2016 balance in the prior year audited statements. Management identified a variance of \$299, which was due to an error in the reconciliation of actual petty cash to the amount of petty cash recorded in the accounting system. We also agreed the January 1, 2018 beginning fund balance recorded in the Balance Sheet to the December 31, 2017 balance in the Balance Sheet. We found no exceptions.
3. We agreed the total per the bank reconciliation to the total of the December 31, 2018 fund cash balance reported in the Balance Sheet. We noted no exceptions. We agreed the total per the bank reconciliation to the total of the December 31, 2017 fund cash balance reported in the Balance Sheet. The amounts did not agree for December 31, 2017. Management identified this error was due to not recording a check in the accounting system in the amount of \$160.
4. We confirmed the December 31, 2018 bank account balances with the Board's financial institutions. We found no exceptions. We observed the year-end bank balance on the financial institution's website. The balance agreed. We also agreed the confirmed balances to the amounts appearing in the December 31, 2018 bank reconciliation without exception.

### **Cash – (Continued)**

5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. 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. There were no exceptions.

### **Intergovernmental and Other Confirmable Cash Receipts**

We confirmed the amounts paid from the Lake County Commissioners, Village of Perry, Village of North Perry, and Perry Township to the Board during 2018 and 2017 with the County. We found no exceptions.

- a. We inspected the Deposit Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
- b. We inspected the Deposit Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

### **Over-The-Counter Cash Receipts**

We selected a sample (agreed upon) of 10 over-the-counter cash receipts from the year ended December 31, 2018 and 10 over-the-counter cash receipts from the year ended 2017 recorded in the duplicate cash receipts book and:

- a. Agreed the receipt amount to the amount recorded in the Deposit Detail Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Deposit Detail Report to determine the 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, 2016.
2. We inquired of management, and inspected the Deposit Detail Report and Check Detail 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**

1. We selected one payroll check for five employees from 2018 and one payroll check for five employees from 2017 from the Check Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Check Detail Report 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. 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 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.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 to confirm 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 2018. We noted the following:

<b>Withholding (plus employer share, where applicable)</b>	<b>Date Due</b>	<b>Date Paid</b>	<b>Amount Due</b>	<b>Amount Paid</b>
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2019	January 2, 2019	\$1,129.85	\$1,129.88
State income taxes	January 15, 2019	January 2, 2019	235.86	235.86
Local income tax (RITA)	January 15, 2019	January 2, 2019	310.28	310.28
Local income tax (CCA)	January 15, 2019	January 2, 2019	6.95	6.95
OPERS retirement	January 30, 2019	January 4, 2019	3,437.09	3,437.09

**Non-Payroll Cash Disbursements**

We selected a sample (agreed upon) of 10 disbursements from the Check Detail 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 agreed to the check number, date, payee name and amount recorded in the Check Detail 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 Sections 5705.28(B)(2) and 5705.41(D). We found no exceptions.

### **Compliance – Budgetary**

1. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We inspected the Deposit Detail 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 Board received new restricted receipts. We observed no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the Board to establish a new fund.
2. 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.
3. 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 Section 5705.10 (I) 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 Section 117.38 requires these Board's 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 Board 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,
  - a list(s) of authorized users, and
  - a list of all credit card account transactions.
  - a. The Board did not have an established credit card policy in place, we were unable to inspect the established policy requested above and determine it is:
    - i. In compliance with HB 312 statutory requirements, and
    - ii. Implemented by the entity.
  - b. We selected 3 credit card transactions from each year ended for testing. For selected transactions we inspected documentation to determine that:
    - i. Each transaction was supported with original invoices and for a proper public purpose.

We found no exceptions.

The Board has responded to the issues discussed in this report. You may obtain a copy of their response from Michele Woltman, Fiscal Officer at (440) 259-5140.

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 Board'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 Board'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.

A handwritten signature in black ink that reads "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

August 5, 2019

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OHIO AUDITOR OF STATE  
**KEITH FABER**



**PERRY AREA JOINT RECREATION BOARD**

**LAKE 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 27, 2019**