



Dave Yost • Auditor of State





# Dave Yost • Auditor of State

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

Johnny Appleseed Metropolitan Park District  
Allen County  
2355 Ada Road  
Lima, Ohio 45801

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of the Johnny Appleseed Metropolitan Park District (the District), on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. 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 attempted to test the mathematical accuracy of the December 31, 2017 and December 31, 2016 bank reconciliations for the Beach, Campground, and Shelters bank accounts held by the District. Reconciliations were not prepared for these accounts. Allen County is custodian for the remaining portion of the District's deposits and holds the deposits in the County's deposit and investment pool; therefore, we did not perform testing of those deposit amounts.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Allen County Fund Balance Report and the District's Fund Balances Report, which only reflect the balances of the three accounts held directly by the District, to the December 31, 2015 balances documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Allen County Fund Balance Report and the District's Fund Balances Report to the December 31, 2016 balances in the Allen County Fund Balance Report and the District's Fund Balances Report. We found no exceptions.
3. We agreed the totals per the bank statements held in the District's name to the total of the December 31, 2017 and 2016 fund cash balances reported in the District's Fund Balances Report. The amounts agreed.
4. We confirmed the December 31, 2017 bank account balances for accounts held in the District's name with the District's financial institution. We found no exceptions. We also attempted to agree the confirmed balances to the amounts appearing in the December 31, 2017 bank reconciliation, however, reconciliations were not prepared for these accounts.

### Property Taxes

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017 and one from 2016:
  - a. We attempted to trace the gross receipts from the *Statement* to the amount recorded in the YTD Detail Revenue Report. The receipts in 2017 and 2016 were posted at net of fees versus gross.

Property tax receipts should be reported at the gross amount collected by the County Auditor with the related auditor and treasurer fees withheld by the County Auditor being recorded as disbursements. In 2017, the 1st Half Real Estate receipts were recorded at the net amount and tax collection fees were not recorded which resulted in the understatement of receipts and disbursements in the General Fund by \$29,950. In 2016, the 2nd Half Real Estate receipts were recorded at the net amount and tax collection fees were not recorded which resulted in the understatement of receipts and disbursements in the General Fund by \$7,532.

The failure to record property tax receipts at the gross amount resulted in the understatement of activity in the accounting records.

Property Tax Statements should be reviewed to help ensure that receipts are recorded at the gross amount and related deductions are recorded as disbursements.

- b. We inspected the YTD Detail Revenue Report to confirm 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 inspected the YTD Detail Revenue Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the YTD Detail Revenue Report to determine whether it included two real estate tax receipts plus 1 advance for 2016. The YTD Detail Revenue Report included the proper number of tax receipts for each year.

### Debt

1. The prior agreed-upon procedures documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the YTD Detail Revenue Report and YTD Detail Expenditure Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances, nor any debt payment activity during 2017 or 2016.

### Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Earning & Deduction Detailed Proof Report and:

**Payroll Cash Disbursements (Continued)**

- a. We compared the hours and pay rate, or salary recorded in the Earning & Deduction Detailed Proof Report to supporting documentation (timecard, or legislatively approved rate or salary). We found one instance where a seasonal employee's hourly rate was not approved by the Board of Trustees; however, the seasonal employee's hourly rate was agreed to a list prepared by the Director/Secretary that includes hourly rates by position and years of service for seasonal employees. All pay rates, including the list of hourly rates for seasonal employees, should be approved by the Board of Trustees. Because we did not compare all pay rates to legislatively approved rates, our report provides no assurance whether or not other similar errors occurred.
  - 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.
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, 2017 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 2017. 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	January 31, 2018	December 28, 2017	\$4,087.06	\$4,087.06
Ohio State income taxes	January 15, 2018	January 2, 2018	\$751.69	\$751.69
Local income tax - City of Lima	January 15, 2018	December 28, 2017	\$68.74	\$68.74
School District Income Tax – Wapakoneta CSD	January 15, 2018	December 28, 2017	\$20.26	\$20.26
School District Income Tax – Spencerville LSD	January 15, 2018	December 28, 2017	\$30.38	\$30.38
School District Income Tax – Ada EVSD	January 15, 2018	December 28, 2017	\$42.82	\$42.82
School District Income Tax – Cory-Rawson LSD	January 15, 2018	December 28, 2017	\$34.97	\$34.97
School District Income Tax – Columbus Grove LSD	January 15, 2018	December 28, 2017	\$27.46	\$27.46
School District Income Tax – Bluffton EVSD	January 15, 2018	December 28, 2017	\$29.32	\$29.32
OPERS retirement	January 30, 2018	January 24, 2018	\$9,415.80	\$9,415.80

### 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 Earning & Deduction Detailed Proof 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 YTD Detail Expenditure Report for the year ended December 31, 2017 and ten from the year ended 2016 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 YTD Detail Expenditure 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 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 YTD Detail Revenue Report for the General fund for the years ended December 31, 2017 and 2016. The amounts on the *Certificate* agreed to the amount recorded in the accounting system, except for the General Fund in 2017. The YTD Detail Revenue Report recorded budgeted (i.e. certified) receipts for the General fund of \$2,819,421 for 2017. However, the final *Amended Official Certificate of Estimated Resources* reflected \$3,032,350. The fiscal officer should periodically compare amounts recorded in the YTD Detail Revenue Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General fund, 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 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 YTD Detail Expenditure Report for 2017 and 2016 for the General fund. The amounts on the appropriation resolutions did not agree to the amounts recorded in the accounting system for 2017 and 2016. The YTD Detail Expenditure Report recorded budgeted appropriations for the General fund of \$5,896,595 and \$4,834,321 for 2017 and 2016 respectively. However, the final *Appropriations* reflected \$5,895,278 and \$4,732,597, respectively. The fiscal officer should periodically compare amounts recorded in the YTD Detail Expenditure Report to amounts recorded on the *Appropriations* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.

### **Compliance – Budgetary (Continued)**

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, 2017 and 2016. There were 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, 2017 and 2016 for the General fund, as recorded in the YTD Detail Expenditure Report. There were no funds for which expenditures exceeded appropriations.
6. 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.
7. We inspected the 2017 and 2016 YTD Detail Revenue Report and YTD Detail Expenditure Report for evidence of interfund transfers which Ohio Rev. Code Sections 5705.14 - .16 restrict. We found no evidence of transfers these Sections prohibit, or for which Section 5705.16 would require approval by the Tax Commissioner (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
8. We inquired of management and inspected the YTD Detail Expenditure Report to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The District did not establish these reserves.

We inquired of management and inspected the YTD Detail Expenditure Report to determine whether the District elected to establish a contingency, not designated for any particular purpose (contingency reserve balance - spending reserve) permitted by Ohio Rev. Code Section 5705.29(A)(1). The District did not establish these reserves.

9. We inspected the Allen County's Fund Balance Report and the District's Fund Balances Report for the years ended December 31, 2017 and 2016 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**

Ohio Rev. Code Section 117.38 requires these district'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, in addition to filing extensions granted for extenuating circumstances, allow for refile complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed up on procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District 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, 2017 and 2016 in the Hinkle system. There were 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*. 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 District'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 District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, 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 "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

August 2, 2018





# Dave Yost • Auditor of State

**JOHNNY APPLESEED METROPOLITAN 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  
AUGUST 21, 2018**