



Dave Yost • Auditor of State





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

Erie MetroParks  
Erie County  
3910 Perkins Avenue  
Huron, Ohio 44839-1059

We have performed the procedures enumerated below, which were agreed to by the Board of Park Commissioners (the Board) and the management of Erie MetroParks, Erie County, Ohio (the MetroPark) on the receipts, disbursements and balances recorded in the MetroPark's cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the MetroPark. The MetroPark is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2016 and 2015 and certain compliance requirements related to these transactions and balances included in the information provided to us by the MetroPark. 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 recalculated the mathematical accuracy of the December 31, 2016 and December 31, 2015 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2015 beginning fund balances recorded in the Proof of Cash and Fund Balance Report to the December 31, 2014 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2016 beginning fund balances recorded in the Proof of Cash and Fund Balance Report to the December 31, 2015 balances in the Proof of Cash and Fund Balance Report. We found no exceptions.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2016 and December 31, 2015 fund cash balances reported in the Proof of Cash and Fund Balance Reports. The amounts agreed.
4. We confirmed the December 31, 2016 bank account balances with the MetroPark's financial institution. We found no exceptions. We also agreed the confirmed balances to the amounts appearing in the December 31, 2016 bank reconciliation without exception.
5. We selected five reconciling debits (such as outstanding checks) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

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

- b. We traced the amounts and dates to the Cash Disbursement Journal, to determine the debits were dated prior to December 31. There were no exceptions.
6. We selected all reconciling credits (such as deposits in transit) haphazardly from the December 31, 2016 bank reconciliation:
  - a. We traced each credit to the subsequent January bank statement. We found no exceptions.
  - b. We agreed the credit amounts to the Cash Receipt Journal. Each credit was recorded as a December receipt for the same amount recorded in the reconciliation.
7. We inspected investments held at December 31, 2016 and December 31, 2015 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 Cash Receipts**

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the *Statement*) for 2016 and one from 2015:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Cash Receipt Journal. The amounts agreed.
  - b. We inspected the Cash Receipt Journal to confirm 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 inspected the Cash Receipt Journal to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Cash Receipt Journal to determine whether it included two real estate tax receipts for 2016 and 2015. The Cash Receipt Journal included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the Erie County Local Government Confirmation from 2016 and five from 2015.
  - a. We compared the amount from the above report to the amount recorded in the Cash Receipt Journal. The amounts agreed.
  - b. We inspected the Cash Receipt Journal to determine whether that these receipts were allocated to the proper fund. We found no exceptions.
  - c. We inspected the Cash Receipt Journal to determine whether the receipts were recorded in the proper year. We found no exceptions.

## Debt

1. From the prior audit documentation, we observed the following bonds outstanding as of December 31, 2014. These amounts agreed to the MetroPark's January 1, 2015 balances on the summary we used in step 3.

<b>Issue</b>	<b>Principal outstanding as of December 31, 2014:</b>
Judgment Bonds, Series 2011	\$533,000

2. We inquired of management, and inspected the Cash Receipt Journal and Cash Disbursement Journal for evidence of debt issued during 2016 or 2015 or debt payment activity during 2016 or 2015. All debt payments agreed to the summary we used in step 3.
3. We obtained a summary of bonded debt activity for 2016 and 2015 and agreed principal and interest payments from bank correspondence to Bond Retirement Fund payments reported in the Cash Disbursement Journal. We also compared the date the debt service payments were due to the date the MetroPark made the payments. We found no exceptions, as the MetroPark elected to pay off the entire amount outstanding, plus interest, during the agreed-upon procedures period.

## Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2016 and one payroll check for five employees from 2015 from the Payroll Detail Report and:
  - a. We compared the hours and pay rate, or salary recorded in the Payroll 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.
2. For any new employees selected in step 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, and Local income tax withholding authorization and withholding
  - f. Any other deduction authorizations (deferred compensation, etc.)

We found no exceptions related to steps a. – f. above

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

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2016 to confirm whether remittances were timely paid on-behalf of the MetroPark by the MetroPark's payroll service organization, and if the amounts paid agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding period of 2016. We noted all remittances were made on the MetroPark's behalf in the correct amounts in a timely manner.

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

We haphazardly selected ten disbursements from the Cash Disbursement Journal for the year ended December 31, 2016 and ten from the year ended December 31, 2015 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 Disbursement 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 Financial Administrator 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 Final Budget Report for the General and Bond Retirement funds for the years ended December 31, 2016 and 2015. The amounts agreed.
2. We inspected the appropriation measures adopted for 2016 and 2015 to determine whether, for the General and Bond Retirement funds, the Board 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 Final Budget Report for 2016 and 2015 for the following funds: General and Bond Retirement. The amounts on the appropriation measures agreed to the amounts recorded in the Final Budget 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 and Bond Retirement funds for the years ended December 31, 2016 and 2015. We observed no funds for which appropriations exceeded certified resources.

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

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, 2016 and 2015 for the General and Bond Retirement funds, as recorded in the Final Budget Report. We observed 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. We noted all of 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 2016 and 2015 General Ledger Reports for evidence of interfund transfers exceeding \$10,000 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 and Court of Common Pleas.
8. We inquired of management and inspected the Cash Disbursement Journal to determine whether the MetroPark elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. The MetroPark did not establish these reserves.
9. We inspected the Proof of Cash and Fund Balance Report for the years ended December 31, 2016 and 2015 for evidence of 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. We noted no funds having negative cash fund balances.

### **Other Compliance**

Ohio Rev. Code Section 117.38 requires the MetroPark to file its 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 refiling 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 MetroPark's deadline where the initial filing was filed on time but incomplete. We confirmed the MetroPark filed its 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, 2016 and 2015 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 MetroPark'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 MetroPark's receipts, disbursements and balances recorded in its cash-basis accounting records for the years ended December 31, 2016 and 2015, 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 initial "D" and a long, sweeping tail on the "y".

**Dave Yost**  
Auditor of State

Columbus, Ohio

September 11, 2017





# Dave Yost • Auditor of State

**ERIE METROPARKS**

**ERIE 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 26, 2017**