



OHIO AUDITOR OF STATE
KEITH FABER



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101 Central Plaza South
700 Chase Tower
Canton, Ohio 44702-1509
(330) 438-0617 or (800) 443-9272
EastRegion@ohioauditor.gov

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Friendship Park District
Jefferson County
P.O. Box 4004
Steubenville, Ohio 43952

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Friendship 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, 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 District. The District 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 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 recalculated the December 31, 2018 and December 31, 2017 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2017 beginning fund balances recorded in the Fund Summary Report to the December 31, 2016 balances in the prior year documentation in the prior year Basic Audit working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Summary Report to the December 31, 2017 balances in the Fund Summary Report. The amounts did not agree. The District has a Community Foundation bank account the Fiscal Agent did not include in the reconciliation in the amount of \$1,898 at December 31, 2017.
3. We agreed the totals per the bank reconciliations to the total of the December 31, 2018 and 2017 fund cash balances reported in the Fund Summary Report. The amounts did not agree. The District has a Community Foundation bank account not accounted for on the County ledgers and reconciliation in the amounts of \$1,660 and \$1,898 at December 31, 2018 and 2017, respectively.
4. We confirmed the December 31, 2018 bank account balance with the District's financial institution. We found no exceptions.

Other Confirmable Cash Receipts

1. We confirmed the amounts paid from the Jefferson County Commissioners to the District during 2018 and 2017 with the Commissioners. We found no exceptions.
 - a. We inspected the Revenue Detail Report to determine whether these receipts were allocated to the proper fund. We found no exceptions.
 - b. We inspected the Revenue Detail Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Over-The-Counter Fees

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

- a. Agreed the receipt amount to the amount recorded in the Revenue 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 Revenue 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 Revenue Detail Report and Appropriation 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 all three employees from 2018 and one payroll check for all three employees from 2017 from the Payroll Register Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Payroll Register Report to supporting documentation (timecard, or legislatively approved rate or salary). We found the Fiscal Officer should have been compensated at an approved rate of \$3,600 annually in 2018 and 2017, however, was compensated at an annual rate of \$3,692 in 2018 and 2017. This resulted in the Fiscal Officer being overcompensated by \$92 in 2018 and 2017. The Fiscal Officer reimbursed the District in full on May 17, 2019.
 - 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.

Non-Payroll Cash Disbursement

1. We selected a sample (agreed upon) of 10 disbursements from the Appropriation 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 Appropriation 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 15 instances where disbursements requiring certification were not certified and four instances where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not inspect all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Revenue Detail Report for the General fund for the years ended December 31, 2018 and 2017. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General fund, the Commissioners appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38 and 5705.40, to the amounts recorded in the Appropriation History Report for 2018 and 2017 for the General fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation History Report.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the General fund for the years ended December 31, 2018 and 2017. There was no fund for which appropriations exceeded estimated revenue.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 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, 2018 and 2017 for the General fund, as recorded in the Appropriation History Report. There was no fund for which expenditures exceeded appropriations.
6. We inspected the Fund Summary 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. The General fund did not have a negative cash fund balance.

Other Compliance

1. 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 regarding the filing of complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System. 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, 2018 and 2017 in the Hinkle system. There were no exceptions.
2. We selected 5 credit card transactions made by employees for testing. For selected transactions we inspected documentation to determine that each transaction was supported with original invoices and for a proper public purpose. 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, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.



Keith Faber
Auditor of State

Columbus, Ohio

May 29, 2019

OHIO AUDITOR OF STATE
KEITH FABER



FRIENDSHIP PARK DISTRICT

JEFFERSON 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
JUNE 18, 2019**