



Dave Yost • Auditor of State



Dave Yost • Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Darke County Park District
Darke County
4267 State Route 502
Greenville, Ohio 45331

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Darke County 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. The Darke County Treasurer is custodian for the District's deposits. We compared the District's fund balances reported on its December 31, 2017 Cash Basis Financial Statements to the balances reported in Darke County's accounting records. The amounts agreed.
2. We agreed the January 1, 2016 beginning fund balances recorded in the YTD Fund Report to the December 31, 2015 balances in the prior year 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 YTD Fund Report to the December 31, 2016 balances in the YTD Fund Report. We found no exceptions.

Property Taxes, Intergovernmental, and Other Confirmable Cash Receipts

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 traced the gross receipts from the *Statement* to the amount recorded in the Detail Revenue Transaction Listing. We also traced the advances noted on the Statement to the Detail Revenue Transaction Listing. The amounts agreed.
 - b. We inspected the Detail Revenue Transaction Listing 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 Detail Revenue Transaction Listing to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.

2. We inspected the Detail Revenue Transaction Listing to determine whether it included two real estate tax receipts plus advances for 2017 and 2016. The Detail Revenue Transaction Listing included the proper number of tax receipts for each year.
3. We selected all receipts from the State Distribution Transaction Lists (DTL) from 2017 and 2016. We also haphazardly selected five receipts from the County Auditor's Vendor History Report from 2017 and five from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Detail Revenue Transaction Listing. The amounts agreed.
 - b. We inspected the Detail Revenue Transaction Listing to determine that these receipts were allocated to the proper funds. We found no exceptions.
 - c. We inspected the Detail Revenue Transaction Listing to determine whether the receipts were recorded in the proper year. We found no exceptions.
4. We confirmed the amounts paid from the Ohio Department of Natural Resources to the District during 2017 with the Department. We found no exceptions.
 - a. We inspected the Detail Revenue Transaction Listing to determine whether these receipts were allocated to the proper fund. The Ohio Department of Natural Resources grant received in 2017 for \$150,410 was correctly recorded in fund 510 for phase IV of the Tecumseh Trail project; however this fund was incorrectly presented as a debt service fund instead of a capital projects fund. The grant was a reimbursement for previously incurred construction costs for the Tecumseh Trail project recorded in another capital projects fund. Therefore, the reimbursement grant should be presented in a capital projects fund as well. Since the accounting system is accurate, management has not made any adjustments. The District should implement procedures to verify all receipts are recorded in the proper funds and all funds are appropriately classified on the financial statements. Failure to do so could result in Findings for Adjustment in future audits.
 - b. We inspected the Detail Revenue Transaction Listing to determine whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following lease was outstanding as of December 31, 2015. This amount agreed to the District's January 1, 2016 balance on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2015:
Vehicle Lease	\$10,686.06

2. We inquired of management, and inspected the Detail Revenue Transaction Listing and Detail Expense Transaction Listing for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of promissory notes and lease debt activity for 2017 and 2016 and agreed principal and interest payments from the related debt amortization schedules to General, Debt Service, and Capital Project fund payments reported in the Detail Expense Transaction Listing. We also compared the date the debt service payments were due to the date the District made the payments. The 2017 note repayments of \$121,518.53 in principal and \$1,346.83 in interest were correctly paid from the capital projects fund in the accounting system; however this fund was incorrectly classified as a debt service fund on the financial statements. The note proceeds were recorded in the capital projects fund to be used for related purposes and therefore the repayment should have been classified there as well. Since the accounting system is correct,

management has not made any adjustments to the District's accounting system for this. The District should implement procedures to ensure all expenses are paid from the proper fund and all funds are appropriately classified on the financial statements. Failure to do so could result in Findings for Adjustment in future audits.

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Capital Projects fund per the Detail Revenue Transaction Listing. The October 2016 note proceeds of \$17,000 were not recorded in the accounting system. However, the corresponding expenditures of \$17,000 from the use of the proceeds were also not recorded; therefore the net effect on the ending balance is \$0. Due to this fact, no adjustment was required. The District should verify all transactions are recorded in the accounting system each fiscal year.
5. For new debt issued during 2017 and 2016, we inspected the debt legislation, which did not state what the District must use the proceeds for. However, the District formally approved the issuance and allowable use of the promissory notes to be used to fund the Tecumseh Trail project in advance of receiving grant monies.

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 Detail Wage Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Detail Wage 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 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 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 Detail Wage 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 Detail Expense Transaction Listing 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 Detail Expense Transaction Listing 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.
- e. We further scanned the 2017 and 2016 Detail Expense Transactions Listings and noted that capital outlay expenditures totaling \$23,136.06 for the Tecumseh Trail project were correctly paid from the capital projects fund in the accounting system; however this fund was improperly classified as a debt service fund on the financial statements. These payments should have been classified as capital projects based on their nature on the financial statement. Since the accounting system is correct, management has not made any adjustments for this in the District's accounting system. The District should implement procedures to ensure all expenses are paid from the proper fund and all funds are properly classified on the financial statements. Failure to do so could result in Findings for Adjustment in future audits.

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 Revenue Report for the General, Special Projects and Tecumseh Trail funds for the years ended December 31, 2017 and 2016. The amounts agreed.
2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General, Special Projects and Tecumseh Trail funds, 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 Expense Report for 2017 and 2016 for the following funds: General, Special Projects, and Tecumseh Trail. The amounts on the appropriation resolutions agreed to the amounts recorded in the YTD Expense 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, Special Projects and Tecumseh Trail funds 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, Special Projects and Tecumseh Trail funds, as recorded in the YTD Expense 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 Revenue Reports and YTD Expense Reports for evidence of interfund transfers exceeding \$5,000 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 (effective after June 30, 2017) or Court of Common Pleas (effective through June 30, 2017).
8. We inquired of management and inspected the Detail Expense Transaction Listing 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 Detail Expense Transaction Listing 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 YTD Fund 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 balance.

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

October 15, 2018



Dave Yost • Auditor of State

DARKE COUNTY PARK DISTRICT

DARKE 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
NOVEMBER 8, 2018**