



OHIO AUDITOR OF STATE
KEITH FABER





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Spencer Township Park District
Allen County
P.O. Box 103
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We have completed certain procedures in accordance with Ohio Rev. Code Section 117.01(G) to the accounting records and related documents of the Spencer Township Park District, Allen County, (the District) for the years ended December 31, 2018 and 2017.

Our procedures were designed solely to satisfy the audit requirements of Ohio Rev. Code Section 117.11(A). Because our procedures were not designed to opine on the District's financial statements, we did not follow *generally accepted auditing standards*. We do not provide any assurance on the District's financial statements, transactions or balances for the years ended December 31, 2018 and 2017.

The District's management is responsible for preparing and maintaining its accounting records and related documents. Our responsibility under Ohio Rev. Code Section 117.11(A) is to examine, analyze and inspect these records and documents.

Based on the results of our procedures, we found the following significant compliance or accounting issues to report.

Current Year Observations

1. The Park District utilized a debit card in 2018 and 2017 for purchases totaling \$258.20. In 2018, there were four debit card purchases, in the total amount of \$163.45 that did not have a receipt or other supporting documentation. In 2017, there were two debit card purchases, in the total amount of \$45.30 that did not have a receipt or other supporting documentation. Five of the unsupported purchases were made at a local gas station/convenience store and were similar in amount to other debit card purchases that were supported with a receipt. The remaining purchase without a receipt or other supporting documentation, was in the amount of \$53.28, and was made at a local hardware store. The hardware store appears to be a reasonable vendor for the District.

The lack of receipts or other supporting documentation for purchases increases the risk of errors and/or irregularities, and may result in findings for recovery against those authorizing the payment.

The District should not approve disbursements for payment unless there is original supporting documentation. In addition, effective February 2, 2019, Ohio Revised Code Section 9.22 restricts the use of debit cards to law enforcement agencies.

Current Year Observations (Continued)

- 2. Ohio Rev. Code § 117.38** requires entities to file their financial information in the HINKLE System within 60 days after the close of the fiscal year. Furthermore **Auditor of State Bulletin 2015-007** requires that Regulatory Cash Basis Entities file Notes to the Basic Financial Statements along with their annual financial statements.

The 2018 and 2017 financial statements were filed on January 2, 2019 and January 2, 2018, respectively. However, the financial statements did not present year to date receipt and disbursement activity by classification (i.e. receipt source and disbursement use), and did not include the notes the financial statements. As a result the financial statements filings for 2018 and 2017 were not considered completed. The District filed corrected 2018 and 2017 financial statements on May 15, 2019 and May 28, 2019, respectively.

The District should utilize the park district shell financial statements and notes to the financial statements which can be found on the Auditor of State website at: <http://www.ohioauditor.gov/references/shells/regulatory.html>.

- 3. Ohio Rev. Code § 149.351(A)** states, All records are the property of the public office concerned and shall not be removed, destroyed, mutilated, transferred, or otherwise damaged or disposed of, in whole or in part, except as provided by law or under the rules adopted by the records commissions provided for under sections 149.38 to 149.42 of the Revised Code or under the records programs established by the boards of trustees of state-supported institutions of higher education under section 149.33 of the Revised Code. Those records shall be delivered by outgoing officials and employees to their successors and shall not be otherwise removed, destroyed, mutilated, or transferred unlawfully.”

The District did not maintain copies of the bank statements for January 2017 through December 2018. The District was able to obtain electronic copies for the period of May 2017 through December 2018.

Copies of bank statements should be maintained by the District.

- 4.** The District did not integrate budgetary amounts into the accounting system. The failure to integrate budgetary amounts into the accounting system inhibits the ability to monitor budget versus actual receipts and disbursements. The budgeted receipts and appropriations should be integrated into the accounting system.

Current Status of Matters Reported in our Prior Engagement

- 5.** In addition to the matters reported as items 2 and 4 above, our prior audit for the years ended December 31, 2016 and 2015, reported that expenditures exceeded appropriations which violated Ohio Rev. Code § 5705.41(B). This matter was corrected for the year-ended December 31, 2018.



Keith Faber
Auditor of State
Columbus, Ohio

June 28, 2019

OHIO AUDITOR OF STATE KEITH FABER



SPENCER TOWNSHIP 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
JULY 11, 2019**