



OHIO AUDITOR OF STATE  
**KEITH FABER**





# OHIO AUDITOR OF STATE KEITH FABER



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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, 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 MetroPark. The MetroPark 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 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 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 Proof of Cash and Fund Balance Report to documentation in the prior year agreed-upon procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balance recorded in the Proof of Cash and Fund Balance Report to the December 31, 2017 balance 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, 2018 and December 31, 2017 fund cash balances reported in the Proof of Cash and Fund Balance Report. The amounts agreed.
4. We confirmed the December 31, 2018 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, 2018 bank reconciliation without exception.
5. We selected a sample (agreed upon) of five reconciling debits (such as outstanding checks) from the December 31, 2018 bank reconciliation:
  - a. We traced each debit to the subsequent January bank statement. We found no exceptions.

- 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 traced interbank account transfers occurring in December of 2018 and 2017 to the accounting records and bank statements to determine if they were properly recorded. We found no exceptions.
7. We inspected investments held at December 31, 2018 and December 31, 2017 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**

1. We selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes (the Statement)* for 2018 and one from 2017:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Cash Receipts Journal. The amounts agreed.
  - b. We inspected the Cash Receipts Journal 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 Cash Receipts 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 Receipts Journal to determine whether it included two real estate tax receipts for 2018 and 2017. The Cash Receipts Journal 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, 2016.
2. We inquired of management, and inspected the Cash Receipts Journal and Cash Disbursement Journal 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 five employees from 2018 and one payroll check for five employees from 2017 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 codes to which the check was posted to determine the posting was reasonable based on the employee's duties as documented in the employee's 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 employee's personnel file 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 procedures a. – f. above.

3. We inspected the last remittance of tax and retirement withholdings for the year ended December 31, 2018 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 2018. 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 and Medicare	January 31, 2019	December 27, 2018	\$2,524	\$2,524
State income taxes	January 15, 2019	December 27, 2018	536	536
Local income tax (City of Sandusky)	January 31, 2019	December 27, 2018	107	107
Local income tax (City of Vermilion)	January 31, 2019	December 27, 2018	17	17
OPERS retirement	January 30, 2019	January 10, 2019	12,823	12,823

4. We 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 Payroll Detail Report:
- a. Accumulated leave records
  - b. The employee's pay rate in effect as of the termination date
  - c. The MetroPark's payout policy.

The amount paid was consistent with the information recorded in a. through c. above

### Non-Payroll Cash Disbursements

We selected a sample (agreed upon) of ten disbursements from the Cash Disbursement Journal for the year ended December 31, 2018 and ten from the year ended December 31, 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 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 Income Statement Report for the General fund for the year ended December 31, 2018 and for the General, Acquisition Grant, and Bond Retirement funds for the year ended December 31, 2017. The amounts agreed.
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General, Acquisition Grant (2017 only), and Bond Retirement (2017 only) 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 Income Statement Report for 2018 for General Fund and 2017 for the following funds: General Fund, Acquisition Grant, and Bond Retirement. The amounts on the appropriation resolutions agreed to the amounts recorded in the Income Statement 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 Fund for the year ended December 31, 2018 and for the General, Acquisition Grant, and Bond Retirement funds for the year ended December 31, 2017. 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 General Fund for the year ended December 31, 2018 and for the General, Acquisition Grant, and Bond Retirement funds for the year ended December 31, 2017, as recorded in the Income Statement 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 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 2018 and 2017 General Ledger 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 Cash Disbursement Journals 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, 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. We noted no funds having a negative cash fund balances.

#### **Other Compliance**

1. Ohio Rev. Code Section 117.38 requires these metroparks 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 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, 2018 and 2017 in the HINKLE system. There were no exceptions.
2. For all credit card accounts we obtained:
  - copies of existing internal control policies,
  - a list of authorized users, and
  - a list of all credit card account transactions.
  - a. We selected three credit card transactions for testing. For selected transactions we inspected documentation to determine that:
    - i. Use was by an authorized user within the guidelines established in the policy, and
    - ii. Each transaction was supported with original invoices and for a proper public purpose.

We found 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, 2018 and 2017, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Keith Faber". The signature is written in a cursive, flowing style.

Keith Faber  
Auditor of State

Columbus, Ohio

May 29, 2019



# OHIO AUDITOR OF STATE KEITH FABER



**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  
JUNE 20, 2019**