



OHIO AUDITOR OF STATE
KEITH FABER



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Ashtabula Township Park Commission
Ashtabula County
1700 East 1st Street
Ashtabula, Ohio 44004

We have performed the procedures enumerated below, which were agreed to by the Board of Trustees and the management of Ashtabula Township Park Commission (the Park Commission), on the receipts, disbursements and balances recorded in the Park Commission'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 Park Commission. The Park Commission 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 Park Commission. 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 Fund Ledger Report to the December 31, 2016 balances in the prior year Agreed-Upon Procedures working papers. We found no exceptions. We also agreed the January 1, 2018 beginning fund balances recorded in the Fund Ledger Report to the December 31, 2017 balances in the Fund Ledger Report. We found no exceptions.
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 Status Report. The amounts agreed.
4. We observed the year-end bank balances on the financial institution's website. The balances agreed. 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 check register, to determine the debits were dated prior to December 31. There were no exceptions.

6. 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 and Intergovernmental Cash Receipts

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 Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report to confirm the receipt was allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. In 2017 we noted \$28,000 was allocated to the Debt Service fund instead of the General fund. We therefore requested management to adjust this amount to the Debt Service fund. We noted the fiscal officer adjusted this amount on May 6, 2020.
 - c. We inspected the Receipt Register Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.
2. We inspected the Receipt Register Report to determine whether it included two real estate tax receipts for 2018 and 2017. The Receipt Register Report included the proper number of tax receipts for each year.
3. We tested all three receipts from the State Distribution Transaction Lists (DTL) from 2018 and all three from 2017. We also selected a sample (agreed upon) of five receipts from the County Auditor's Payment Register from 2018 and five from 2017.
 - a. We compared the amount from the above reports to the amount recorded in the Receipt Register Report. The amounts agreed.
 - b. We inspected the Receipt Register Report to determine that these receipts were allocated to the proper funds. We found no exceptions.
 - c. We inspected the Receipt Register Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Miscellaneous Cash Receipts

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

- a. Agreed the receipt amount to the amount recorded in the Receipt Register Report. The amounts agreed.
- b. Confirmed the amounts charged complied with rates in force during the period. We found no exceptions.
- c. Inspected the Receipt Register Report to determine the receipt was posted to the proper funds, and was recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we observed the following loans were outstanding as of December 31, 2016. These amounts agreed to the Park Commission's January 1, 2017 balances on the summary we used in procedure 3.

Issue	Principal outstanding as of December 31, 2016:
2015 Pedestrian Bridge Loan	\$98,250
2015 CDC Loan	\$75,000

2. We inquired of management, and inspected the Receipt Register Report and Payment Register Detail Report for evidence of debt issued during 2018 or 2017 or debt payment activity during 2018 or 2017. All debt agreed to the summary we used in procedure 3.
3. We obtained a summary of the loans debt activity for 2018 and 2017 and agreed principal and interest payments from the related debt amortization schedules to Debt Service fund and Capital Projects fund payments reported in the Payment Register Detail Report. We also compared the date the debt service payments were due to the date the Park Commission made the payments. We found no exceptions.

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 Employee Wage Detail Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Employee Wage 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 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. Departments and funds 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 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:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare	January 31, 2019	January 2, 2019	\$3,270.21	\$3,270.21
State income taxes	January 15, 2019	December 31, 2018	\$557.93	\$557.93
Local income tax	January 15, 2019	December 10, 2018	\$ 57.72	\$57.72
OPERS retirement	January 30, 2019	January 3, 2019	\$3,239.53	\$3,239.53

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 Employee Wage Detail Report:
 - a. Accumulated leave records
 - b. The employee's pay rate in effect as of the termination date
 - c. The Park Commission's payout policy.

We found the amount paid was not consistent with the information recorded in a. through c. above. The employee's accrued sick time was not calculated at the 25% rate stated in the policy resulting in an overpayment of \$816.

Severance Overpayment – Finding For Recovery

The Board of Park Commissioners approved employee Sigfredo Rodriguez's sick leave payout of \$3,612 on May 21, 2018. The Park Commission sick leave payout policy states an employee who retires after ten (10) years or more with the Ashtabula Township Park Commission, or becomes disabled, may elect to be paid in cash for one-quarter (25%) of accrued but unused sick leave, to a maximum amount of two hundred forty (240) hours. The payout was incorrectly calculated and did not take 25% of the accrued but unused sick leave. The Fiscal Officer utilized Mr. Rodriguez's hourly rate of \$15.05 times the maximum amount of 240 hours or \$3,612 instead of taking 25% of the sick leave balance of 743.15 hours or 185.79 hours times \$15.05 which calculates to \$2,796. As a result, an overpayment of \$816 occurred during 2018.

	Employee	Hourly Rate	Sick Leave Balance	Sick Leave % up to Max of 240 Hours	Total Hours	Total Amount
Eligible Amount	Sigfredo Rodriguez	\$ 15.05	743.15	25%	185.79	\$ 2,796
Amount Paid	Sigfredo Rodriguez	\$ 15.05	743.15	Max	240	\$ 3,612
					Overpayment	\$ 816

In accordance with the foregoing facts and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Sigfredo Rodriguez in the amount of \$816, and in favor of the Ashtabula Township Park Commission's General Fund, in the amount of \$816.

Under Ohio law, any public official who either authorizes an illegal expenditure of public funds or supervises the accounts of a public office from which an illegal expenditure is discovered, is strictly liable for the amount of the expenditure. *Seward v. National Surety Corp.*, 120 Ohio St. 47 (1929); 1980 Op. Att'y Gen. No. 80-074; Ohio Rev. Code § 9.39; *State ex rel. Village of Linndale v. Masten*, 18 Ohio St.3d 228 (1985). Public officials controlling public funds or property are liable for the loss incurred should such funds or property be fraudulently obtained by another, converted, misappropriated, lost or stolen.

Park Commissioner Officers signed the warrants resulting in improper payments. Park Commissioners Mike Wayman, Randy Niemela, Brian Hubbard and Fiscal Officer Peggy Davis, and their bonding company, *Public Entities Pool of Ohio*, would be jointly and severally liable in the amount of \$816 and in favor of the Ashtabula Township Park Commission's General Fund.

Non-Payroll Cash Disbursements

We selected a sample (agreed upon) of ten disbursements from the Payment Register Detail Report 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 Payment Register Detail Report and to the names and amounts on the supporting invoices. We found in 2017 one instance in UAN where the check number did not match the check image due to a printing error on the check stock. We recommend these checks be voided and reprinted to match the system report.
- 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 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 Revenue Status Report for the General, Debt Service and Capital Project funds for the years ended December 31, 2018 and 2017. The Revenue Status Report recorded budgeted (i.e. certified) resources for the General and Debt Service fund of \$474,427 and \$106,945 for 2018, respectively and for the General, Debt Service and Capital Project funds of \$477,741, \$134,000 and \$900 for 2017, respectively. However, the final *Amended Official Certificate of Estimated Resources* reflected \$462,750 and \$106,945 for 2018, respectively and \$468,741 \$106,000 and \$0 for 2017, respectively. The fiscal officer should periodically compare amounts recorded in the Revenue Status Report to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Trustees may be using inaccurate information for budgeting and monitoring purposes.
2. We inspected the appropriation measures adopted for 2018 and 2017 to determine whether, for the General, Debt Service and Capital Project 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 Appropriation Status Report for 2018 and 2017 for the following funds: General, Debt Service and Capital Projects fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Appropriation Status Report, except for the General fund. The Appropriation Status Report recorded appropriations of \$657,398 and \$585,190 for 2018 and 2017, respectively. However, the final appropriations reflected \$660,271 and \$547,190 for 2018 and 2017, respectively.
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, Debt Service and Capital Projects fund for the years ended December 31, 2018 and 2017. General Fund appropriations for 2018 exceeded certified resources by \$600, contrary to Ohio Rev. Code Section 5705.39. The Trustees should not pass appropriations exceeding certified resources. Allowing this to occur could cause the District to incur fund balance deficits.

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, 2018 and 2017 for the General, Debt Service and Capital Projects fund, as recorded in the Appropriation Status Report. There were no funds for which expenditures exceeded appropriations.
6. For funds existing in prior years, inspect 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 2018 and 2017 Revenue Status Reports and Appropriation Status Reports for evidence of interfund transfers exceeding \$10 which Ohio Rev. Code Sections 5705.14 - .16 restrict. We observed the District transferred \$32,127 from the Debt Service fund to the General fund. Ohio Rev. Code Section 5705.14 does not permit this transfer without approval of the Tax Commissioner. The District did not obtain this approval. We therefore requested management to adjust this amount to the Debt Service fund. We noted the fiscal officer adjusted this amount on May 6, 2020.
8. We inquired of management and inspected the Appropriation Status Reports 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.
9. We inspected the Cash Summary by Fund 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. No funds had a negative cash fund balances.

Other Compliance

1. Ohio Rev. Code Section 117.38 requires these Park Commission'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 Park Commission 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. 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 inspected the established policy obtained above and determined it is:
 - i. In compliance with the HB 312 statutory requirements, and
 - ii. Implemented by the entity.We found no exceptions.

- b. We selected 3 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 Park Commission'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 Park Commission'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

June 08, 2020

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OHIO AUDITOR OF STATE KEITH FABER



ASHTABULA TOWNSHIP PARK COMMISSION

ASHTABULA 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 23, 2020**