



**Mary Taylor, CPA**  
Auditor of State





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## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Holmes Park District  
Holmes County  
1 Trail Drive, Suite A  
Millersburg, Ohio 44654

We have performed the procedures enumerated below, with which the Board of Trustees and the management of the Holmes Park District, Holmes County, Ohio, (the District) agreed, solely to assist the Board in evaluating receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2009 and 2008, and certain compliance requirements related to these transactions and balances. Management is responsible for recording transactions; and management and the Board are responsible for complying with the compliance requirements. 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*. 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. Holmes County is custodian for the District's deposits.
2. We agreed the January 1, 2008 beginning fund balance recorded in the Budget Report maintained by Holmes County to the December 31, 2007 balances in the prior year audited statements. We found no exceptions.

### Property Taxes, Intergovernmental and Other Confirmable Cash Receipts

1. We selected all property tax receipts from the *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2009 and 2008:
  - a. We traced the gross receipts from the *Statement* to the amount recorded in the Transaction History Report – Revenues. The gross amounts did not agree to the Transaction History Report – Revenues as the receipts were posted at net. The deduction totaled \$3,251 in 2009 and \$2,398 in 2008.
  - b. We determined whether the receipts were allocated to the proper funds as required by Ohio Rev. Code Sections 5705.05-.06 and 5705.10. We found no exceptions.
  - c. We determined whether the receipts were recorded in the proper year. The receipts were recorded in the proper year.
2. We scanned the Transaction History Report - Revenues to determine whether it included the proper number of tax receipts for 2009 and 2008:
  - a. Two personal property tax receipts were posted in 2008. One personal property tax receipt was posted in 2009, as personal property tax was phased out.

### **Property Taxes, Intergovernmental and Other Confirmable Receipts (Continued)**

- b. Two real estate tax receipts.  
We noted the Transaction History Report - Revenues included the proper number of tax settlement receipts for each year.
3. We selected four receipts from the State Distribution Transaction Lists (DTL) from 2009 (District only had four receipts) and four from 2008 (District only had four receipts). We also selected one receipt from the County Auditor's Vendor Report from 2009 (District only had one receipt) and one from 2008 (District only had one receipt).
  - a. We compared the amount from the DTL and Holmes County's Vendor Report to the amount recorded in the Transaction History Report - Revenues. The amounts agreed.
  - b. We determined whether these receipts were allocated to the proper funds. We found no exceptions.
  - c. We determined 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 2008 with the Department. We found no exceptions.
  - a. We determined whether these receipts were allocated to the proper fund. We found no exceptions.
  - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.
5. The District received \$120,000 from a donor in 2008. We agreed this amount to the Transaction History Report - Revenues. We noted the donor restricted the donation to the purchase of land and trail development. The District spent this amount on land acquisition and trail development and repairs during 2009 and 2008.

### **Fees**

We haphazardly selected 10 fees from the year ended December 31, 2009 (fees were not tested for 2008 as the revenues did not represent 10% of all funds' receipts) recorded in the duplicate cash receipts book and determined whether the:

- a. Receipt amount agreed to the amount recorded in the Transaction History Report - Revenues. The amounts agreed.
- b. Amount charged complied with rates in force during the audit period. We found no exceptions.
- c. Receipt was posted to the proper fund, and was recorded in the proper year. We found no exceptions.

### **Debt**

1. We inquired of management, and scanned the Transaction History Report - Revenues and the Transaction History Report - Expenses for evidence of bonded or note debt issued during 2009 or 2008 or outstanding as of December 31, 2009 or 2008. We noted no new debt issuances or any debt payment activity during 2009 or 2008.

### **Payroll Cash Disbursements**

1. We haphazardly selected one payroll check for three employees from 2009 (District only had three employees) and one payroll check for three employees from 2008 (District only had three employees) from the Holmes County Payroll Distribution Report and determined whether the following information in the employees' personnel files was consistent 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.

**Payroll Cash Disbursements (Continued)**

- 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 steps a. – f. above.

2. We tested the checks we selected in step 1, as follows:
  - a. We compared the hours and pay rate, or salary amount used in computing gross pay to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions.
  - b. We recomputed gross and net pay and agreed it to the amount recorded in the payroll register. We did not complete this step as the District's system is automated.
  - c. We determined whether the fund and account code to which the check was posted was reasonable based on the employees' duties as documented in the employees' personnel files. We also determined whether the payment was posted to the proper year. We found no exceptions.
3. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2009 to determine whether remittances were timely paid, and that the amounts paid agreed to the amounts withheld during the final withholding period during 2009. We noted the following:

<u>Withholding</u>	<u>Date Due</u>	<u>Date Paid</u>	<u>Amount Withheld</u>	<u>Amount Paid</u>
Federal income taxes	01/31/10	12/30/09	\$50,339.74	\$50,339.74
State income taxes	01/15/10	12/30/09	11,960.22	11,960.22
Local income tax	01/31/10	12/28/09	21,753.77	21,753.77
OPERS retirement (withholding plus employee share)	01/30/10	01/19/10	151,892.03	151,892.03

Since the District's employees payroll and related withholdings are paid by Holmes County, the aforementioned remittances were for all County employees which included the District's employees.

4. 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 Holmes County Payroll Distribution 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 Transaction History Report - Expenses for the year ended December 31, 2009 and ten from the year ended 2008 and determined whether:
  - a. The disbursements were for a proper public purpose. We found no exceptions.

**Non-Payroll Cash Disbursements (Continued)**

- 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 Transaction History 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 Section 5705.41(D). We found two (one from both 2009 and 2008) instances where the certification date was after the vendor invoice date. Ohio Rev. Code Section 5705.41(D) requires certifying at the time of a commitment, which should precede the invoice date.

**Compliance – Budgetary**

1. We compared the total from the *Amended Official Certificate of Estimated Resources*, required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Receipt Report for the General and Capital Project funds for the years ended December 31, 2009 and 2008. The amounts agreed.
2. We scanned the appropriation measures adopted for 2009 and 2008 to determine whether, for the General 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 Budget Report for 2009 and 2008 for the following funds: General Fund and Capital Project Fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Budget Report.
4. Ohio Rev. Code Section 5705.39 prohibits appropriations from exceeding the certified resources. We compared total appropriations to total certified resources for the General and Capital Project funds for the years ended December 31, 2009 and 2008. We noted 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, 2009 and 2008 for the General and Capital Project funds, as recorded in the Budget Report. We noted no funds for which expenditures exceeded appropriations.
6. Ohio Rev. Code Section 5705.09 requires establishing separate funds to segregate externally-restricted resources. We scanned the Receipt Report for evidence of new restricted receipts requiring a new fund during December 31, 2009 and 2008. We also inquired of management regarding whether the District received new restricted receipts. We noted no evidence of new restricted receipts for which Ohio Rev. Code Section 5705.09 would require the District to establish a new fund.
7. We scanned the 2009 and 2008 Transaction History Report - Revenues and Transaction History Report - Expenses for evidence of interfund transfers exceeding \$100 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 and Court of Common Pleas.

**Compliance – Budgetary (Continued)**

8. We inquired of management and scanned the Budget Reports to determine whether the District elected to establish reserve accounts permitted by Ohio Rev. Code Section 5705.13. We noted the District did not establish these reserves.

**Compliance – Contracts & Expenditures**

1. We inquired of management and scanned the Transaction History Report - Expenses report for the years ended December 31, 2009 and 2008 for procurements requiring competitive bidding. During 2009, the District competitively bid the County Trail Phase 1 Repair; however, the District's bylaws did not comply with Ohio Rev. Code Section 1545.09(A) requiring the District to adopt bylaws or rules establishing a procedure for contracting for professional, technical, consulting, and other special services.

We identified a County Trail Phase 1 Repair project which was competitively bid by the District following ORC Section 153.50 – 153.52 in lieu of bylaws or rules pursuant to ORC 1545.09(A). For this project, we noted that the Board advertised the project in a local newspaper, selected the lowest responsible bidder, and entered into a contract directly with the contractor upon the terms, conditions, and limitations of the bid.

2. For the County Trail Phase 1 Repair project described in step 1 above, we read the contract and noted that it required the contractor to pay prevailing wages to their employees as required by Ohio Rev. Code Sections 4115.04 and 4115.05. The contract included the Ohio Department of Commerce's schedule of prevailing wage rates.

**Officials' Response:** In response to exception noted in the Property Taxes, Intergovernmental and Other Confirmable Cash Receipts section, the officials' response is that they will work with the County Auditor's Office to correct this.

In response to exception noted in the Non-Payroll Cash Disbursements section, the officials' response is that they will work with the County Auditor's Office to correct this.

In response to exception noted in the Compliance – Contracts & Expenditures section, the officials' response is that they will work to amend its bylaws accordingly.

We were not engaged to, and did not conduct an examination, the objective of which would be the expression of an opinion on the District's receipts, disbursements, balances and compliance with certain laws and regulations. Accordingly, we do not express an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of management and those charged with governance and is not intended to be, and should not be used by anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

April 30, 2010





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**HOLMES PARK DISTRICT**

**HOLMES 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 8, 2010**