



Dave Yost • Auditor of State

MEAD TOWNSHIP PARK DISTRICT
BELMONT COUNTY

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Mead Township Park District
Belmont County
536 West 42nd Street
Shadyside, Ohio 43947

We have performed the procedures enumerated below, with which the Board of Park Commissioners and the management of the Mead Township Park District, Belmont 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, 2011 and 2010, 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. We tested the mathematical accuracy of the December 31, 2011 and December 31, 2010 bank reconciliations. We found no exceptions.
2. We agreed the January 1, 2010 beginning balance recorded in the Transaction Register to the December 31, 2009 balance in the prior year documentation in the prior year Agreed-Upon Procedures working papers. We found no exceptions. However, the District reconciles cash in accordance with the financial institution's bank statement cutoff date which occurs in the middle of each month instead of using the month end or fiscal year end cutoff date. We recommend the Fiscal Officer use the last day of each month as the cutoff date for the monthly cash reconciliations.
3. We agreed the total per the bank reconciliations to the total of the December 31, 2011 and 2010 cash balance reported in the Transaction Register. The amounts agreed.
4. We confirmed the December 31, 2011 bank account balance with the District's financial institution. We found no exceptions. We also agreed the confirmed balance to the amount appearing in the December 31, 2011 bank reconciliation without exception.

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Cash (Continued)

5. We selected the two outstanding checks from the December 31, 2011 bank reconciliation:
 - a. We traced each check to the subsequent January bank statement. We found no exceptions.
 - b. We traced the amounts and dates to the transaction register, to determine the checks were dated prior to December 31. We noted no exceptions.

Intergovernmental and Other Confirmable Cash Receipts

1. We selected five receipts from the County Auditor's Cross Reference Report by Vendor Number from 2011 and five from 2010.
 - a. We compared the amount from the above report to the amount recorded in the Receipt Ledger. The amounts agreed.
 - b. We determined whether these receipts were allocated to the proper account. We found no exceptions.
 - c. We determined whether the receipts were recorded in the proper year. We found no exceptions.
2. We confirmed the amounts paid from the Ohio Department of Natural Resources Clean Ohio Trails Fund (COTF) to the District during 2011 and 2010 with the Department. We found no exceptions.
 - a. We determined whether these receipts were allocated to the proper account. We found no exceptions.
 - b. We determined whether the receipts were recorded in the proper year. We found no exceptions.

Debt

1. From the prior agreed-upon procedures documentation, we noted the following line of credit outstanding as of December 31, 2009. This amount agreed to the District's January 1, 2010 balance on the summary we used in step 3.

Issue	Principal outstanding as of December 31, 2009:
Line of Credit	\$5,334

2. We inquired of management, and scanned the Receipt Ledger and Appropriation Ledger for evidence of debt issued during 2011 or 2010 or debt payment activity during 2011 or 2010. All debt noted agreed to the summary we used in step 3.
3. We obtained a summary of the lines of credit debt activity for 2011 and 2010 and agreed principal and interest payments from the related financial institution commercial loan invoices to payments reported in the Appropriation Ledger. We also compared the date the debt service payments were due to the date the District made the payments. We found two exceptions. The District did not report a donation in the amount of \$4,400 in the Receipt Ledger. This donation was paid directly to the bank for the February 2011 line of credit payment and was also not recorded in the Appropriation Ledger. In addition, the District recorded the entire line of credit payment of \$99,000 in the Appropriation Ledger during November 2010. The line of credit payments actually spanned from December 2010 through July 2011. We recommend the Fiscal Officer post all debt payments to the Appropriation Ledger in the year actually made.

Debt (Continued)

4. We agreed the amount of debt proceeds from the debt documents to amounts recorded in the Receipt Ledger. The amounts agreed.
5. For new debt issued during 2011 and 2010, we inspected the debt legislation, noting the District must use the proceeds to improve outdoor recreational opportunities for Ohioans by funding trails for outdoor pursuits of all kinds. We scanned the Appropriation Ledger and noted the District performed work on the trail in February 2010 through January 2011.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for the one employee from 2011 and one payroll check for the one employee from 2010 from the Appropriation Ledger and:
 - a. We compared the salary recorded in the Appropriation Ledger to the legislatively approved salary. We found no exceptions.
 - b. We recomputed gross and net pay and agreed it to the amount recorded in the Appropriation Ledger. We found no exceptions.
 - c. We determined whether the account code to which the check was posted was reasonable based on the employees' duties as documented in the minute record. We also determined whether the payment was posted to the proper year. We found no exceptions.
2. We scanned the last remittance of tax and retirement withholdings for the year ended December 31, 2011 to determine 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 2011. We noted the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Medicare	1/31/2012	1/4/2012	\$13.05	\$13.05
OPERS retirement	1/30/2012	1/4/2012	\$36.00	\$36.00

Non-Payroll Cash Disbursements

1. From the Appropriation Ledger, we re-footed checks recorded as disbursements for *improvement to site* for 2011. We found no exceptions.
2. We haphazardly selected ten disbursements from the Appropriation Ledger for the year ended December 31, 2011 and ten from the year ended 2010 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 Appropriation Ledger and to the names and amounts on the supporting invoices. We found no exceptions.
 - c. The payment was posted consistent with the restricted purpose for which the cash can be used. We found no exceptions.

Non-Payroll Cash Disbursements (Continued)

- 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 three instances in 2011 and five instances in 2010 where the certification date was after the vendor invoice date, and there was also no evidence that a *Then and Now Certificate* was issued. Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(D) requires certifying at the time of a commitment, which should be on or before the invoice date, unless a *Then and Now Certificate* is used. Because we did not test all disbursements requiring certification, our report provides no assurance whether or not additional similar errors occurred.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Amended Official Certificate of Estimated Resources* required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.36(A)(1), to the amounts recorded in the Receipt Ledger for the years ended December 31, 2011 and 2010. The amounts on the *Certificates* did not agree to the amount recorded in the accounting system for 2011 and 2010. The Receipt Ledger recorded budgeted (i.e., certified) resources of \$47,554 for 2011 and \$370,087 for 2010. However, the final *Amended Official Certificate of Estimated Resources* reflected \$41,630 for 2011 and \$232,330 for 2010. The Fiscal Officer should periodically compare amounts recorded in the Receipt Ledger to amounts recorded on the *Amended Official Certificate of Estimated Resources* to assure they agree. If the amounts do not agree, the Park Commissioners may be using inaccurate information for budgeting and monitoring purposes.
2. We scanned the appropriation measures adopted for 2011 and 2010 to determine whether the Park Commissioners appropriated separately for “each office, department, and division, and within each, the amount appropriated for personal services,” as is required by Ohio Rev. Code Sections 5705.28(B)(2) and 5705.38(C). We found no exceptions.
3. We compared total appropriations required by Ohio Rev. Code Sections 5705.28(B)(2), 5705.38 and 5705.40, to the amounts recorded in the Appropriation Ledger for 2011 and 2010. The amounts on the appropriation resolutions did not agree to the amounts recorded in the Appropriation Ledger. The District recorded appropriations in the Appropriation Ledger in the amounts of \$42,100 and \$150,850 for 2011 and 2010, respectively. Appropriations passed by the Park Commissioners were \$37,380 and \$233,557 for 2011 and 2010, respectively. We recommend the Fiscal Officer properly record all budgetary data into the Appropriation Ledger in order to prevent the loss of budgetary control over expenditures.
4. Ohio Rev. Code Section 5705.28(B)(2)(c) prohibits appropriations from exceeding the estimated revenue available for expenditure (receipts plus beginning unencumbered cash). We compared total appropriations to total estimated revenue for the years ended December 31, 2011 and 2010. We noted that appropriations did not exceed estimated revenue.
5. Ohio Rev. Code Sections 5705.28(B)(2) and 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, 2011 and 2010, as recorded in the Appropriation Ledger. We noted that expenditures for 2011 exceeded total appropriations by \$13,537, contrary to Ohio Rev. Code Sections 5705.28(B)(2) and 5705.41(B). The Fiscal Officer should not certify the availability of funds and should deny payment requests exceeding appropriations. The Fiscal Officer may request the Park Commissioners to approve increased expenditure levels by increasing appropriations and amending estimated resources, if necessary, and if resources are available.

Compliance – Contracts & Expenditures

1. We inquired of management and scanned the Appropriation Ledger report for the years ended December 31, 2011 and 2010 for procurements requiring competitive bidding under Article IX of the District's Bylaws, adopted pursuant to Ohio Rev. Code Section 1545.09(A), which states in procuring any goods, the Board shall contract as a contracting authority under Section 307.86 to 307.91 of the Ohio Revised Code, to the same extent and with the same limitations as a Board of County Commissioners. The above noted sections require competitive bidding for purchases of goods exceeding \$25,000.

We identified a walking trail project exceeding \$25,000, subject to Article IX of the District's Bylaws. For this project, we noted that the Board advertised the project in a local newspaper, and selected the lowest responsible bidder.

2. For the walking trail 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: We did not receive a response from Officials to the exceptions reported above.

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, those charged with governance, and others within the District, and is not intended to be, and should not be used by anyone other than these specified parties.



Dave Yost
Auditor of State

April 25, 2012

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MEAD TOWNSHIP PARK DISTRICT

BELMONT 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
MAY 10, 2012**