



Dave Yost • Auditor of State

**KNOX COUNTY PARK DISTRICT
KNOX COUNTY
DECEMBER 31, 2017 AND 2016**

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Knox County Park District
Knox County
117 East High Street, Suite 224
Mount Vernon, Ohio 43050

We have performed the procedures enumerated below, which were agreed to by the Board of Commissioners and the management of the Knox County Park District (the District), on the receipts, disbursements and balances recorded in the District's cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to those transactions and balances, included in the information provided to us by the management of the District. The District is responsible for the receipts, disbursements and balances recorded in the cash basis accounting records for the years ended December 31, 2017 and 2016 and certain compliance requirements related to these transactions and balances included in the information provided to us by the District. The sufficiency of the procedures is solely the responsibility of the parties specified in this report.

Consequently, we will 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. Knox County is custodian for the District's deposits, and therefore the County's deposit and investment pool holds the District's assets. We confirmed the District's fund balance reported on its December 31, 2017 annual financial report to the balances reported in Knox County's accounting records. The amounts agreed.
2. We agreed the January 1, 2016 beginning fund balances recorded in the Knox County YTD Fund Report to the December 31, 2015 balances in the prior year audited statements. We found no exceptions. We also agreed the January 1, 2017 beginning fund balances recorded in the Knox County YTD Fund Report to the December 31, 2016 balances in the Knox County YTD Fund Report. We found no exceptions.

Property Taxes and Intergovernmental Receipts

1. We haphazardly selected a property tax receipt from one *Statement of Semiannual Apportionment of Taxes* (the Statement) for 2017 and one from 2016:
 - a. We traced the gross receipts from the *Statement* to the amount recorded in the Detail Revenue Report. The amounts agreed.
 - b. We inspected the Detail Revenue Report 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 Detail Revenue Report to confirm whether the receipt was recorded in the proper year. The receipt was recorded in the proper year.

Property Taxes and Intergovernmental Receipts (Continued)

2. We inspected the Detail Revenue Report to determine whether it included two real estate tax receipts for 2017 and 2016. The Detail Revenue Report included the proper number of tax receipts for each year.
3. We haphazardly selected five receipts from the State Distribution Transaction Lists (DTL) from 2017 and all receipts from 2016. We also haphazardly selected five receipts from the County Auditor's Detail Revenue report from 2017 and five from 2016.
 - a. We compared the amount from the above reports to the amount recorded in the Detail Revenue Report. The amounts agreed.
 - b. We inspected the Detail Revenue Report to determine that these receipts were allocated to the proper fund. We found no exceptions.
 - c. We inspected the Detail Revenue Report to determine whether the receipts were recorded in the proper year. We found no exceptions.

Miscellaneous Receipts

We haphazardly selected 10 miscellaneous receipts from the year ended December 31, 2017 recorded in the Detail Revenue Report and:

- a. We agreed the receipt amount to the amount recorded in the Detail Revenue Report. The amounts agreed.
- b. We inspected the Detail Revenue Report to determine the receipt was posted to the proper fund, and was recorded in the proper year. We found two receipts, one for \$5,000 another for \$40,000 both were posted to the correct fund and year, but were improperly classified as miscellaneous receipts instead of Intergovernmental receipts. However, because we did not inspect all receipts, our report provides no assurance regarding whether or not similar errors occurred.

Debt

1. The prior audit documentation disclosed no debt outstanding as of December 31, 2015.
2. We inquired of management, and inspected the Detail Revenue Report and Detail Expense Report for evidence of debt issued during 2017 or 2016 or debt payment activity during 2017 or 2016. There were no new debt issuances, nor any debt payment activity during 2017 or 2016.

Payroll Cash Disbursements

1. We haphazardly selected one payroll check for five employees from 2017 and one payroll check for five employees from 2016 from the Earnings & Deduction Report and:
 - a. We compared the hours and pay rate, or salary recorded in the Earnings & Deduction Report to supporting documentation (timecard, or legislatively approved rate or salary). We found no exceptions
 - b. We inspected the fund and account code 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.

Payroll Cash Disbursements

2. For any new employees selected in procedure 1 we inspected the employees' 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 & 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, 2017 to determine whether remittances were timely charged by the fiscal agent (Knox County), and if the amounts charged agreed to the amounts withheld, plus the employer's share where applicable, during the final withholding, period of 2017. We found the following:

Withholding (plus employer share, where applicable)	Date Due	Date Paid	Amount Due	Amount Paid
Federal income taxes & Medicare (and social security, for employees not enrolled in pension system)	January 31, 2018	December 22, 2017	\$ 430.32	\$ 430.32
State income taxes	January 15, 2018	December 22, 2017	\$ 80.44	\$ 80.44
Local income tax	January 31, 2018	December 11, 2017	\$ 83.78	\$ 83.78
OPERS retirement	January 31, 2018	December 14, 2017	\$ 1,573.20	\$ 1,573.20

Non-Payroll Cash Disbursements

1. We haphazardly selected ten disbursements from the Detail Expense Report for the year ended December 31, 2017 and ten from the year ended 2016 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 Detail Expense 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 5705.41(D). We found no exceptions.

Compliance – Budgetary

1. We compared the total estimated receipts from the *Certificate of the Total Amount From All Sources Available For Expenditures and Balances* required by Ohio Rev. Code Section 5705.36(A)(1), to the amounts recorded in the Detail Revenue Budget Report for the General fund for the years ended December 31, 2017 and 2016. The amounts agreed.

Compliance – Budgetary (Continued)

2. We inspected the appropriation measures adopted for 2017 and 2016 to determine whether, for the General fund, the 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 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 Detail Expense Budget Report for 2017 and 2016 for the General fund. The amounts on the appropriation resolutions agreed to the amounts recorded in the Detail Expense Budget 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 years ended December 31, 2017 and 2016. Appropriations did not exceed certified resources in the General fund.
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, 2017 and 2016 for the General fund, as recorded in the Detail Expense Budget Report. Expenditures did not exceed appropriations in the General fund.
6. We inquired of management and inspect the Detail Expense Budget Report 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.
7. We inspected the Cash Summary by Fund Report for the years ended December 31, 2017 and 2016 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. The General Fund had no negative cash fund balances.

Other Compliance

Ohio Rev. Code Section 117.38 requires these district'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, in addition to filing extensions granted for extenuating circumstances, allow for refiling complete financial statements, as defined in AOS Bulletin 2015-007 in the Hinkle System for December 31, 2017 and 2016 fiscal year ends included in 2015-2016 or 2016-2017 agreed-upon procedure engagements, subsequent to the District's deadline where the initial filing was filed on time but incomplete. We confirmed the District 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, 2017 and 2016 in the Hinkle system. There were 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 District'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 District's receipts, disbursements and balances recorded in their cash-basis accounting records for the years ended December 31, 2017 and 2016, and certain compliance requirements related to these transactions and balances and is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive, flowing style.

Dave Yost
Auditor of State

Columbus, Ohio

May 24, 2018

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KNOX COUNTY PARK DISTRICT

KNOX 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 14, 2018**